nykode therapeutics

INTERIM REPORT

1ST QUARTER 2024

Oslo, Norway, May 14, 2024 – Nykode Therapeutics ASA (OSE: NYKD), a clinical-stage biopharmaceutical company dedicated to the discovery and development of novel immunotherapies, today announced its unaudited financial results for the quarter ended March 31, 2024.

FINANCIAL RESULTS FOR Q1 2024

- Total revenue and other income of USD 1.0 million, compared to USD 3.3 million for the first quarter of 2023.
- Total operating expenses of USD 16.6 million, compared to USD 18.0 million for the first quarter of 2023.
- Net loss of USD 14.9 million, compared to a net loss of USD 10.4 million for the first quarter of 2023.
- Strong cash position of USD 147.3 million as of March 31, 2024.

HIGHLIGHTS FOR Q1 2024

Highlights for the first quarter 2024:

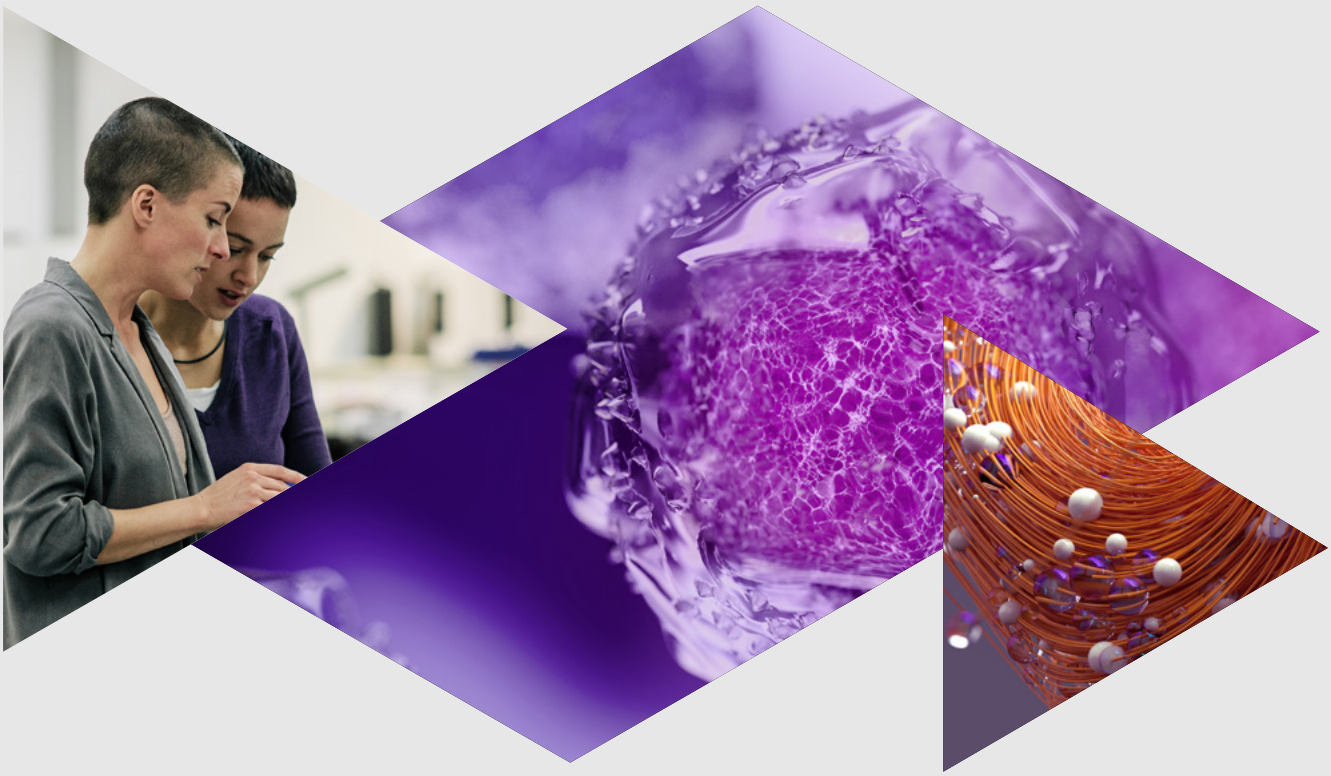
- Updated survival data from the Phase 2 VB-C-02 trial in advanced cervical cancer affirm prolonged benefits and indicate a synergistic treatment effect of Nykode's VB10.16 and atezolizumab (Tecentriq®). The updated survival data closely mirrors the previously reported positive outcome with an observation time for remaining patients of at least 24 months compared to at least 12 months at the previous reported outcome. The data support the accelerated development of VB10.16, including the potential U.S. pivotal trial VB-C-04 in recurrent or metastatic cervical cancer, and advancing of the program into earlier stages of cervical cancer and expanding into head and neck cancer. Nykode will present detailed data in a future scientific publication or at a forthcoming conference.
- For the first time, Nykode demonstrated a significant effect in a therapeutic setting using a preclinical model for Multiple Sclerosis (MS) with its inverse vaccine platform. The new data also illustrate the strong contribution of the specific targeting unit and confirm that the disease protection is antigen-specific.
- Presented additional preclinical data on the inverse vaccine platform, demonstrating that it provides long-term protection against the development of diabetes in the T1D model following treatment withdrawal. The preclinical data, which were presented at the annual J.P Morgan Healthcare Conference, again illustrate the potential of Nykode's technology in the field of autoimmune diseases.

Highlights after March 31, 2024:

- Initiated the Phase 2 VB-C-04 trial in second line HPV16-positive cervical cancer, evaluating VB10.16 alone or in combination with Roche's checkpoint inhibitor atezolizumab in patients with HPV16-positive, PD-L1-positive, recurrent, or metastatic cervical cancer. The Phase 2 trial will be conducted in the U.S. in collaboration with The GOG Foundation, a U.S. based not-for-profit organization with the purpose of promoting excellence in the quality and integrity in clinical trials in gynecologic malignancies.
- Concluded enrollment of the 6 mg cohort in the VB-C-03 trial, evaluating VB10.16 in combination with pembrolizumab in first-line head and neck cancer patients.
- Presented new preclinical data from our collaboration with Genentech, focusing on the differentiation of our proprietary vaccine technology.

Michael Engsig, Chief Executive Officer at Nykode, comments:

"We are immensely proud of the progress Nykode has achieved this quarter, marking significant milestones across our clinical and preclinical programs. The latest results from our Phase 2 VB-C-02 trial not only reaffirm the prolonged benefits of VB10.16 in combination with atezolizumab for advanced cervical cancer, but also strongly support its accelerated development into a potential US pivotal trial. Furthermore, our innovative inverse vaccine platform has demonstrated promising potential in autoimmune disease management, showing significant effects in a Multiple Sclerosis preclinical model. This quarter's achievements underscore Nykode's commitment to advancing groundbreaking treatments that could transform patient care in cancer and auto-immune diseases."



KEY FINANCIAL FIGURES

	1st Quarter		Full Year
Amounts in USD '000	**2024**	2023	2023
Total revenue and other income	1,016	3,307	13,323
Total operating expenses	16,620	17,989	71,405
Operating profit (loss)	**(15,604)**	**(14,682)**	**(58,082)**
Net profit (loss) for the period	**(14,944)**	**(10,361)**	**(35,154)**
Net cash flow	(14,180)	(20,151)	(44,995)
Cash and cash equivalents, end of period	147,296	186,163	162,602
Outstanding shares, end of period	326,546,444	295,494,309	326,546,444
Cash and cash equivalents/total assets	77%	91%	78%
Equity ratio	83%	72%	82%
Equity	158,720	148,260	171,259
Total assets	191,891	205,272	208,185
Employees, average	175	154	159
Employees, end of period	176	158	173

R&D UPDATE

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

Oncology

VB10.16

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

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

Status and highlights

The VB-C-02 trial in cervical cancer patients reported positive final efficacy results and was also well tolerated. The updated results, which closely mirror the previously reported positive C-02 outcomes, affirm prolonged benefits and indicate a synergistic treatment effect of VB10.16 plus atezolizumab compared to the historical controls of monotherapy with checkpoint inhibitors. The updated analysis' observation time for the remaining patients was at least 24 months, compared to at least 12 months at the previously reported outcome The data announced indicate enhanced clinical activity over checkpoint inhibitor monotherapy and existing standard of care. It supports the next steps for Nykode's potentially registrational VB-C-04 trial which will enroll PD-L1+ patients with one prior line of systemic therapy.

The VB-C-03 trial will assess the safety and efficacy of VB10.16 in combination with pembrolizumab in first-line head and neck cancer patients. The trial is being conducted across eight countries in Europe. As of today, 15 clinical sites out of the expected 23 sites in total have been activated. The safety run-in phase for the lowest dose of 3 mg was successfully concluded and enrollment in the next dose level (6 mg) has been concluded. The highest dose level (9 mg) will be initiated upon the safety clearance of the 6 mg dose level.

The VB-C-04 trial will investigate VB10.16 in combination with atezolizumab in patients with HPV16+ recurrent/metastatic cervical cancer who are refractory to pembrolizumab with chemotherapy with or without bevacizumab. The trial was initiated in April 2024 and enrollment is now ongoing. Enrollment of Part 1 of the trial is expected finalized by year-end 2024. In total 36 sites are currently selected to participate in the trial which is being conduc-

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

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

ted as a US-only trial. FDA IND approval has been obtained in 2023.

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

VB10.NEO

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

- Clinical trial VB-N-02:
  - VB10.NEO, 3-9 mg dose escalation, in combination with atezolizumab
  - Cancer indications: Locally advanced and metastatic tumors covering more than ten indications
  - Clinical stage: Phase 1b
  - Clinical trial is active, not recruiting
  - ClinicalTrials.gov Identifier: NCT05018273

Status and highlights

As per protocol, a safety clearance of the 9 mg dose has been conducted in the VB-N-02 trial with VB10.NEO, with no safety concerns. Trial is ongoing, but enrollment has been concluded.

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

NYK011

In December 2023, Nykode announced the expansion of its oncology pipeline with a preclinical program aimed at reducing the burden of colorectal cancer. NYK011 is a potential first-in-class preclinical oncology vaccine program to prevent and treat colorectal cancer, which typically develops from premalignant polyps in the colon or rectum. The program aims to identify and intervene early in high-risk patients and those with developed malignancies. Utilizing a selection of tumor-associated antigens linked to the progression from colonic polyps to cancer, the vaccine leverages Nykode's 4th module second-generation technology, enhancing immune responses across diverse patient groups. This approach capitalizes on Nykode's expertise in generating strong CD8 T cell responses against tumor-associated antigens.

Infectious Diseases

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

Autoimmune Disorders

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

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

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

At the annual J.P. Morgan Healthcare Conference in January 2024, Nykode presented additional data on the inverse vaccine platform, demonstrating that it provides long-term protection against the development of diabetes in the T1D model following treatment withdrawal.

At the 7th Antigen-specific Immune Tolerance Summit in Boston in March 2024, Nykode also demonstrated a significant effect in a therapeutic setting in the preclinical model for Multiple Sclerosis (MS). The data also illustrated the strong contribution of the specific targeting unit and confirmed that the disease protection is antigen-specific.

Other

At the American Association for Cancer Research (AACR) in April 2024, Nykode presented data on delivery of APC-targeted neoepitope vaccines using mRNA-LNP. mRNA delivery of APC targeted vaccines led to faster and broader T cell responses compared to standard mRNA vaccines with identical antigens in a head-to-head comparison. Almost a doubling of the number of immunogenic antigens was observed when targeting these to APCs compared to no targeting. The immune responses were primarily driven by CD8 T cells. Thus, whether delivered via DNA or mRNA, the APC-targeted approach is superior leading to stronger and broader T cell responses.

FINANCIAL REVIEW

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

Income statement for the first quarter 2024

The first quarter of 2024 showed a net loss of USD 14.9 million compared to a net loss of USD 10.4 million for the same period in 2023.

Total revenue and other income amounted to USD 1.0 million, compared to USD 3.3 million for the same period in 2023. Revenue from contracts with customers was USD 0.8 million (USD 3.1 million), and relates to R&D services provided under the agreements with Genentech and Regeneron. Other income was USD 0.2 million (USD 0.2 million) and relates to government grants.

Total operating expenses amounted to USD 16.6 million, compared to USD 18.0 million for the same period in 2023. Employee benefit expenses were USD 8.8 million in the first quarter of 2024 (USD 6.7 million). The increase in employee benefit expenses is mainly due to the increased number of employees. Other operating expenses decreased from USD 10.9 million in the first quarter of 2023 to USD 7.2 million in the first quarter of 2024.

Net financial income and costs were negative USD 0.8 million in the first quarter of 2024 (USD 2.7 million positive). Finance income and finance costs mainly relate to interest income, movements in foreign currency exchange rates and interest expense on lease liabilities. The decrease is mainly due to fluctuations in USD/NOK exchange rate.

The Group recognized tax income of USD 1.5 million in the first quarter of 2024 compared to a tax income of USD 1.6 million in the same period of 2023. The income tax expense is primarily related to movement in deferred tax.

Statement of financial position

Cash and cash equivalents amounted to USD 147.3 million at March 31, 2024 compared to USD 162.6 million at December 31, 2023.

Total equity amounted to USD 158.7 million at March 31, 2024, compared to USD 171.3 million at December 31, 2023. The decrease is mainly due to the net loss for the period of USD 14.9 million.

Other non-current receivables were USD 30.1 million (USD 31.9 million), which mainly reflects the NOK 325 million (USD 29.0 million) payment to the Norwegian Tax Authorities in the fourth quarter of 2023 following their negative decision. Nykode has appealed the decision to the Norwegian Tax Administration (Norw: Skatteklagenemda).

Trade and other payables amounted to USD 4.0 million at March 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 2023 compared to year-end 2022.

At March 31, 2024, total contract liability amounted to USD 7.7 million, compared to a contract liability of USD 8.2 million at December 31, 2023. The contract liability is mainly due to timing of invoicing to Genentech as well as recognition of the service component under the Genentech agreement.

Cash flow for the first quarter 2024

Net change in cash and cash equivalents was negative USD 14.2 million in the first quarter of 2024 compared to negative USD 20.2 million for the same period in 2023.

Net cash flow from operating activities was negative USD 13.9 million in the first quarter of 2024 (USD 20.0 million negative).

Net cash flow from investing activities was positive USD 0.1 million in the first quarter of 2024 (USD 0.7 million negative). The amounts mainly relate to interest received.

Net cash flow from financing activities was negative USD 0.3 million in the first quarter of 2024 (USD 0.5 million positive).

OUTLOOK FOR THE NEXT 12 MONTHS

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

Dose level recommendation for the VB-C-03 trial determining the biological optimal dose of VB10.16 in combination with a fixed dose of pembrolizumab in H2 2024.
Finalization of enrolment for Part 1 of the VB-C-04 trial (VB10.16) in Q4 2024.
Update on Nykode's APC targeted vaccine technology delivered by mRNA in Q2 2024.
Update on Nykode's autoimmune disease program in Q2 2024.
Update on preclinical oncology vaccine program aimed at preventing and treating colorectal cancer (NYK011) in H2 2024.
Presentation of detailed clinical data from the updated analysis of the VB-C-02 trial (VB10.16) in advanced cervical cancer in a future scientific publication or at a forthcoming conference.

The company is in continuous dialogue with academic and industrial entities and will announce new key collaborations and partnerships if or when they may occur. News flow from the programs under the Genentech and Regeneron agreements is subject to approval by the respective partners.

Disclaimer

This announcement and any materials distributed in connection with this announcement may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect the company's current expectations and assumptions as to future events and circumstances that may not prove accurate.

A number of material factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

About Nykode

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

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

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

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in USD '000	Notes	**Q1 2024**	Q1 2023
Revenue from contracts with customers	4	827	3,126
Other income	5	189	181
Total revenue and other income		**1,016**	**3,307**
Employee benefit expenses	6.1	8,822	6,657
Other operating expenses	6.2	7,228	10,867
Depreciation		570	465
Operating profit (loss)		**(15,604)**	**(14,682)**
Finance income		2,245	3,308
Finance costs		3,089	618
Profit (loss) before tax		**(16,448)**	**(11,992)**
Income tax expense (income)		(1,504)	(1,631)
Profit (loss) for the period		**(14,944)**	**(10,361)**
Other comprehensive income:			
Items that subsequently may be reclassified to profit or loss:			
Foreign currency translation effects		2	—
Total items that may be reclassified to profit or loss		2	—
Total other comprehensive income for the period		**2**	**—**
Total comprehensive income for the period		**(14,942)**	**(10,361)**
Earnings per share ("EPS"):			
Basic EPS - profit or loss attributable to equity holders		(0.05)	(0.04)
Diluted EPS - profit or loss attributable to equity holders		(0.05)	(0.04)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Amounts in USD '000	Notes	31/03/2024	31/12/2023
ASSETS			
Non-current assets			
Property, plant and equipment		4,242	4,413
Right-of-use assets		5,686	6,104
Intangible assets		68	70
Other non-current receivables	4	30,063	31,923
Total non-current assets		**40,059**	**42,510**
Current assets			
Trade receivables		220	—
Other receivables		4,316	3,073
Cash and cash equivalents		147,296	162,602
Total current assets		**151,832**	**165,675**
TOTAL ASSETS		**191,891**	**208,185**
EQUITY AND LIABILITIES			
Equity			
Share capital	7	367	367
Share premium		128,986	128,986
Other capital reserves		17,298	15,395
Other components of equity		(3,046)	(3,048)
Retained earnings		15,115	29,559
Total equity		**158,720**	**171,259**
Non-current liabilities			
Non-current lease liabilities		3,744	4,269
Non-current provisions		1	2
Other non-current liabilities		864	—
Deferred tax liabilities		10,543	12,047
Total non-current liabilities		**15,152**	**16,318**
Current liabilities			
Government grants	5	98	104
Current lease liabilities		1,387	1,457
Trade and other payables		3,993	7,064
Current provisions		4,794	3,750
Current contract liabilities	4	7,747	8,233
Income tax payable		—	—
Total current liabilities		**18,019**	**20,608**
Total liabilities		**33,171**	**36,926**
TOTAL EQUITY AND LIABILITIES		**191,891**	**208,185**

Oslo, May 13, 2024

Martin Nicklasson Chair of the Board	**Anders Tuv** Board Member	**Bernd Robert Seizinger** Board Member
Harald Arnet Board Member	**Birgitte Volck** Board Member	**Christian Åbyholm** Board Member
Anne Whitaker Board Member	**Elaine Sullivan** Board Member	**Michael Thyrring Engsig** CEO

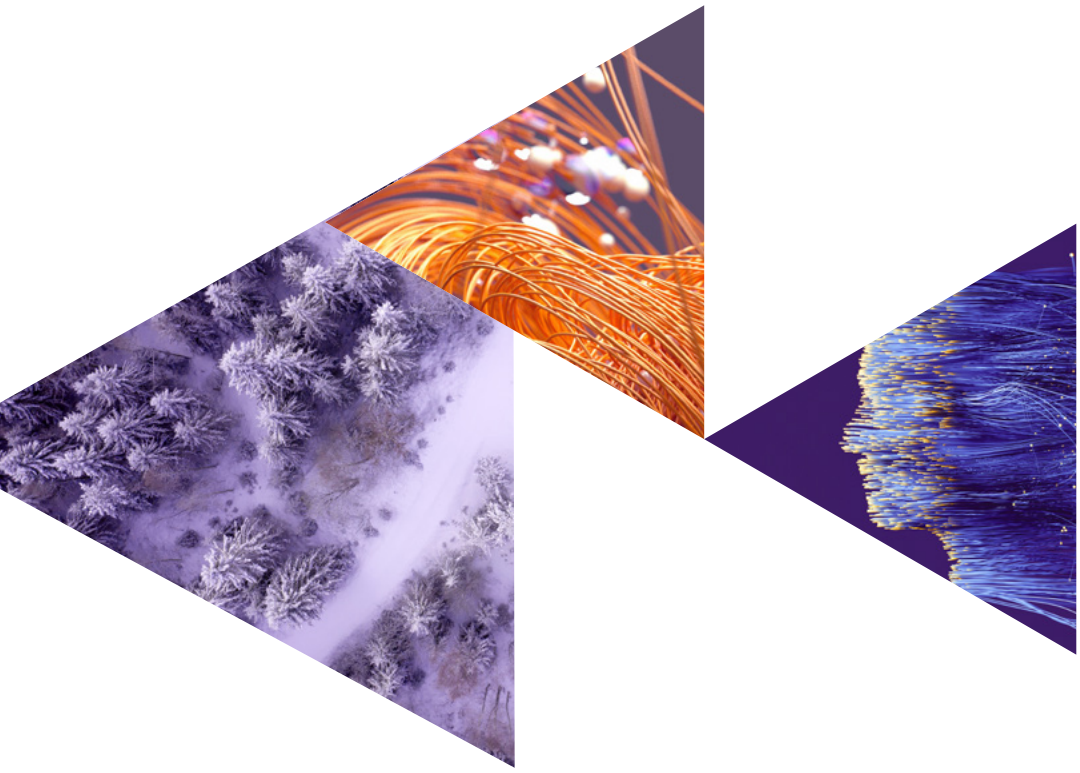
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Amounts in USD '000	Notes	**Q1 2024**	Q1 2023
Cash flows from operating activities			
Profit (loss) before tax		(16,448)	(11,993)
Adjustments to reconcile profit before tax to net cash flows:			
Income tax expense		—	—
Net financial items		747	(2,479)
Depreciation of property, plant and equipment		186	136
Depreciation of Right-of-use assets		385	329
Share-based payment expense		2,403	775
Working capital adjustments:			
Changes in trade receivables and other receivables		437	(1,303)
Changes in contract assets and other long-term receivables	4	—	(1)
Changes in trade and other payables and other liabilities		(2,208)	(2,543)
Changes in contract liabilities, current provisions and government grants		552	(2,904)
Changes in non-current provisions		(1)	(20)
Net cash flows from operating activities		**(13,947)**	**(20,004)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(12)	(692)
Interest received		89	1
Net cash flows from investing activities		**77**	**(692)**
Cash flow from financing activities			
Proceeds from issuance of equity		—	828
Payments of the principal portion of the lease liability		(260)	(238)
Payments of the interest portion of the lease liability		(50)	(46)
Interest paid		—	—
Net cash flows from financing activities		**(310)**	**544**
Net increase/(decrease) in cash and cash equivalents		**(14,180)**	**(20,151)**
Cash and cash equivalents at beginning of the year/period		162,602	206,386
Net foreign exchange difference		(1,126)	(72)
Cash and cash equivalents, end of period		**147,296**	**186,163**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Amounts in USD '000	Share capital	Share premium	Other capital reserves	Other components of equity	Retained earnings	Total equity
Balance at December 31, 2023	**367**	**128,986**	**15,395**	**(3,048)**	**29,559**	**171,259**
Profit (loss) for the period	—	—	—	—	(14,944)	**(14,944)**
Other comprehensive income	—	—	—	2	—	**2**
Issue of share capital	—	—	—	—	—	**—**
Share based payments (Note 10)	—	—	1,903	—	500	**2,403**
Balance at March 31, 2024	**367**	**128,986**	**17,298**	**(3,046)**	**15,115**	**158,720**

Amounts in USD '000	Share capital	Share premium	Other capital reserves	Other components of equity	Retained earnings	Total equity
Balance at December 31, 2022	**338**	**83,318**	**11,694**	**(3,044)**	**64,712**	**157,018**
Profit (loss) for the period	—	—	—	—	(10,361)	**(10,361)**
Other comprehensive income	—	—	—	—	—	**—**
Issue of share capital	1	827	—	—	—	**828**
Share based payments (Note 10)	**—**	**—**	775	—	—	**775**
Balance at December 31, 2023	**339**	**84,145**	**12,469**	**(3,044)**	**54,351**	**148,260**



NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 General Information

The condensed consolidated interim financial statements of Nykode Therapeutics ASA and its subsidiary ("Nykode" or "the Group") for the period ended March 31, 2024 were authorized by the Board of Directors on May 13, 2024. Nykode's shares are traded on the Oslo Stock Exchange, with the ticker symbol NYKD. Nykode Therapeutics ASA is incorporated and domiciled in Norway, and the address of its registered office is Gaustadalléen 21, 0349 Oslo, Norway.

The Group consists of clinical-stage biopharmaceutical companies, dedicated to the discovery and development of novel immunotherapies for the treatment of cancer and autoimmune diseases. Nykode's modular vaccine technology specifically targets antigens to Antigen Presenting Cells, which have been shown to induce broad, strong and long-lasting antigen specific immune response in cancer, which correlates with clinical responses. Nykode's lead product candidates are VB10.16, a therapeutic vaccine for the treatment of human papilloma virus 16 induced malignancies which demonstrated positive efficacy and safety results from its Phase 2 trial for the treatment of cervical cancer. VB10.16 is being expanded into multiple trials for treatment of head and neck cancer and cervical cancer. VB10.NEO, an individualized cancer neoantigen vaccine, is exclusively out licensed to Genentech Inc. ("Genentech"), a member of the Roche Group. The Group has collaborations with Genentech within oncology and a multi-target collaboration with Regeneron Pharmaceuticals Inc. ("Regeneron") within oncology and infectious diseases.

2 Basis of preparation and significant account policies

The condensed consolidated interim financial statements of the Group comprise statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and selected explanatory notes. The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union ("EU"). The condensed consolidated interim financial statements are unaudited.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Nykode's annual financial statements as at December 31, 2023. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of Nykode's annual financial statements for the year ended December 31, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. The interim financial statements are presented in United States dollar (USD) which is also the functional currency of the parent company. Amounts are reported in whole thousands (USD '000) except when otherwise stated. Further, the interim financial statements are prepared based on the going concern assumption.

3 Material accounting judgements, estimates and assumptions

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

In preparing the condensed consolidated interim financial statements, the material judgments, estimates and assumptions made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those applied to Nykode's annual financial statements for the year ended December 31, 2023.

4 Operating segment and Revenue from contracts with customers

The Group is organized as one operating segment.

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

Non-current assets	**31/03/2024**	31/12/2023
Norway	39,209	41,593
Denmark	850	917
Total non-current assets	**40,059**	**42,510**

Revenue from contracts with customers

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

Revenue from contracts with customers	**Q1 2024**	Q1 2023
Major products and services		
R&D services	827	3,126
Total revenue	**827**	**3,126**

Geographical distribution	**Q1 2024**	Q1 2023
United States of America	827	3,126
Total revenue	**827**	**3,126**

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

Timing of revenue recognition	**Q1 2024**	Q1 2023
Goods/services transferred at a point in time	121	588
Services transferred over time	706	2,538
Total revenue	**827**	**3,126**

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

	2024	2023
Within one year	5,376	13,039
More than one year	2,378	4,928
Total	**7,754**	**17,967**

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

Contract assets/liabilities (-)	**31/03/2024**	31/12/2023
At 1 January	**(8,233)**	**(19,736)**
Transferred to trade receivables	(220)	(542)
Rendering of services in the period	706	12,045
Total contract assets/liabilities (-)	**(7,747)**	**(8,233)**

The changes to contract assets/liabilities in the period are related to fulfilling the performance obligation related to the service component under the agreement with Genentech, less the amount transferred to trade receivables.

5 Government grants

Grant from SkatteFUNN

The Group has one active R&D projects approved by SkatteFUNN (a Norwegian government R&D tax incentive program designed to stimulate R&D in Norwegian trade and industry). The Group has recognized USD 0.1 million in the first quarter of 2024 (Q1 2023: USD 0.1 million) classified as other income.

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

Grants from the Research Council of Norway

The Group had one grant from the Research Council of Norway, programs for user-managed innovation area (BIA) in the first quarter of 2024. The grant ("Development of a highly efficient and robust manufacturing process for personalized DNA vaccines") amounts to a total of USD 2.7 million and covers the period from January 2020 to March 2024. The Group has recognized USD 0.1 million in the first quarter of 2024 (Q1 2023: USD 0.1 million) classified as other income.

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

6.1 Employee benefit expenses

Due to the decrease in Nykode's share price during the first quarters of 2024 and 2023, there is a corresponding decrease in the accrual for social security tax related to share-based payments. For the first quarter of 2024 this resulted in a decrease of employee benefit expenses of USD 0.0 million, compared to a decrease of USD 0.2 million for the first quarter of 2023.

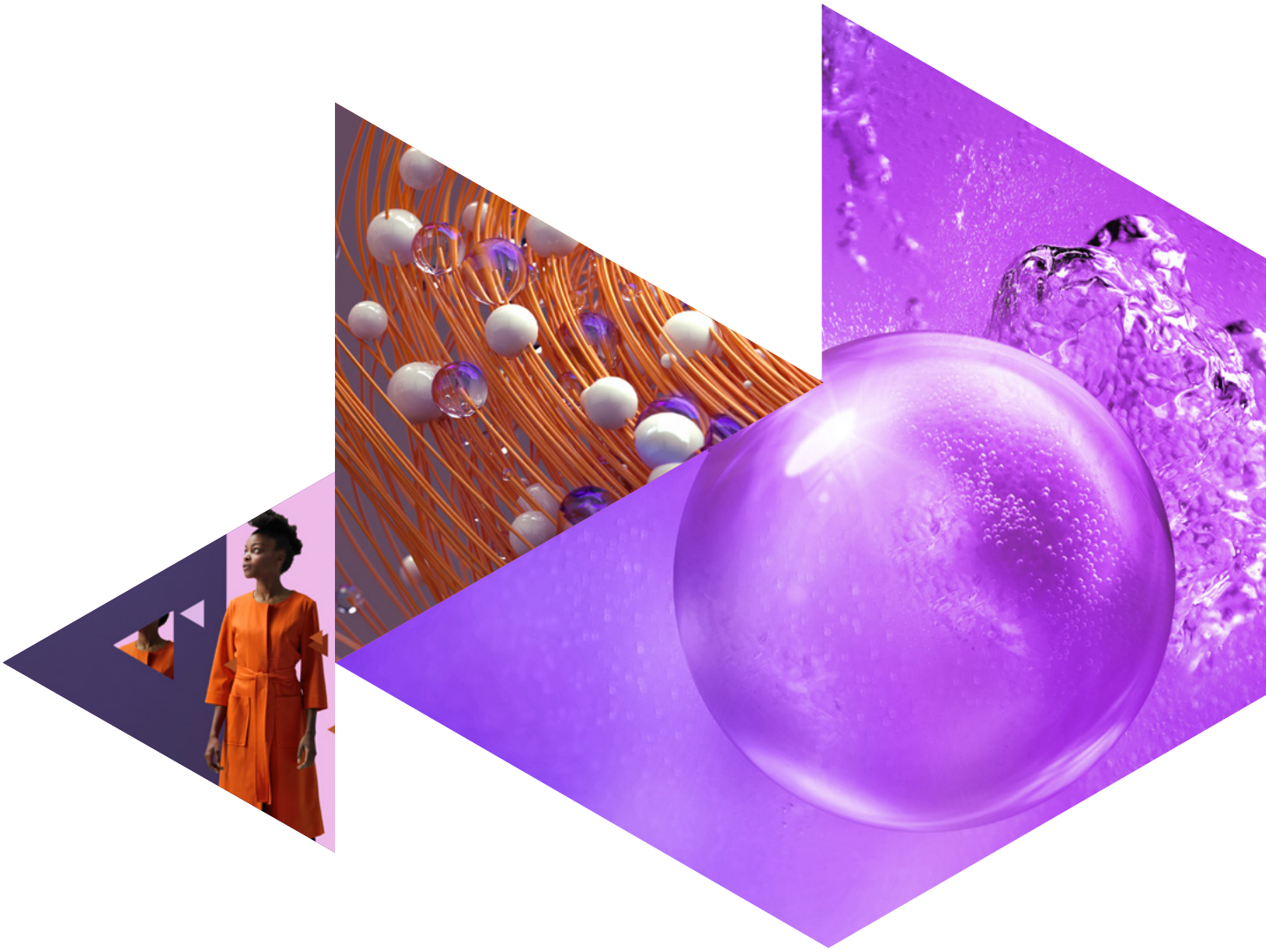
6.2 Other operating expenses

Other operating expenses consisted mainly of research and development expenses, consulting fees and legal expenses in the first quarters of 2024 and 2023. Total research and development expenses were USD 10.9 million in the first quarter of 2024 (Q1 2023: USD 13.2 million), recognized as employee benefit expenses, other operating expenses and depreciation in the statement of comprehensive income.

7 Financial income and costs

Finance income	Q1 2024	Q1 2023
Gain on foreign exchange	251	1,101
Interest income	1,994	2,207
Total finance income	**2,245**	**3,308**

Finance costs	Q1 2024	Q1 2023
Loss on foreign exchange	3,036	570
Interest expenses	2	2
Interest expense on lease liabilities	51	46
Total finance costs	**3,089**	**618**



8 Equity and Shareholders

Issued capital and reserves:

Share capital in Nykode Therapeutics ASA	Number of shares authorized and fully paid	Par value per share (NOK)	Share capital (USD '000)
At January 1, 2023	**294,694,309**	**0.01**	**338**
Share capital increase			
February 1, 2023	800,000	0.01	1
October 31, 2023	29,549,400	0.01	27
November 10, 2023	531,802	0.01	—
November 28, 2023	796,933	0.01	1
December 7, 2023	174,000	0.01	—
At December 31, 2023	**326,546,444**	**0.01**	**367**
At March 31, 2024	**326,546,444**	**0.01**	**367**

The share capital increase at October 31, 2023 relates to a private placement.
All other share capital increases in the periods are related the exercise of warrants.
All shares are ordinary and have the same voting rights and rights to dividends.

Nykode's shareholders:

Shareholders in Nykode Therapeutics ASA at March 31, 2024	Total shares	Ownership/ Voting rights
RASMUSSENGRUPPEN AS	30,180,750	9.24%
Datum Opportunity AS	26,000,000	7.96%
Radforsk Investeringsstiftelse	24,057,000	7.37%
Victoria India Fund AS	17,705,175	5.42%
State Street Bank And Trust Comp	12,665,816	3.88%
Datum AS	12,560,250	3.85%
Joh Johannson Eiendom AS	10,561,631	3.23%
Norda ASA	7,996,755	2.45%
Vatne Equity AS	6,536,344	2.00%
Om Holding AS	6,519,525	2.00%
Hortulan AS	5,184,808	1.59%
Portia AS	4,500,000	1.38%
Krag Invest AS	4,470,100	1.37%
Alden AS	4,202,500	1.29%
Skips AS Tudor	3,365,000	1.03%
Borgano AS	3,300,000	1.01%
Danske Invest Norge Vekst	3,137,203	0.96%
Danske Invest Norske Instit. Ii.	2,983,200	0.91%
Verdipapirfondet First Generator	2,443,440	0.75%
Lani Invest AS	2,399,916	0.73%
Other Shareholders	135,777,031	41.58%
Total	**326,546,444**	**100.00%**

9 Financial instruments

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

	Financial instruments at amortized cost	Financial instruments at fair value through profit or loss	Total
As at March 31, 2024			
Assets			
Other non-current receivables	30,063	—	30,063
Trade receivables	220	—	220
Other receivables	4,316	—	4,316
Other current financial assets			
Cash and cash equivalents	147,296	—	147,296
Total financial assets	**181,895**	**—**	**181,895**
Liabilities			
Trade and other payables	3,993	—	3,993
Non-current lease liabilities	3,744	—	3,744
Current lease liabilities	1,387	—	1,387
Total financial liabilities	**9,124**	**—**	**9,124**
As at December 31, 2023			
Assets			
Other long-term receivables	31,923	—	31,923
Trade receivables	—	—	—
Other receivables	3,073	—	3,073
Other current financial assets			
Cash and cash equivalents	162,602	—	162,602
Total financial assets	**197,598**	**—**	**197,598**
Liabilities			
Trade and other payables	7,064	—	7,064
Non-current lease liabilities	4,269	—	4,269
Current lease liabilities	1,457	—	1,457
Total financial liabilities	**12,790**	**—**	**12,790**

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

10 Share based payments

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

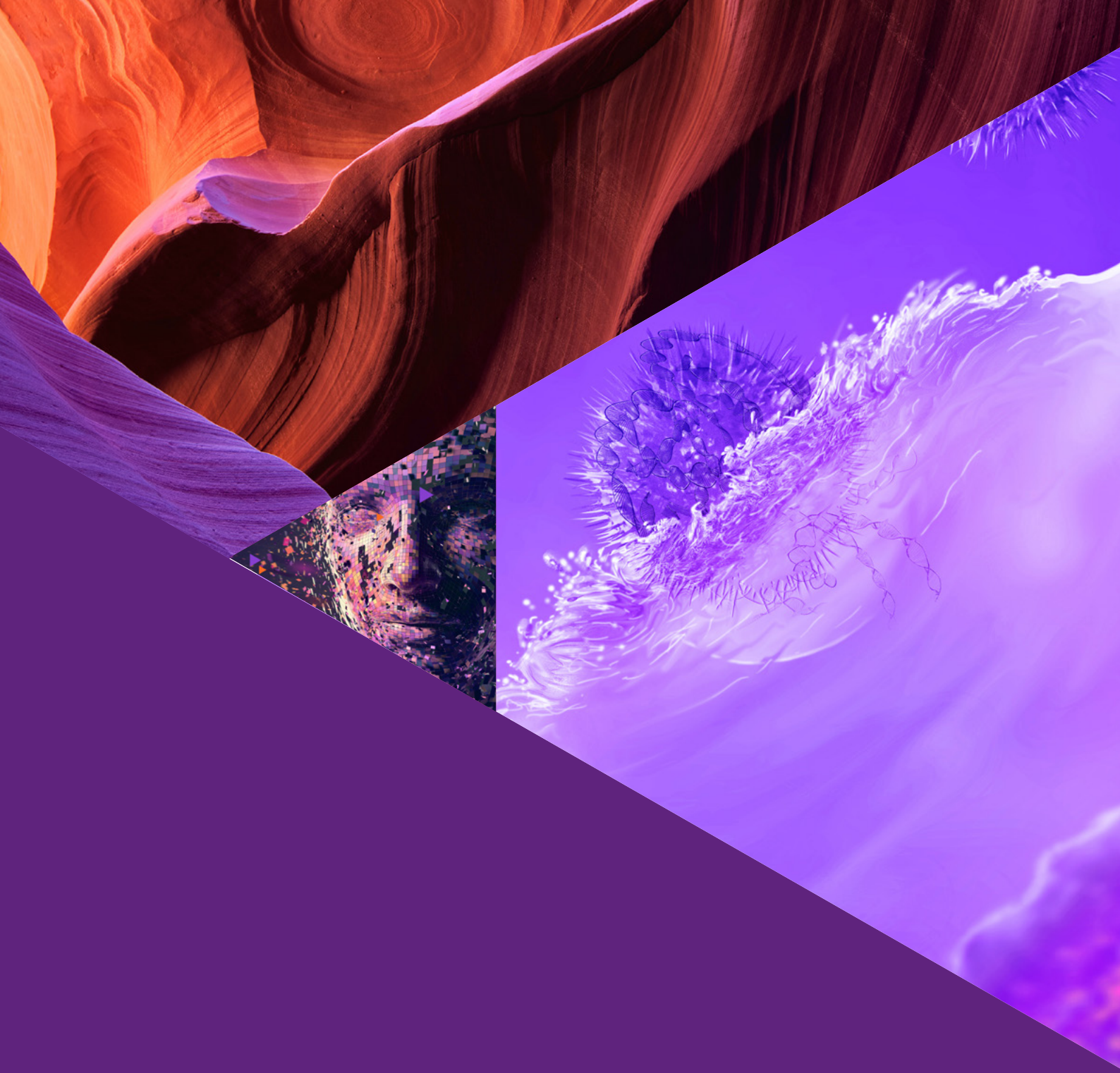
	2024 WAEP (NOK)	2024 Number
Outstanding options at January 1	**32.13**	**10,951,751**
Options granted	18.91	160,000
Options forfeited	—	—
Options exercised	—	—
Options expired	—	—
Outstanding options at March 31	**31.66**	**11,111,751**

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

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

11 Events after the reporting date

There are no significant events after the reporting date.



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