Annual Report 2022

ultimovacs

CONTENTS

Overview

01

Governance

03

Directors' report

02

Financial Statements - Ultimovacs Group

04

Financial Statements - Ultimovacs ASA

05

Overview | 01

- Ultimovacs at a glance
- About Ultimovacs
- Interview with Chief Scientific Officer
- Letter from the CEO

Ultimovacs at a Glance

A clinical stage immuno-oncology biotech company on a mission to extend and improve the lives of patients.

UN Sustainable development goals

TECHNOLOGY

UV1 - Universal cancer vaccine

- Target expressed in 85-90% of cancers at all stages at tumor life
- Used in combination with immune checkpoint inhibitors (CPI)
- Off-the-shelf, easy to use

TET - Technology platform

- Combines adjuvant and vaccine antigen in same molecule
- Can be applied to many types of cancers and multiple product candidates

PIPELINE

Phase I:

- Four studies, total of 82 patients (in follow-up)
- Strong signals of clinical efficacy and good safety
- Dual Fast Track and Orphan Drug designations for malignant melanoma from FDA
- Prostate cancer, non-small cell lung cancer, malignant melanoma (two studies)

Phase II:

- Five studies, combination with five CPIs, >670 patients to be enrolled, 100 hospitals, 15 countries
- Malignant melanoma, mesothelioma, head and neck cancer, ovarian cancer, non-small cell lung cancer
- Studies completed enrollment in 2022: INITIUM (NIPU in January 2023)
- Readouts expected from H1 2023

Pre-clinical / Clinical

Phase I:

- TENDU - prostate cancer (enrollment completed in 2022)

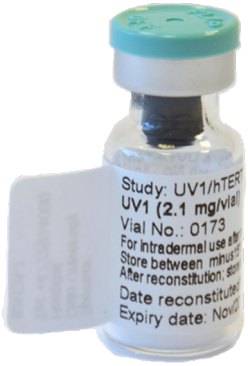
OTHER HIGHLIGHTS

- 25 employees from 7 nationalities
- Offices in Norway & Sweden
- Listed on the Euronext Oslo Stock Exchange (OSE: ULTI)
- Total cash year-end 2022: MNOK 425 (appr. MUSD 43)
- Financial runway to mid-2024
- Debt free
- Market cap year-end 2022: NOK 3.8 billion (appr. MUSD 380)

About Ultimovacs

Ultimovacs ASA is a clinical-stage biotech company developing novel immunotherapies against cancer. The Company was founded in 2011 and was listed on the Euronext Oslo Stock Exchange (ULTI) in 2019. In 2022, Ultimovacs had a team of 25 people. At year-end, total cash was MNOK 425 and market cap NOK 3.8 billion.

Lead product, UV1, is a proprietary universal cancer vaccine aiming to enhance the efficacy and durability of immuno-oncology therapies when combined with checkpoint inhibitors. UV1 triggers an immune response against cells expressing telomerase, which is present in 85-90% of cancer cell types at all stages of tumor growth. UV1 is off-the-shelf, easy to use, with broad applicability across cancer indications. The UV1 vaccine is based on preclinical and clinical research on immunotherapies conducted at the Oslo University Hospital.



The Company is advancing a broad clinical development program with the cancer vaccine UV1 in five Phase II randomized, comparative clinical trials, investigating UV1 in combination with different checkpoint inhibitors. The studies are conducted at more than 100 hospitals in Europe, the US and Australia, enrolling more than 670 patients:

- **INITIUM (156 patients):** First line metastatic malignant melanoma, UV1 with nivolumab and ipilimumab. Sponsored by Ultimovacs. Readout: H1 2023.
- **NIPU (118 patients):** Second line pleural mesothelioma, UV1 with nivolumab and ipilimumab. Sponsored by Oslo University Hospital, supported by Bristol-Myers Squibb and Ultimovacs. Readout: H1 2023.
- **FOCUS (75 patients):** First line head and neck cancer, UV1 with pembrolizumab. Sponsored by University Medicine Halle, Germany, supported by Ultimovacs. Readout: H1 2024.
- **DOVACC (184 patients):** Second line ovarian cancer, UV1 with durvalumab and olaparib (PARP inhibitor). Sponsored by the Nordic Society of Gynaecological Oncology and the European Network of Gynaecological Oncological Trial Groups, supported by AstraZeneca and Ultimovacs. Readout: H2 2024.
- **LUNGVAC (138 patients):** First line non-small cell lung cancer, UV1 with cemiplimab. Sponsored by Drammen Hospital/Vestre Viken, Norway, supported by Ultimovacs. Readout: H2 2025.

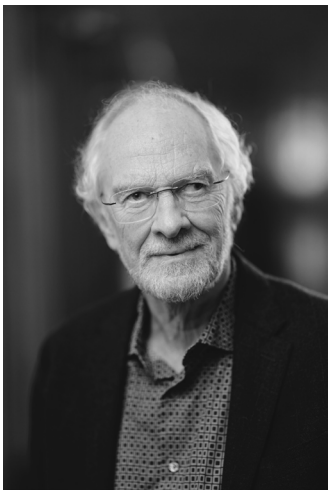
Treatment with UV1 has been assessed in three early Phase I studies (metastatic prostate cancer, metastatic non-small cell lung cancer and metastatic malignant melanoma) in 52 patients at the Oslo University Hospital. Ultimovacs is the sponsor of the ongoing Phase I UV1-103 study evaluating the safety and tolerability of treatment with UV1 and pembrolizumab in 30 patients in the US with metastatic malignant melanoma.

Ultimovacs is expanding its pipeline using its proprietary TET adjuvant platform technology that can generate vaccine candidates to a broad range of target antigens.

Article published in Biostock 13 December 2022

The innovative force behind Ultimovacs' cancer vaccine UV1

Ultimovacs' broad clinical pipeline evaluating the universal cancer vaccine UV1 is the culmination of decades of research led by one of the pioneers in cancer immunotherapy, Professor Gustav Gaudernack.



Gustav Gaudernack, Chief Scientific Officer

Already in the late 1970's and early 1980's immunotherapists began tinkering with the idea of vaccines against cancer. One of these researchers was Gustav Gaudernack. In the 90's as Professor and Head of the Unit for Immunotherapy at Radiumhospitalet in Oslo, Gaudernack began developing what is now Ultimovacs' lead product, UV1.

Since then, Professor Gaudernack has initiated over 20 clinical studies in cancer vaccination, including the first peptide vaccine study in cancer worldwide. He has more than 50 patents and 15 licenses for monoclonal antibodies, cancer vaccines, and cancer diagnostics. Ultimovacs was founded upon Gaudernack's work in 2011, and he continues to play a pivotal role at the company as Chief Scientific Officer.

Professor Gaudernack, what led you to the idea of a vaccine against cancer?

As a biology student at the University of Oslo in the early 1960s, I learned that many cancer forms in research animals are due to infection by certain viruses. It was then obvious to me that vaccination against such viruses could potentially have an impact on cancer development, both at the level of prevention and as a novel treatment modality. The problem at that time was that similar viruses were not known to cause common human cancers.

At what stage in your career did you realise that such a vaccine could become a reality?

It was a stepwise process. It all started in 1973 as a research fellow at the newly established Arctic University in Tromsø, Norway. My project was to vaccinate mice against a tumour called MOPC-315. We made two important observations: 1. antibodies generated against the vaccine were actually hitting their target in the mice; 2. vaccination also generated a T-cell response against the vaccine.

With the identification of the enzyme telomerase as the immortalising factor in virtually all forms of cancer, a new target, TERT (telomerase reverse transcriptase), emerged as a candidate for a universal cancer vaccine in humans. In collaboration with HYDRO AS, we synthesized and tested a large number of potential candidate peptides to identify the ones that were most frequently recognised by blood samples from a large number of cancer patients. These efforts led to the development of the first-generation telomerase vaccine, GV1001.

After 10 years of clinical trials with GV1001 in multiple indications, we were able to collect long-term follow-up clinical data and put together a large biobank of blood samples from vaccinated patients. We investigated "epitope spreading" - an interesting immunological phenomenon suggesting that the immune system is able to perform more efficiently. So, we studied whether GV1001 vaccination would result in a novel immune response against other parts of h-TERT, and we were able to show that this was indeed the case. These data resulted in the design of a second-generation vaccine, UV1, and the founding of the start-up company Ultimovacs ASA.

Now, decades later, cancer vaccines are a big presence in the immuno-oncology space. What are your thoughts as you look back at the progress made within the field?

The field of cancer vaccines has made considerable progress over the last 30 years, mainly due to fundamental changes in the understanding of how the immune system operates and on the technological development. One negative factor, in my opinion, was that the development was for many years side-tracked by what was almost an obsession for development of vaccines based on short peptides designed to generate tumour-specific cytotoxic T-cells. This strategy failed to recognise the role of helper T-cells in orchestrating a stronger, broader and more complete T-cell response. The other factor that stands out is the now recognised role of immune checkpoints - the true clinical potency of cancer vaccines can only be revealed in combination with checkpoint inhibitors (CPIs).

Cancer remains one of the deadliest diseases, causing a heavy burden, not only on patients and their loved ones, but on society as a whole. How much work still needs to be done to find a cure, and are cancer vaccines part of that equation?

A final cure for all cancer at every stage in life is an uphill fight against evolutionary forces in biology. The task, as I see it, is to find better treatments, i.e., more efficient and with fewer side effect. This is well within the scope of what can be obtained by immunotherapy. The occurrence of a pre-existing spontaneous immune response against a patient's tumour is the cornerstone of current cancer immunotherapy, on which the mode of action of CPIs rests. These responses are, by their nature, not under a physician's control.

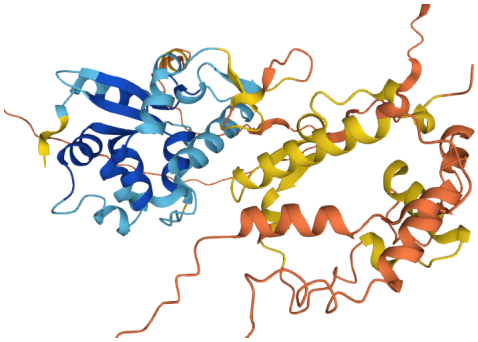
Therapeutic cancer vaccines represent a unique and complementary approach to mainstream tumour immunotherapy, i.e., CPIs, aiming to provide a new wave of cancer-specific T-cells in patients with various forms of cancer. Cancer vaccines may thereby supplement and reinforce pre-existing cancer immune responses and pave the way for synergy with any CPI and other cancer drugs designed to improve tumour immunity. Cancer vaccines are thus definitely part of the equation.

Shifting gears, what makes UV1 stand out among other types of cancer immunotherpies being developed?

UV1 is standing out as a unique vaccine both by virtue of the expression of its target, h-TERT, which is expressed in over 90 per cent of all cancers, and by its history as a second-generation vaccine, building on 10 years of experience and treatment of over 1000 patients with the first-generation vaccine, GV1001. h-TERT is THE immortalising factor giving cancer cells unlimited power to grow. Tumours are notoriously unstable, and a moving target for therapy. h-TERT is present from the earliest stage of tumour development and throughout the life and evolution of a tumour in the patients. No other tumour target matches this property.

Finally, what are your expectations for UV1 and Ultimovacs as the company goes deeper into clinical development?

I expect to see UV1 used in an increasing number of cancer indications, in combination with the currently used CPIs and with novel CPIs and other drugs that may amplify the generation of UV1 specific T-cells during vaccination and facilitate the function of UV1 specific T-cells within the tumour microenvironment. I expect that UV1 will be used in earlier phases of tumour development such as the neo-adjuvant setting. I also believe that we will later move into the prophylactic setting, starting with patients having a high risk of developing cancer, either by exposure to carcinogens such as asbestos or by genetic disposition, such as variants/mutations in the h-TERT gene or other inherited cancer disposing genes.



Telomerase reverse transcriptase (hTERT) (source: The UniProt Consortium, UniProt: the Universal Protein Knowledgebase in 2023 Nucleic Acids Res. 51:D523–D531 (2023))

Letter from the CEO: 2022 - a year of progress and preparation

I am pleased to summarize 2022 on a positive note. Despite what has been a turbulent year for the biotech industry, Ultimovacs is on track, continuing strong progress in developing a novel cancer vaccine which enables the immune system to fight cancer.

Ultimovacs made important steps in 2022 in the development of a universal, off-the-shelf cancer vaccine that can be used in combination with immune checkpoint inhibitors to treat various solid tumor cancers. The team entered last year with optimism after the announcement of the fifth UV1 Phase II study in non-small cell lung cancer, Fast Track and Orphan Drug designations from the FDA as a recognition of our Phase I data in melanoma, and an oversubscribed capital raise during challenging market conditions in October 2021. As a result, our expected cash runway now extends into mid-2024, covering key value inflection points including the results from the Phase II trials INITIUM, NIPU and FOCUS.

Enrollment in our two most advanced randomized Phase II studies, INITIUM, in patients with malignant melanoma, and NIPU, in patients with pleural mesothelioma, was completed in June 2022 and January 2023, respectively, marking significant milestones for Ultimovacs. Completing enrollment of 156 patients in INITIUM during the pandemic in only 24 months was an impressive feat.

Ultimovacs has three other Phase II studies in our UV1 Phase II clinical program, evaluating the hypothesis that UV1 can increase treatment efficacy in several cancer types, agnostic to what standard of care checkpoint inhibitor it may be combined with. As of the Q4 2022 report, we have enrolled more than 340 patients in total in the Phase II program, including 145 patients enrolled in 2022. We are sincerely grateful for the dedication and participation of each study site, investigator, and patient.

We also advanced the work on our vaccine adjuvant technology platform, completing enrollment in the Phase I TENDU trial in prostate cancer in December 2022. This study is designed to understand the safety and tolerability of the TET vaccine in a small number of patients. We expect to report the initial results from this study in H2 2023.

Analysis of biomarker data from the UV1-103 study strengthened our belief in UV1 as a potential candidate that can bring a meaningful difference to cancer patients. These results reinforce our belief that UV1 can play a transformative role in the treatment of patients with solid tumors, as backbone therapy in combination with immune checkpoint inhibitors.

Although cancer vaccines have been in development for more than 20 years, the landmark deal by Merck and Moderna last year has brought a lot more attention from the medical and investor communities and the general public, to this sector. With that perspective in mind, the results of INITIUM and NIPU, expected during the first half of this year, could be transformative — for Ultimovacs, cancer patients, developers of cancer vaccines and biotech investors. We believe that a universal cancer vaccine like UV1 has the potential to make a meaningful difference in the treatment of cancer patients. We are ready to move forward fast on the back of good data.

I am inspired by the dedication and professionalism of the Ultimovacs team which is delivering these results. I am grateful to our shareholders, collaborators and stakeholders around the world. Thank you for believing in us and supporting us. These are exciting times for Ultimovacs. We are well prepared for our first Phase II data, and I look forward to updating you on our important progress in 2023.

Carlos de Sousa, Chief Executive Officer

Directors' report | 02

- Board of Directors' overview of 2022
- Highlights
- Clinical trial overview
- Operational overview
- The cancer treatment landscape
- Financial overview
- Environment and Governance
- Risks and uncertainties
- Going concern
- Subsequent events
- Outlook
- Responsibility statement

Directors' Report

Board of Director's overview of 2022

Ultimovacs' mission is to develop a universal, off-the-shelf, cancer vaccine that could be used in combination with immune checkpoint inhibitors to improve clinical outcomes in cancer patients around the world.

2022 will be remembered as a year of solid performance and preparation by the Ultimovacs team in support of its mission, as it readies to release the results of its first comparative Phase II studies, INITIUM and NIPU, with lead product candidate, UV1, in H1 2023.

Ultimovacs' strong performance, evidenced by the enrollment in 2022 of a total of 145 patients in the overall Phase II UV1 program, was based on the dedication of its 26-person team and the strength of its good relationships with leading clinical investigators and study sites across Europe and the U.S. We are grateful for the good work of the team and our collaborators and the wide support system that the Company has cultivated to advance the clinical programs.

Immune checkpoint inhibitors have opened the door for the body's immune system to fight cancer. While these medicines have become a cornerstone of cancer treatment, depending on indication, only a minority of patients have a durable response. Therefore, there is still a serious unmet medical need for medicines that can further enhance treatment responses to immune checkpoint inhibitors and deliver improved treatment outcomes. Ultimovacs aims to address this need, based on technology developed through decades of immunotherapy research and strong scientific results from Oslo University Hospital, led by Chief Scientific Officer and Ultimovacs co-founder, Gustav Gaudernack.

The combination of UV1 and checkpoint inhibitor treatment may have the potential to transform cancer care by providing improved and more durable treatment responses to patients across a range of tumor types and combination regimens. Ultimovacs' aspiration is to demonstrate that the use of UV1 is not restricted to one checkpoint inhibitor – but rather that it can be effectively used in combination with several different checkpoint inhibitors in multiple cancer types.

The ambitious Phase II clinical program has been designed to prove this hypothesis by evaluating the potential clinical efficacy of UV1 using five different checkpoint inhibitors, ipilimumab, nivolumab, pembrolizumab, durvalumab and cemiplimab, in a range of five solid tumor cancers; malignant melanoma, pleural mesothelioma, malignant melanoma, head and neck cancer, ovarian cancer and non-small cell lung cancer. Since clinical success or failure in one trial does not necessarily directly read through to other trials, it was important to include different checkpoint inhibitors and tumor types to spread clinical and business risks while providing a broad and comprehensive evaluation of UV1 in multiple cancer settings.

Ultimovacs is looking forward to reporting the top line results of the Phase II studies in malignant melanoma (INITIUM) and in pleural mesothelioma (NIPU) in H1 2023. These comparative studies are designed and powered to provide clinically meaningful results. Positive results from one or both studies could provide proof-of-concept and help to define the regulatory and clinical pathways for UV1. Further, the results could be instrumental in developing our commercial plans for UV1, to potentially include a global strategic partnership, and enable us to achieve our goal of improving the treatment of cancer patients worldwide.

Looking ahead to 2023, results of the Phase II studies have the potential to be transformative for Ultimovacs and the field of cancer vaccines. These studies, and the entire clinical program, are the result of many years of diligent research and dedication by Ultimovacs' founders, scientists and clinicians, the incredible efforts of numerous patients and the support of the entire Ultimovacs team, investors, and collaborators. We look forward to updating the investment and oncology communities with our progress throughout the year.

Board of Directors

Highlights

Key highlights of the year 2022

- On 25 March 2022, Ultimovacs reported the complete disappearance of tumors in yet another patient in the UV1-103 study in malignant melanoma, raising the complete response rate in the study to 33%. The objective response rate remained the same at 57%.
- On 22 April 2022, Ultimovacs received a Notice of Allowance from the United States Patent and Trademarks Office (USPTO) concerning its US patent application on the use of vaccine-checkpoint inhibitor combinations to treat cancer.
- On 20 June 2022, Ultimovacs announced positive 2-year overall survival data in UV1-103. Across all 30 patients in the study, the 24-month overall survival rate was 73%. Patients will continue to be followed for long-term survival.
- On 30 June 2022, Ultimovacs completed the recruitment of the 154 planned patients in the INITIUM trial. Two additional patients were enrolled in July 2022, bringing the final number of patients enrolled to 156.
- On 22 August 2022, Ultimovacs received a Notice of Allowance from the United States Patent and Trademarks Office (USPTO) concerning its US patent application covering methods for eliciting a T cell immune response with the UV1 universal cancer vaccine.
- On 5 October 2022, Ultimovacs announced positive three-year results of a 71% overall survival rate in Cohort 1 of the UV1-103 trial in metastatic malignant melanoma.
- On 18 October 2022, Ultimovacs ASA announced multiple biomarker analyses data from the phase I UV1-103 malignant melanoma trial. The analyses of biological samples from the UV1-103 study support the promising efficacy signals, including enhanced efficacy in 'hard-to-treat patients'.
- On 25 October, Ultimovacs announced that the first patient had been randomized in the phase II LUNGVAC trial.
- On 14 December 2022, Ultimovacs announced that the last patient was enrolled in the Phase I TENDU trial in prostate cancer, the first in-human study based on the Company's novel TET platform.
- On 20 December 2022, Ultimovacs announced that as of January 1st, 2023, UV1 would be combined with the PD-1 checkpoint inhibitor cemiplimab, instead of pembrolizumab, in the LUNGVAC trial, following the decision to change of reimbursement of PD-1 checkpoint inhibitor from the Norwegian health authorities.
- On 23 January 2023, Ultimovacs announced that patient enrollment was completed in the NIPU Phase II clinical trial in metastatic pleural mesothelioma (post period event).

Clinical trial enrollment update

- **INITIUM trial:** The enrollment of patients was completed in June 2022 with a total of 156 patients. Enrollment is ongoing in the single arm supplementary study (not to be included in the INITIUM topline readout).
- **NIPU trial:** 114 patients have been enrolled as per 31 December 2022, up from 58 as of the 2021 Annual Report. The enrollment of all 118 patients was completed in January 2023.
- **FOCUS trial:** 45 patients have been enrolled as per 31 December 2022, up from 9 as of the 2021 Annual Report. 50 patients have been enrolled as of the Q4 2022 reporting date.
- **DOVACC trial:** 10 patients have been enrolled as per 31 December 2022, up from 1 as of the 2021 Annual Report. 17 patients have been enrolled as of the Q4 2022 reporting date.
- **LUNGVAC:** 2 out of 138 patients have been enrolled and treated with cemiplimab as of the Q4 2022 reporting date.
- **TENDU trial:** All 12 patients have been enrolled as per 31 December 2022.

Clinical trial overview

Lead product candidate: UV1

The Company's lead product candidate is UV1, a second-generation peptide-based cancer vaccine inducing a specific T cell response against the universal cancer antigen telomerase (hTERT), which is expressed at a high level in 85-90% of human tumors.

UV1'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 does not interfere with the activity of telomerase; no material safety issues have been observed to date.

UV1 expands T-cells that identify fragments of telomerase presented in the context of HLA molecules on cells in the tumor. This triggers an immune response against the cancer. 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 hospital. UV1 is manufactured as an off-the-shelf product with a long shelf life.

UV1 is being developed as a therapeutic cancer vaccine for use in combination with 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 UV1 in neo-adjuvant treatment.

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 these three trials served as a strong basis for the further clinical development of UV1, 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 UV1-103 in the U.S. evaluating the safety and tolerability of treatment with UV1 and the PD-1 checkpoint inhibitor pembrolizumab in 30 patients with metastatic malignant melanoma.

UV1 is currently being evaluated in five Phase II randomized clinical trials in five different cancer types and in combination with different checkpoint inhibitors. The Phase II program will enroll more than 670 patients at approximately 100 hospitals in Europe, the US and Australia.

UV1 is a patented, proprietary technology owned by Ultimovacs.

UV1 Phase II trials overview

UV1 is potentially effective across a broad range of cancer types as telomerase is expressed in most cancers. The mechanism of action of the CPIs are also not cancer type dependent. The data from clinical trials and accompanying biological studies therefore has significant implications for other cancer types and indications.

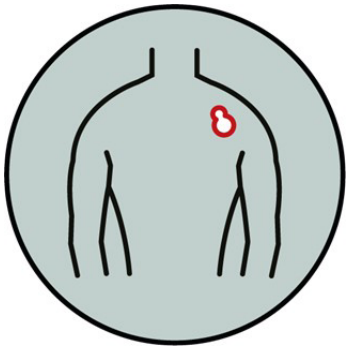
Ultimovacs has an extensive development program with five Phase II studies in five different indications including more than 670 patients. Two Phase II studies, INITIUM in malignant melanoma and NIPU in mesothelioma, commenced in 2020 and are fully enrolled. The FOCUS trial in head and neck cancer and DOVACC in ovarian cancer started patient recruitment in the last quarter of 2021, and LUNGVAC in non-small cell lung cancer (NSCLC) started patient enrollment in Q4 2022.

Indication		Checkpoint inhibitor(s)	Patients (#)	Recruited	Expected topline readout	Contributors
INITIUM	Malignant melanoma	*Ipilimumab & nivolumab*	*156*	*Completed*	*H1 2023*	
NIPU	Pleural mesothelioma	*Ipilimumab & nivolumab*	*118*	*Completed*	*H1 2023*	Bristol Myers Squibb[3], Oslo University Hospital
FOCUS	Head and neck cancer	*Pembrolizumab*	*75*	*67%[1]*	*H1 2024*	MARTIN-LUTHER-UNIVERSITÄT HALLE-WITTENBERG
DOVACC	Ovarian cancer	*Durvalumab & olaparib*	*184*	*<10%[1]*	*H2 2024*	NSGO-CTU, AstraZeneca[3], ENGOT
LUNGVAC	Non-small cell lung cancer (NSCLC)	*Cemiplimab[4]*	*138*	*<10%[1]*	*H2 2025*	VESTRE VIKEN DRAMMEN HOSPITAL

1: As of Q4 2022 reporting.
2: FOCUS, DOVACC and LUNGVAC: Readout estimates will be updated with the Q4 2023 report
3: Supply agreements.
4: As per 1 January 2023

INITIUM

The trial



INITIUM is an Ultimovacs-sponsored 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 for first-line treatment of patients with metastatic malignant melanoma.

The first INITIUM patient was treated at the Oslo University Hospital (OUS) in June 2020, and the last patient was enrolled in the study in July 2022. The initial study design called for enrollment of 154 patients. Two additional patients were enrolled bringing the total number of patients in the study to 156. A total of 39 hospitals are participating in this trial being run in the US, UK, Belgium and Norway. Dr. Karl Lewis, University of Colorado Hospital (U.S.), is the International Coordinating Investigator of the INITIUM trial.

Half the 156 patients enrolled in the trial have been dosed with UV1 plus the PD-1 checkpoint inhibitor nivolumab and the CTLA-4 checkpoint inhibitor ipilimumab, while the other half received nivolumab and ipilimumab. The readout of the primary endpoint of progression-free survival is expected in H1 2023, after progression of cancer or death has been observed in 70 patients. Secondary endpoints include overall survival (OS), objective response rate (ORR), duration of response (DOR) and safety. The objective of the study is to achieve a clinically meaningful progression-free survival (PFS) benefit in patients with metastatic malignant melanoma. The study also includes a program for assessment of UV1 related biomarkers.

With the INITIUM enrollment completed, Ultimovacs is running a supplementary study to the INITIUM trial with 20 patients in a single arm. Patient enrollment in the supplementary study started in September 2022. The objective of the study is to provide further characterization of the manner in which an immune response specific to the UV1 vaccine, translates into anti-tumor activity and clinical benefit for patients. These patients will receive experimental treatment, i.e. the triple combination of UV1, ipilimumab and nivolumab. Data collected from the patients in the supplementary study will not be part of the primary and secondary endpoint analyses of INITIUM and will not affect the timeline for topline read-out.

The combination drugs

Ipilimumab is a monoclonal antibody medication that works to activate the immune system by targeting CTLA-4, a protein receptor that downregulates the immune system. Ipilimumab works by making it difficult for the CTLA-4 to bind to B7. Ipilimumab was the first checkpoint inhibitor to reach the market.

Nivolumab is a human IgG4 monoclonal antibody that blocks PD-1. It works as a checkpoint inhibitor, blocking a signal that prevents activation of T cells from attacking the cancer.

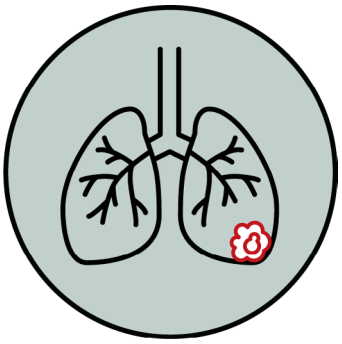
Both nivolumab and ipilimumab are checkpoint inhibitors from Bristol-Myers Squibb (BMS).

Malignant melanoma

Melanoma is a type of skin cancer that develops when melanocytes (the cells that give the skin its tan or brown color) start to grow out of control. Melanoma is much less common than some other types of skin cancers. But melanoma is more dangerous because it's much more likely to spread to other parts of the body if not recognized and treated early. Melanomas can develop anywhere on the skin, but they are more likely to start on the trunk (chest and back) in men and on the legs in women. The neck and face are other common sites.

World-wide, more than 320,000 new cases of melanoma are diagnosed every year and it is estimated that more than 50,000 people die from metastatic melanoma every year *(Source: Globoscan)*. There is a large unmet medical need for improved treatment of melanoma. There is a good theoretical rationale for combining a universal cancer vaccine with PD-1 and CTLA-4 blockade that will work to open the tumor and strengthen the immune response.

NIPU



The trial
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 metastatic pleural mesothelioma. Professor MD PhD Åslaug Helland is the principal investigator for the trial, which is sponsored by Oslo University Hospital (OUS). Bristol-Myers Squibb and Ultimovacs have entered into agreements with OUS to support the preparations and execution of the trial.

The first patient in the NIPU trial was treated at the Oslo University Hospital in June 2020, and the last patient was enrolled in January 2023. The study is being conducted in 118 patients in five countries (Norway, Sweden, Denmark, Spain, and Australia). Half of the patients in the trial have been treated with the combination of UV1, ipilimumab and nivolumab and the other half have been treated with ipilimumab and nivolumab. The readout of the primary endpoint of progression-free survival is expected in H1 2023, after progression of cancer or death has been observed in 69 patients. Secondary endpoints include overall survival (OS), objective response rate (ORR), duration of response (DOR) and safety. The objective of the study is to achieve a clinically meaningful progression-free survival (PFS) benefit in patients with metastatic pleural mesothelioma (MPM) after progression on first-line standard platinum doublet chemotherapy.

Malignant pleural mesothelioma
MPM is a rare malignant tumor originating from the cells lining the mesothelial surface in the lungs and is the most common type of mesothelioma. It is a disease with a high unmet medical need with a median overall survival of approximately 1 year. It is a fatal form of thoracic cancer that is diagnosed in more than 30,000 people anually, and kills over 25,000 people every year *(Source: Globoscan)*.

Most patients are treated with palliative chemotherapy. Recently, ipilimumab and nivolumab have been approved as 1st line therapy for this patient group. Patients with disease progression after first-line therapy have few therapeutic options. Asbestos exposure is heavily linked to the development of the disease. It may take 10 - 50 years for symptoms of mesothelioma to manifest after initial asbestos exposure. Even though the use of asbestos to a large extent is banned today, new incidences of mesothelioma will continue to be a medical challenge for decades. 0ver 500,000 people were exposed to toxic dust including asbestos during the September 11 attacks in 2001 and a significant local rise in incidence is expected in decades to come.

Compared to many other cancer types, the incidence numbers are low, however the medical need is very high. There is therefore a significant market opportunity for an improved therapy for mesothelioma.

FOCUS

The trial
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 that will recruit patients with recurrent or metastatic PD-L1 positive head and neck squamous cell carcinoma. The trial will be conducted at 10 sites across Germany and led by principal investigator Professor Mascha Binder, M.D., 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.

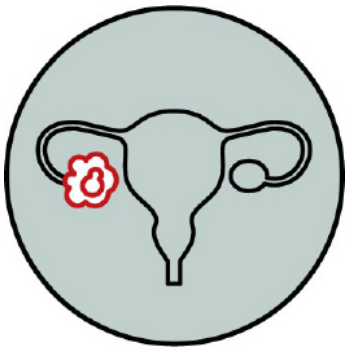
The trial will evaluate the addition of UV1 to a standard of care treatment with the PD-1 checkpoint inhibitor pembrolizumab as compared to pembrolizumab monotherapy. A total of 75 patients indicated for treatment with pembrolizumab will be enrolled in the FOCUS study, randomized 2-to-1 so that 50 patients will receive UV1 and pembrolizumab and 25 patients will receive pembrolizumab alone. The first patient in the FOCUS trial was treated in August 2021. 45 patients have been enrolled as per 31 December 2022, and 50 patients as of the Q4 2022 reporting date. The FOCUS trial is a landmark study. The primary endpoint of the study is progression-free survival rate at 6 months after the last patient has been enrolled. Secondary endpoints include overall survival (OS), objective response rate (ORR), duration of response (DOR) and safety.

Topline readout is expected in H1 2024.

The combination drug
Pembrolizumab is a PD-1 checkpoint inhibitor that targets the programmed cell death 1 (PD-1) receptor. Pembrolizumab is standard of care in multiple indications and currently the most widely used checkpoint inhibitor in the world.

Head and neck cancer
“Head and neck cancer” is the term used to describe a number of different malignant tumors that develop in or around the throat, larynx, nose, sinuses, and mouth. Globally, head and neck cancer accounts for around 370,000 new cases of cancer and 170,000 deaths annually *(Source: Globoscan)*. The usual age at diagnosis is between 55 and 65 years old and the average 5-year survival following diagnosis in the developed world is 42-64%.

DOVACC



The Trial
DOVACC (**D**urvalumab **O**laparib **VACC**ine) is a multicenter, 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. This 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. Dr. Manzoor Raza Mirza MD is the principal investigator for the trial which is sponsored by NSGO-CTU.

The trial is designed to evaluate UV1 in combination with AstraZeneca's durvalumab, a PD-L1 checkpoint inhibitor, and olaparib, a PARP inhibitor which is approved for the patient population in this trial. The trial will be conducted at more than 40 hospitals in more than 10 European countries. Ultimovacs will provide the UV1 vaccine and AstraZeneca will provide durvalumab and olaparib for the study.

The study includes three arms treating a total of 184 patients. The first arm will enroll 46 patients receiving the PARP inhibitor olaparib. The 46 patients enrolled in the second arm will receive olaparib and the checkpoint inhibitor durvalumab. The third arm will include 92 patients that will receive Ultimovacs' UV1 vaccine in combination with both AstraZeneca drugs.

The primary endpoint is progression-free survival (PFS) in the treatment arm with PARP inhibitor olaparib monotherapy, versus PFS in the triple combination treatment arm. Secondary endpoints will include overall survival (OS), objective response rate (ORR), duration of response (DOR) and safety. Enrollment began in December 2021, and a total of 10 out of 184 patients have been enrolled in DOVACC as per 31 December 2022, and 17 patients as of the Q4 2022 reporting date.

Topline data on the primary endpoint are expected in H2 2024.

The Partners
The Nordic Society of Gynaecological Oncology – Clinical Trial Unit (NSGO-CTU) is a non-profit organization aiming to improve the practice of prevention, diagnosis, and treatment for gynaecological cancers by supporting research and conducting clinical trials across countries.

ENGOT is an umbrella organization for trial groups such as NSGO and acts as a platform to guarantee that patients in all European countries can participate and benefit from clinical research and progress.

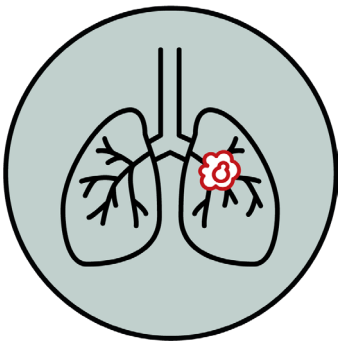
Ovarian cancer
Ovarian cancer is the eighth most common cause of death from cancer in women worldwide. In 2020, there were over 310,000 new cases diagnosed and over 200,000 deaths *(Source: Globoscan)*. Most women are diagnosed with advanced (Stage III or IV) ovarian cancer and have a five-year survival rate of approximately 30%. For newly diagnosed advanced ovarian cancer, the primary aim of treatment is to delay the disease progression for as long as possible and maintain the patient's quality of life, with the intent of achieving complete remission or cure.

The combination drugs
Olaparib is a first-in-class PARP inhibitor and the first targeted treatment to block DNA damage response in cells/tumors harboring a deficiency in homologous recombination repair, such as mutations in BRCA1 and/or BRCA2. Inhibition of PARP with olaparib leads to the trapping of PARP bound to DNA single-strand breaks, stalling of replication forks, their collapse and the generation of DNA double-strand breaks and cancer cell death.

Durvalumab is a human monoclonal antibody that binds to PD-L1 and blocks the interaction of PD-L1 with PD-1 and CD80, countering the tumor's immune-evading tactics and releasing the inhibition of immune responses. Durvalumab is approved for unresectable, stage III NSCLC in more than 50 countries including the US, Japan, and across the EU, based on the Phase III PACIFIC trial.

LUNGVAC

The trial
The LUNGVAC trial is a Phase II multi-center, randomized, open-label trial assessing the safety and efficacy of UV1 in combination with cemiplimab versus cemiplimab alone in NSCLC patients with advanced or metastatic disease.



The trial will enroll previously untreated patients with adenocarcinoma or squamous NSCLC, where tumor biopsies show a PD-L1-expression score above 50%. These subgroups represent approximately 30% of all advanced and metastatic NSCLC patients.

Professor Odd Terje Brustugun is the principal investigator for the trial which is sponsored by Drammen Hospital in the Vestre Viken Hospital Trust, Norway. The trial will enroll 138 patients and will be conducted at approximately 10 clinical centers in Norway. The trial will evaluate the addition of UV1 to standard of care treatment with the PD-1 checkpoint inhibitor cemiplimab as compared to cemiplimab monotherapy. Half of the patients in the trial will be treated with UV1 + cemiplimab and the other half will be treated with cemiplimab monotherapy.

The first patient in the LUNGVAC trial was enrolled in October 2022. In December 2022, the Norwegian health authorities changed the reimbursement in the indication from pembrolizumab to cemiplimab. Following this decision, the LUNGVAC study changed the PD-1 inhibitor in the study from pembrolizumab to cemiplimab. 2 out of 138 patients have been enrolled in the study after the change to cemiplimab 1 January 2023. The 3 patients enrolled prior to 1 January 2023, will continue treatment with pembrolizumab.

The primary endpoint of the trial is progression-free survival. Secondary endpoints include overall survival (OS), objective response rate (ORR), duration of response (DOR) and safety. Topline readout is expected in H2 2025.

The combination drug
Cemiplimab is a PD-1 checkpoint inhibitor that targets the programmed cell death 1 (PD-1) receptor. In 2018, the Food and Drug Administration (FDA) approved the drug cemiplimab (LIBTAYO®) for patients with an advanced form of cutaneous squamous cell carcinoma (SCC), a common type of skin cancer.

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

Phase I trials overview

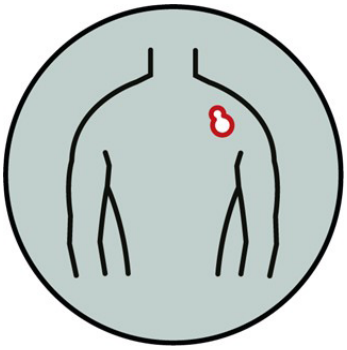
Treatment in three Phase I studies have been completed and patients are currently followed up for survival, immune response and new anti-cancer treatment. The completed trials show clinical outcomes that Ultimovacs sees as a strong basis for the further clinical development of UV1, both with respect to safety and signals of clinical effect.

One phase I study (UV1-103) based in the US in malignant melanoma is fully recruited and currently ongoing.

Additionally, the Company is expanding its pipeline using its novel TET-platform, which is a vaccine technology that can generate multiple vaccine candidates designed to achieve increased T cell responses to a broad range of target antigens. Patient enrollment started in the Phase I TENDU trial in February of 2021, the first trial evaluating the Company's TET-technology platform.

	Indication	Clinical trial information	Status	Phase I	Patient recruitment period	Follow up period
UV1	**First line metastatic malignant melanoma**	UV1 + pembrolizumab 30 patients (UV1-103)	In follow-up	USA	2018-2020	5 years (2025)
	Metastatic malignant melanoma	UV1 + ipilimumab 12 patients	In follow-up	Norway	2015	10 years (2025)
	Non-small cell lung cancer	UV1 monotherapy 18 patients	In follow-up	Norway	2013-2015	10 years (2025)
	Prostate cancer	UV1 monotherapy 22 patients	In follow-up	Norway	2013-2014	10 years (2024)
TET	**TENDU - Prostate cancer**	TENDU - Dose finding trial, 12 patients	In follow-up	Norway	2021 - 2022	6 months (2023)

UV1-103 Phase I trial in Malignant Melanoma



This US-based Phase I clinical trial is evaluating UV1 in combination with the PD-1 checkpoint inhibitor pembrolizumab as a first-line treatment in patients with metastatic malignant melanoma. The first cohort of 20 patients was enrolled by September 2019. The second cohort of 10 additional patients was enrolled by August 2020. In addition to UV1, the first cohort received 37.5 mcg (microgram) of the adjuvant GM-CSF and the second cohort received the standard 75 mcg dose.

UV1 has demonstrated a good safety profile and no unexpected safety issues related to UV1 have been observed in this trial. At the end of the study, the clinical results for the 30 patients in cohort 1 and cohort 2, combined, are:

- Objective response rate (ORR): 57%
- Complete response rate (CR): 33%

Overall Survival (OS):

- Median Progression Free Survival (mPFS): 18.9 months (as measured by iRECIST)
- Overall survival rate after 12 months: 87%
- Overall survival rate after 24 months: 73%
- Overall survival rate after 36 months (cohort one): 71%

After the study ended, at two years follow up, the protocol was amended to follow patients for overall survival for up to five years. Three patients in cohort 1 did not consent to further follow up, changing the number of participating patients in cohort 1 from 20 to 17, after two years. At the three years follow-up date for patients in the first cohort, the three-year overall survival rate was a positive 71% (12 out of 17 patients).

The UV1-103 trial – biomarker analyses
The analyses of five different biomarkers in the UV1-103 trial signal efficacy in patients treated with UV1 in combination with pembrolizumab. These results are supportive of the addition of UV1 to checkpoint inhibitors, with the potential for improving both efficacy in current target patient populations and extending the use of immunotherapy to broader patient populations in multiple cancer types, underserved by existing therapies. The potential value of expanding the number of patients that can benefit from UV1 can be substantial.

Clinical analyses from the UV1-103 study indicate efficacy of the UV1-pembrolizumab combination in patients with low levels of PD-L1 (<1%). Low PD-L1 levels are a key predictive biomarker associated with lower efficacy for pembrolizumab and other anti-PD-1 therapies in some tumor types. The analyses showed robust responses in patients treated with the combination of UV1 and pembrolizumab, regardless of patients' PD-L1 status.

Population	ORR (%)	iCR (%)	iPR (%)
PD-L1 (≥1%) (n=8)	4 (50.0%)	3 (37.5%)	1 (12.5%)
PD-L1 (<1%) (n=14)	8 (57.1%)	5 (35.7%)	3 (21.4%)
Stage III B/C (n=11)	8 (72.7%)	5 (45.5%)	3 (27.3%)
Stage IV (n=19)	9 (47.4%)	5 (26.3%)	4 (21.1%)

ORR = Objective Response Rate, **iCR** = Complete Response Rate according to iRECIST, **iPR** = Partial Response Rate according to iRECIST

In addition to the sub-analysis of the PD-L1 status, the study also evaluated four other key biomarkers that, in other historical studies, have indicated how responsive patients may be to pembrolizumab monotherapy: baseline tumor mutational burden (TMB), predicted neoantigens, interferon gamma (IFN-gamma) gene signature, and levels of tumor infiltrating lymphocytes (TILs). In the UV1-103 study, objective responses were observed in patients with low TMB, in patients with low neoantigen tumors, and in patients with tumors which were not enriched for IFN-gamma. These patients have tumors which previous clinical data have shown would be less responsive to treatment with pembrolizumab monotherapy in various cancer types. Lastly, the study also showed that clinical responders did not have higher levels of TILs prior to treatment.

Completed UV1 trials in follow-up

Treatment in three Phase I studies with a total of 52 patients enrolled in the period 2013 – 2015 has been completed at the Oslo University Hospital. The patients have been followed-up for survival, immune response and new anti-cancer treatment.

- **Metastatic prostate cancer (22 patients):** Patients with advanced prostate cancer without lung and/ or liver metastases were enrolled. These patients had started CAB treatment (GnRH-agonist combined with anti-androgen therapy) prior to UV1 treatment.

- **Non-small cell lung cancer (NSCLC, 18 patients):** In this lung cancer study, stage IIIb/IV NSCLC patients were enrolled, who had previously been treated with palliative radiotherapy and/or at least two courses of chemotherapy. These patients were not to be in progression, confirmed by CT, at least 4 weeks prior to UV1 treatment.

- **Metastatic Malignant Melanoma – UV1 in combination with the CTLA-4 checkpoint inhibitor ipilimumab (12 patients):** The malignant melanoma trial included patients with unresectable or metastatic disease when enrolled and were eligible for ipilimumab. Ipilimumab is an agent stimulating immune cell generation and is an approved drug for the treatment of malignant melanoma.

Safety and tolerability were primary endpoints in all three studies, while immune response towards any of the UV1 peptides and efficacy were secondary endpoints. Three different dose levels of UV1 were investigated in the prostate cancer and NSCLC studies (100, 300 and 700 µg). In the malignant melanoma study, 300 µg UV1 was given in combination with ipilimumab. UV1 doses have been given with GM-CSF as an adjuvant treatment.

Data from the three studies showed that UV1 is generally well tolerated. There were no dose limiting toxicities. UV1 induced an immune response by telomerase (hTERT) specific T-cells in 82% of patients across the three studies (range 67-91%).

When combining UV1 with ipilimumab, a CTLA-4 checkpoint inhibitor, 91% of malignant melanoma patients developed an immune response. The responses appeared earlier, required fewer vaccinations and were stronger and more long lasting compared to vaccination with UV1 alone. These data are compatible with a mechanism of action where blocking CTLA-4 checkpoints induce additional expansion of UV1-specific CD4 T cells induced by UV1 vaccination. In this study, median overall survival (OS) read out at 66.3 months and a median progression-free survival (PFS) read out at 6.7 months.

The three completed Phase I trials have been reviewed by the FDA (U.S. Food and Drug Administration) and founded the basis for starting clinical research in the US in malignant melanoma. The outcome of these trials established a strong foundation for the further development of UV1.

The detailed results from these Phase I studies have been presented in published articles available at the company website under ‘Presentations and Publications / Publications’:

- Phase I/IIa clinical trial of a novel hTERT peptide vaccine in men with metastatic hormone-naive prostate cancer (08.04.2017) - **Cancer Immunology Immunotherapy**
- Long-Term Outcomes of a Phase I Study With UV1, a Second Generation Telomerase Based Vaccine, in Patients With Advanced Non-Small Cell Lung Cancer (26.11.2020) - **Frontiers in Immunology**
- Combining a Universal Telomerase Based Cancer Vaccine With Ipilimumab in Patients With Metastatic Melanoma Five-Year Follow Up of a Phase I/IIa Trial (11.05.2021) - F**rontiers in Immunology**

The TET-platform and the TENDU Phase I trial

The TET-Platform
Ultimovacs is developing a vaccine adjuvant technology platform, TET (Tetanus-Epitope Targeting). The patent protected TET-platform combines antigens and a vaccine adjuvant in the same molecule. This allows a beneficial safety profile and easy administration, offering a promising approach to induce T cell responses against cancer-specific peptides. The platform can generate multiple 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 potentially to infectious diseases.

Pending confirmation of the safety of the TET technology and results from ongoing and further preclinical development of the TET platform, the ambition is to identify new cancer vaccine candidates to move into clinical development. Ultimovacs is currently performing preclinical studies for further development of the TET technology.

Furthermore, Ultimovacs is in the process of developing an improved manufacturing process based on the new core molecule which will enable new vaccine candidates to move into clinical development. The TENDU project provides an opportunity to do early testing of the safety and immune activation of the TET technology while Ultimovacs continues to optimize the core TET molecule and production process. The outcome of all these activities is expected to support the decision of which drug candidates to move into clinical development in the future.

The TENDU trial
The TENDU trial is the first Phase I trial exploring the TET technology. In TENDU, the TET technology incorporates prostate-cancer-specific antigens and the trial will provide valuable safety and immune activation data that will support the further development of new vaccine solutions based on the TET technology.

The TENDU trial is being conducted at Oslo University Hospital. The first patient was treated in February 2021, and the last patient was enrolled in December 2022. A total of 12 patients have been enrolled. Three different doses of TENDU have been investigated: 40 mcg (3 patients), 400 mcg (3 patients) and 6 patients received the highest dose (960 mcg). All patients are followed-up for 6 months after their last treatment. So far, the TENDU treatment has been shown to be safe and well tolerated. Readout is expected during H2 2023.

Operational overview

Manufacturing

Ultimovacs is progressing further development of chemical manufacturing and control (CMC) of the UV1 product candidate in preparation for Phase III clinical trials. The UV1 active pharmaceutical ingredients (API) are manufactured by PolyPeptide Group. Corden Pharma is the manufacturer of the UV1 fill and finish Drug Product.

Regulatory designations

Fast Track Designation
On October 21, 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 a potential therapy's development, as well as entitlement to a Rolling Review of the Biologic License Application. Therapies with Fast Track designation may also be considered for Accelerated Approval and Priority Review, provided certain criteria are met.

Orphan Drug Designation
On December 2, 2021, Ultimovacs announced that UV1 received Orphan Drug designation from the U.S. FDA in the treatment of malignant melanoma. UV1, as add-on therapy to checkpoint inhibitors ipilimumab and nivolumab, is currently being studied as first-line treatment for metastatic melanoma in INITIUM.

The FDA Office of Orphan Products Development (OOPD) supports and advances the development and evaluation of new treatments for rare diseases that affect fewer than 200,000 people in the U.S. Orphan drug designation provides certain benefits, including seven-year market exclusivity upon regulatory approval, if received, exemption from FDA application fees and tax credits for qualified clinical trials.

Publications and presentations

- On April 11, 2022, Ultimovacs presented a poster at the annual meeting of the **American Association for Cancer Research (AACR)**. The data in the poster entitled “Promoting immunogenicity of synthetic long peptide vaccines based on in vivo IgG complex formation: Preclinical evaluation and clinical entry of the TET platform”, shows that TET enables the efficient and antigen-specific T cell priming required for an effective vaccine adjuvant system with no safety concerns.

- On 10 May 2022, Ultimovacs presented a poster at the **Cancer Immunotherapy (CIMT)** annual meeting in Mainz, Germany. The poster presentation covers results from long-term follow-up data from the use of the UV1 vaccine in three Phase I/IIa clinical trials. The results substantiate the clinical relevancy of the UV1-specific immune response and the rationale for combining the Company’s lead product candidate, the universal cancer vaccine UV1, with checkpoint inhibitors.

- On 25 May 2022, Ultimovacs announced the publication of long-term follow-up data on UV1 in the **Journal for ImmunoTherapy of Cancer (JITC)**. The data show that dynamic UV1 specific immune responses lasting up to 7.5 years are associated with longer survival and that dose responses are enhanced when UV1 is used in combination with checkpoint inhibitors. The use of UV1 leads to multi-faceted immune responses with anti-tumor characteristics. Furthermore, the evidence points to the conclusion that the UV1-specific immune response is embedded in immune memory, implying a potential mechanism for long-term protection against recurrent cancer.

- On 12 September 2022, Ultimovacs announced the publication of data from the UV1 Phase I malignant melanoma trial combining UV1 with ipilimumab in the **Journal of Translational Medicine**. Clinical responses were observed in patients with favored and less favored baseline characteristics, as well as T cell activation observed post-treatment in tumors of responding patients

- On 18 October 2022, Ultimovacs announced thatdata from its Phase I UV1-103 melanoma trial were presented at the 19th International Congress of the **Society for Melanoma Research (SMR)** in Edinburgh, UK. Biomarker data support strong clinical responses from UV1 in combination with pembrolizumab, also in patients considered less likely to respond to monotherapy checkpoint inhibition.

- On 27-30 October 2022, the lead investigator of the DOVACC Phase II clinical trial, Dr. Mansoor Raza Mirza from Copenhagen University Hospital, presented a trial-in-progress poster, giving an overview of the DOVACC trial, at the **European Society of Gynaecological Oncology (ESGO)** 2022 Congress in Berlin, Germany.

Intellectual Property rights

Below is an overview of Ultimovacs published patents and patent applications.

PATENT / PATENT APPLICATION	PRIORITY DATE	STATUS	AREA COVERED	GEOGRAPHIC AREA	EXPIRY DATE (UNEXTENDED)	EXPIRY DATE (EXTENDED)	ASSIGNEE
1 EP10250265.5	16 Feb 2010	Granted/ pending	UV1 composition of matter, the nucleic acid sequences coding for the vaccine peptides, as well as use of the vaccine for the treatment of cancer.	Patent granted in: Europe, USA, Japan, Russia, South-Korea, India, China and Hong Kong, including divisionals in USA and Japan. Divisional applications have been filed in Europe, USA, Japan, India, and China.	2031	Up until 15 February 2036 via a Supplementary Protection Certificate (SPC) in Europe or via Patent Term Extension (PTE) in the USA. [1, 2]	Ultimovacs
2 EP16172760.7	2 June 2016	Granted/ pending	UV1 in combination with an immune checkpoint inhibitor of a certain definition, including combined treatment with UV1 and anti-CTLA-4 and/or anti-PD(L)-1 antibodies.	Patent granted in USA. Pending national/regional phase in Europe, Japan, Australia and Canada. Divisional applications have been filed in USA and Japan.	2037	Maxiumum term could be until 2042 via a SPC in Europe or PTE in USA, but it could be shorter depending on various factors. [1, 2]	Ultimovacs
3 EP10156505	15 March 2010	Granted	Composition of matter and method of use for an immunogen comprising a peptide derived from tetanus toxin.	Patent granted in USA, Europe and Canada.	2031	-	Leiden University Medical Centre (Ultimovacs license)
4 GB1917699.9	4 December 2019	Pending	Composition of matter of TENDU conjugates and vaccine compositions and use thereof for the prevention or treatment of cancer, T-cell epitopes of the conjugates and the encoding nucleic acid molecules.	Pending national/regional phase in USA, Europe, Japan, China, Hong Kong, India and Canada.	2040	-	Ultimovacs
5 EP21178648.8	9 June 2021	Pending	1. Composition of matter of a TET conjugate comprising a B-cell epitope (such as an MTTE sequence) and certain CD4+ T-cell epitopes (such as an hTERT sequence). Also, nucleic acid sequences encoding the conjugate as well as use of the conjugate for the treatment or prophylaxis of cancer. 2. Compositions of matter of certain hTERT polypeptides and the nucleic acid sequences encoding these as well as their use in the treatment or prophylaxis of cancer. 3. Composition of matter of a core molecule. 4. A (biomarker) method for detecting a CD4+ T-cell response following vaccination by measuring specific B-cell responses.	PCT application filed	2042	-	Ultimovacs

1 Europe: it likely that SPCs based on both patents granted, from EP10250265.5 and EP16172760.7, could be obtained;

2 USA: PTE can generally only be obtained for one patent based on a single marketing authorization

The ownership of the abovementioned patents and patent applications 1 and 2 related to the UV1 platform, is held by Ultimovacs. Patents and patent applications in group 3, 4 and 5 are related to the TET platform. Patents in group 3 are licensed from the Leiden University Medical Centre. Patent applications in group 4 and 5 are held by Ultimovacs. Ultimovacs is continuously working to obtain and maintain patent protection for the Company's technologies and platforms. This will, in due time, include seeking to obtain patent term extensions such as Supplementary Protection Certificates (SPCs) in Europe and Patent Term Extension (PTE) in the US. SPCs and PTE can be applied for after the granting of market authorization in the respective territories. In Europe, patent term extensions via an SPC are up to 5 additional years, provided that this does not result in a total remaining patent plus SPC term of more than 15 years from the grant of marketing approval (+ 0.5 years via pediatric extension (PED)) In the US, extensions via PTE are up to 5 years, provided that the extension does not result in a total remaining patent term of more than 14 years from FDA approval (+ 0.5 years via PED).

Intellectual Property rights - continued

There are also other mechanisms for protection of pharmaceutical products in addition to patents. Regulatory data exclusivity blocks subsequent pharmaceutical developers from referencing (comparing to) an innovative therapeutic's data in order to take a shortcut to get marketing authorization. European regulations provide eight years of data exclusivity for innovative therapeutics, starting from the first marketing authorization date. Data exclusivity is followed by a two-year market exclusivity period, which can be extended by a further year if the product shows significant clinical benefit in a new therapeutic indication. Competitors will not be able to launch generic or biosimilar products until the expiry of the data and marketing exclusivity periods. In the US the market exclusivity term for innovative biologics is 12 years from the date the reference product was first licensed, with an additional 6 months of exclusivity for use in pediatric populations. For qualifying indications with small patient populations, Orphan Drug status may be granted to a pharmaceutical product giving market exclusivity for 10 years (+ 2 years via PED) in Europe and 7 years (+ 0.5 years via PED) in the US. In Europe, products granted Orphan Drug status are not anymore entitled to the + 0.5 years extension via PED to SPC protection.

The cancer treatment landscape

Introduction

There are a range of cancer therapies including surgery, chemotherapy and radiation, all of which have been used for many years and remain among the most common treatments. The history of chemotherapy began in the early 20th century, but its use in treating cancer began in the 1930s. Surgery and radiation were the basis for solid tumor treatment into the 1960s. Now, immunotherapy is becoming a new tool in cancer treatment, being used far more widely in the 21st century. Immunotherapy is the field of immunology that uses a person's own immune system to fight cancer, aiming to identify treatments through "activating immunotherapies" or "suppressive immunotherapies." Effective immunotherapies for cancer, where the aim is to activate tumor-specific immune responses, are addressed hereafter.

Over the last decade, the development of immunotherapeutic medicines addressing cancer indications has been impressive. Immunotherapeutic programs include a broad range of agents, such as antibodies, (synthetic) peptides, proteins, small molecules, oncolytic viruses, bi-specific antibodies and cell therapies. After the approval of ipilimumab (CTLA-4) in 2011, various trends[1], such as changes in the standard of care treatment options (driven by survival data), the development of immune biomarkers (e.g. PD-L1 expression), and the rise in developing drug combinations, have driven further achievements in immuno-oncology (IO) treatment options. The treatment of melanoma has been at the forefront in the development of IO therapies. High-dose interleukin-2 (IL-2) therapy approvals (Proleukin®, aldesleukin) in the late 1990s[2] showed that melanomas are susceptible to immunotherapies and created the basis for the development of ipilimumab, nivolumab, and pembrolizumab in this indication. Presently, approximately 69 immuno-oncology products are marketed in multiple indications[3] in the major global pharmaceutical markets[4]. Of those products, checkpoint inhibitors are valued the most, in terms of generated sales, driven by ipilimumab (YERVOY®), nivolumab (OPDIVO®), and pembrolizumab (KEYTRUDA®) due to their multiple approvals[5] in various cancer types.

Strong growth expected in the years to come

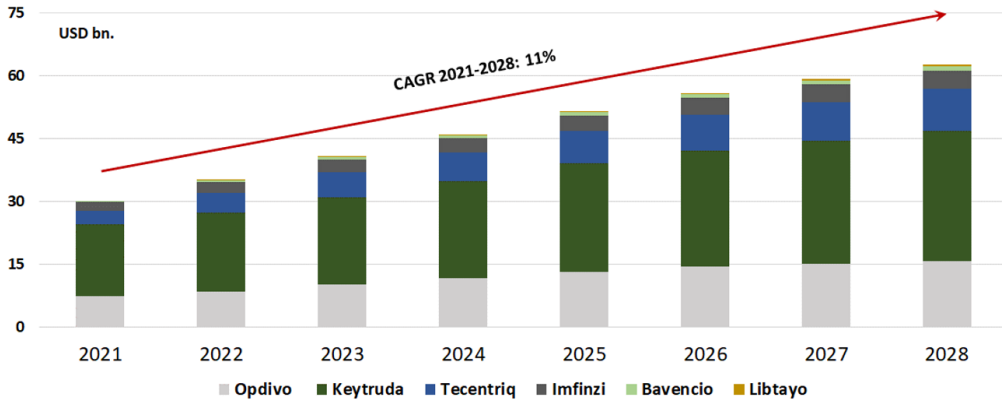


Figure 1: Top-selling Checkpoint Inhibitor programs (source: Deutsche Bank, July 2022). Opdivo® (nivolumab), Keytruda® (pembrolizumab), Tecentriq® (atezolizumab), Imfinzi ® (durvalumab), Bavencio® (avelumab), Libtayo® (cemiplimab)

Revenues generated from the major PD-(L)1 programs marketed globally were approximately $30 billion in 2021 and are forecast to exceed $60 billion in 2028 (Figure 1), with pembrolizumab remaining the market leader. Sales are expected to be driven primarily by increased use in indications where products are already approved, as well as by expansion into other tumor types (gastric cancer, pancreatic cancer and other hematology malignancies), and by the use of CPIs in earlier cancer stages (neo/adjuvant treatment, primarily driven by melanoma and NSCLC). CPI treatments are expected to serve as backbone therapy to various (doublet/triplet) combination treatments.

1 Development of immuno-oncology drugs — from CTLA4 to PD1 to the next generations, Axel Hoos, Nature Reviews, April 2016
2 Proleukin Wins ODAC Support For Use in Metastatic Melanoma (cancernetwork.com)
3 Global Data, Thematic Research: Immuno Oncology, 2022
4 Major markets include the US, EU4 (Germany, Italy, Spain, France), UK and Japan
5 Ipilimumab: 7 approvals, pembrolizumab: 18 approvals, nivolumab: 12 approvals

Over 55% of global sales of CPIs are in the US, which is expected to continue to dominate through to 2028. Sales in Europe and Japan are also expected to grow strongly, approximately doubling over the period, with the highest rate expected in Europe (Figure 2).

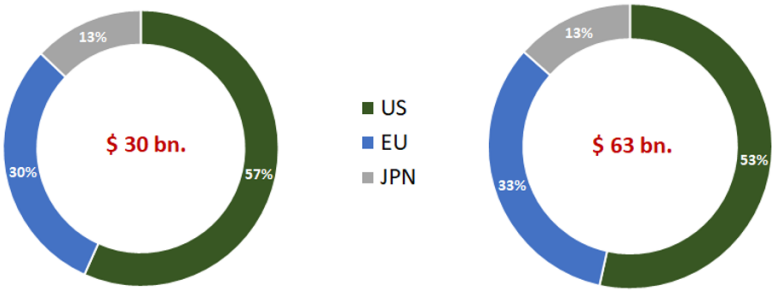


Figure 2: Total geographic share of Checkpoint Inhibitor program sales in 2021 and 2028 (Oncology debrief: longitudinal survey and IO market model updates, Deutsche Bank, 2022)

In China, an increased activity in the development of CPIs has occurred over the last 5 years, as shown below (Figure 3). Cancer patients have been conventionally treated with surgery, radiotherapy, chemotherapy, or by targeted drug therapies. Emerging treatment options such as immunotherapies have not been widely accessible due to the initial lack of innovation and although western drugs were imported, these treatment options came with high prices and were not available to most cancer patients. However, in the last 5 years, a significant number of China-developed CPIs have been approved (Figure 3), making these valuable treatment options accessible to Chinese patients.

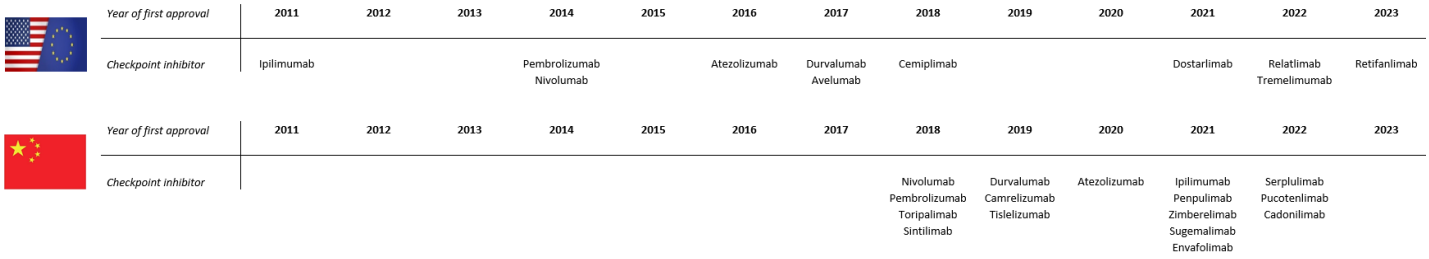


Figure 3: CPI approval in US/Europe versus China (source: Global Data, 2022, Ultimovacs). Note: Cadonilimab is a novel, first in class PD 1/CTLA 4 bi specific immuno therapy and the first dual targeted bispecific checkpoint modulator to be approved globally

Cancer Vaccines

Without a doubt, CPIs have positively impacted the cancer treatment landscape over the last decade. Treatments have been particularly successful in tumors such as lung cancer and melanoma, which are defined as immunogenic and therefore CPI-sensitive. However, many patients do not respond, as indicated below (Figure 4), and will therefore need further treatment alternatives.

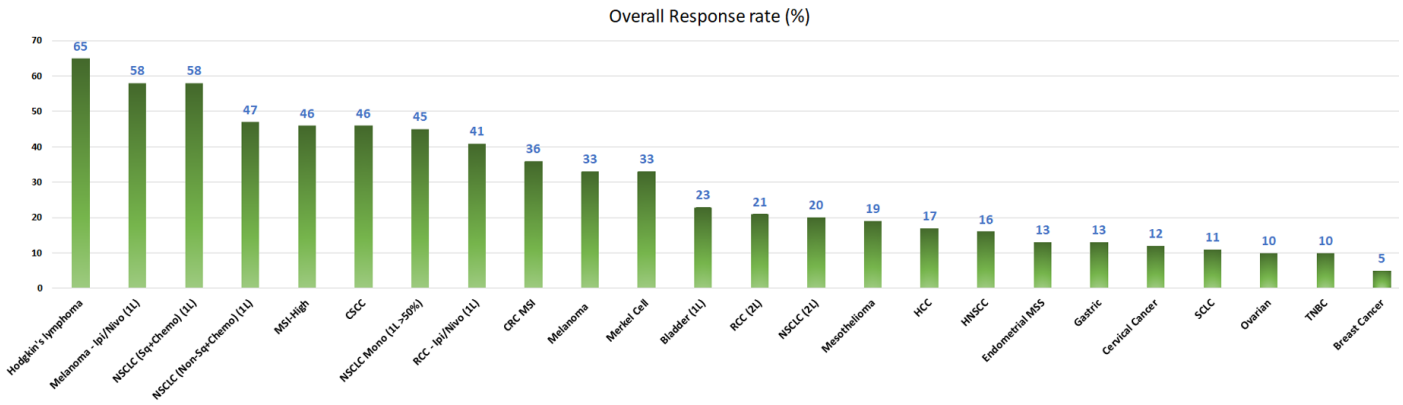
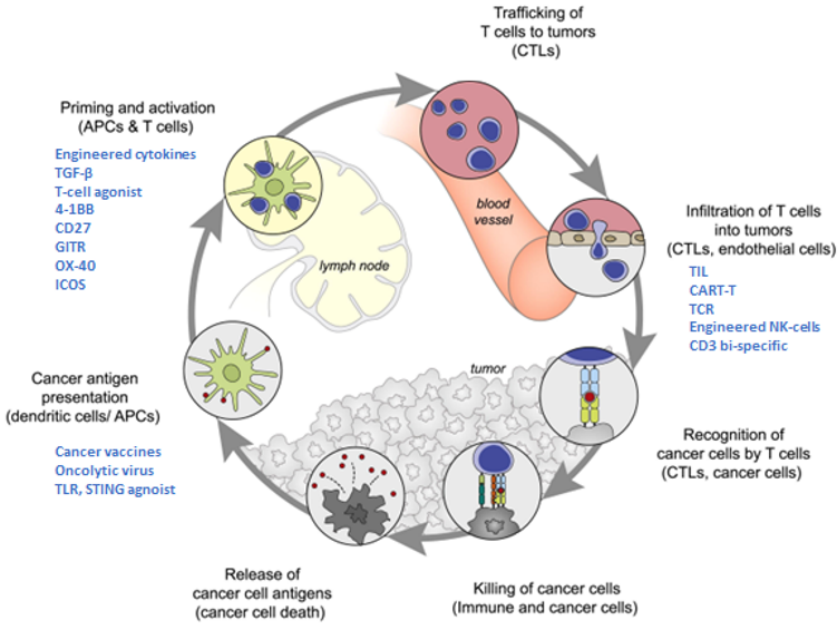


Figure 4: Overall response rates in various cancer types (source: Compugen, Corporate Overview 2021 (Adapted from FDA label)

Next-generation immunotherapy modalities include antibodies, vaccines, small molecules and cell therapies. All these therapies apply different mechanisms of action to stimulate anticancer activity by targeting various parts of the immune system.

"The future of cancer immunotherapy lies in the combination of selective cancer vaccines and checkpoint inhibitors or some other means of relieving immune suppression associated with the tumor.[6]"

Indications of relatively high relevance for cancer vaccine therapies that induce T cell responses against tumor cells include NSCLC, cervical cancer, HNSCC, glioblastoma, HPV-associated cancers, and melanoma. The majority (144) of the 268 active vaccine cancer programs are in Phase II clinical trials (Phase III: 21 programs; Phase I: 103 programs).[7] When looking at treatment modality type, subunit vaccines, such as protein or peptides, selected to induce an effective immune response, account for 50% of all active development programs. Earlier randomized clinical trials from single-agent vaccine programs did not demonstrate an apparent clinical benefit.



A likely reason is the lack of addressing the role of immunosuppression in cancer, such as the immune checkpoints. Upon the arrival of CPIs, this restricting mechanism is now efficiently addressed, and therefore CPI/vaccine combinations treatments seem complementary to each other. The overall good safety profile of (peptide) vaccines makes them excellent candidates for use in a combination setting where they offer the potential to promote longer-term responses and reduce the risk of tumor recurrence, without causing toxicity on top of the initial CPI treatment.

Furthermore, recent industry clinical progress in melanoma has boosted confidence in the potential for CPI/vaccine combinations.

Development of next generation checkpoint inhibitor therapies

Present and next generation CPI therapies are expected to continue to have the largest market share of IO therapies in the years to come. New targets in CPI immunotherapy, such as LAG3 (relatlimab), were introduced to the market (in combination with nivolumab as Opdualag®) in early 2022. Other targets, such as TIGIT (e.g. domvanalimab, tiragolumab, ociperlimab, vibostolimab) and TIM3 (e.g. cobolimab), are in late-stage clinical development, both primarily in lung cancer. AstraZeneca's CTLA-4 inhibitor tremelimumab (the second CTLA-4 program after the approval of ipilimumab in 2011) was approved in the US in the second half of 2022 in combination with durvalumab in liver cancer and NSCLC.

The overall trend in oncology treatment is toward the use of CPIs in combination with other drug modalities will challenge the present (monotherapy) standards of care. We believe vaccine treatment combinations, among other immunotherapy alternatives, applied in combination therapies have the potential to support the impact of CPIs in a wider patient population by improving durable treatment responses and overcoming treatment resistance.

Also, the increase of CPI program approvals in the adjuvant/neoadjuvant setting triggers the extended use of CPI treatment in earlier-stage cancer patients. Several PD-L1 programs are approved in an adjuvant/neoadjuvant setting in melanoma, renal cell cancer, bladder cancer, breast cancer, and NSCLC. (Figure 5)

6 The Future of Immunotherapy: A 20-Year Perspective, David C. Wraith - 2017 Nov 28. doi: 10.3389/fimmu.2017.01668
7 Active vaccine programs derived from Global Data, 2022

Although the development of CPI therapies has increased significantly over the last 4 years to potentially provide less expensive immune therapy treatments to patients, such program approvals have not yet been obtained. In the years to come it is expected that biosimilars, as well as other “low price” focused program developers, may come to the market where they would be able to compete with the established CPI programs. Therefore, overall access to CPIs (and further combination treatment options) is expected to increase and will therefore benefit more patients in the need for combination cancer treatment option, including programs such as UV1.

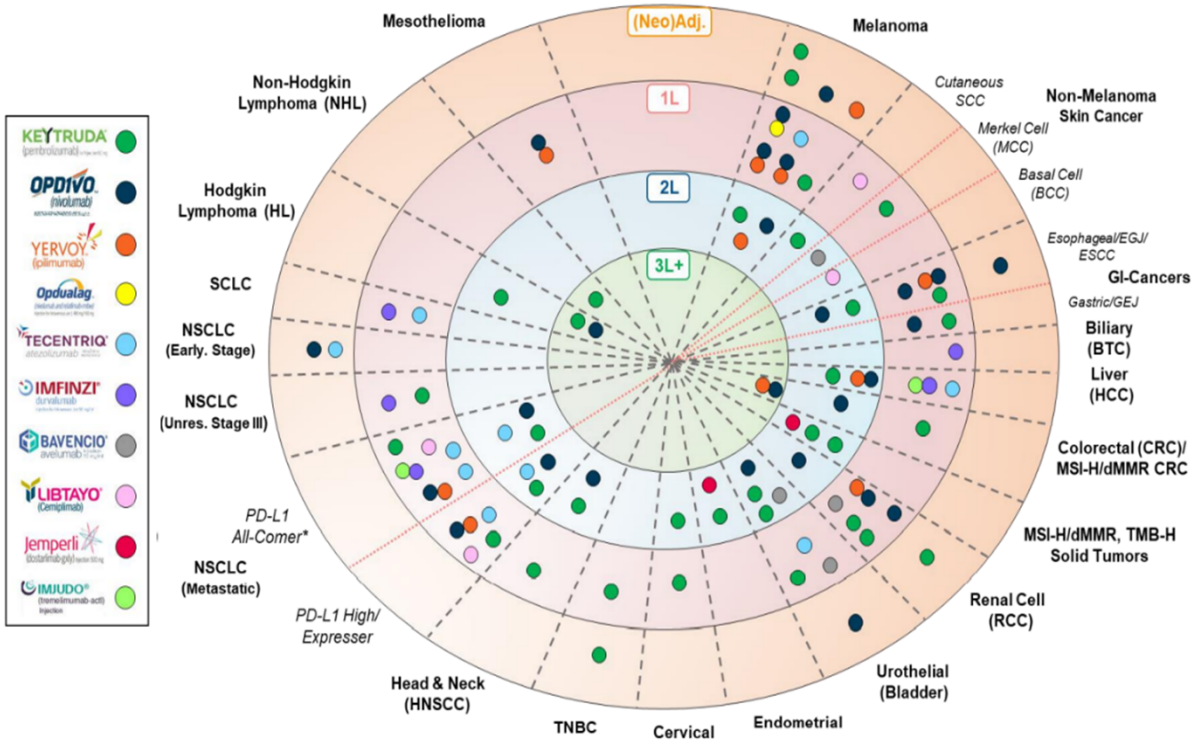


Figure 5: Checkpoint Inhibitor approved programs (source: Mizuho Securities, November 2022)

Financial overview

Financial results

Ultimovacs does not yet generate revenues, as the Company is in a research and development phase. In FY22, the Company recognized government grants of MNOK 9.5 compared to MNOK 14.6 in FY21, which have been deducted from payroll expenses and other operating expenses in the statement of profit and loss. The cash payments from the grants are partly received in the calendar year following the accounting year. The decrease in public grants is primarily due to slower progress in the DOVACC trial, and no part of the grant from Innovation Norway to support this trial was received in FY22.

Total personnel expenses in FY22 were MNOK 71.5 compared to MNOK 61.9 in FY21. The FY22 increase was primarily due to two more FTEs employed in the company during FY22 compared to FY21, explaining MNOK 4.2 of the difference. Further, MNOK 2.3 of the increase is due to higher expenses related to the share-based compensation option program, as well as an increase in social security costs as options were exercised during the year.

Other operating expenses primarily comprise research and development related expenses. These expenses, including IP and external R&D expenses, offset by government grants, amounted to MNOK 91.0 in FY22 and MNOK 88.2 in FY21. The primary projects contributing to these expenses in FY22 were the phase II trials INITIUM, NIPU, FOCUS and LUNGVAC, CMC development (i.e. Chemistry, Manufacturing, and Controls) and development of the TET platform. Total other operating expenses in FY22 was MNOK 109.5 compared to MNOK 99.2 in FY21, where the total increase primarily is derived from the increase in R&D costs.

Net financial income in FY22 of MNOK 15.8 is comprised of MNOK 8.9 in interest from bank, MNOK 2.1 in currency gain from cash in EUR bank account and MNOK 5.1 in currency gain from the EUR currency future contracts. As R&D costs are paid primarily in EUR, the Company in 2021 converted MNOK 50 to EUR and entered into currency swap agreements of MNOK 150 as part of a currency hedging arrangement, contributing to the agio (foreign exchange) gains in FY22 as EUR has strengthened relative to NOK during the year.

Total loss in FY22 amounted to MNOK 167.8 compared to a loss of MNOK 164.7 in FY21.

KEY FINANCIALS (1 000)	2022	2021
Total revenues	-	-
Total operating expenses	183 631	163 832
Operating profit (loss)	**(183 631)**	**(163 832)**
Profit (loss) for the period	**(167 792)**	**(164 722)**
Basic and diluted earnings (loss) per share (NOK per share)	(4.9)	(5.1)
Net change in cash and cash equivalents	(155 426)	137 106
Cash and cash equivalents, end of period	**425 309**	**574 168**

Financial position

Total assets per 31 December 2022 were MNOK 509.7, a decrease of MNOK 145.9 from 31 December 2021, primarily as a consequence of negative operational cashflow. The Company has entered into EUR swap contracts to mitigate the foreign exchange risk related to expected future costs in ongoing projects. By the end of the quarter, the EUR swaps amounted to MEUR 15.0, and MNOK 1.1 in 'Receivables and prepayments' are related to the fair value of these EUR swap contracts by the end of the year.

The book value of Goodwill and Licenses related to the value of the subsidiary Ultimovacs AB in Sweden, has since 31 December 2021 decreased by MNOK 1.9 due to the strengthening of NOK against SEK.

Total liabilities as of 31 December 2022 amounted to MNOK 60.3, of which MNOK 14.4 are non-current.

Total equity equaled MNOK 449.4 as of 31 December 2022. Share capital increases in September 2022 (44,000 shares) and November 2022 (130,700 shares), related to the exercise of a total of 174,700 options granted under Ultimovacs' share option program, resulted in gross proceeds of MNOK 5.5. Subsequently, the Company's share capital increased in 2022 by NOK 17,470 by issuing 174,700 new shares, each share of par value NOK 0.10. Consequently, the total number of shares as per 31 December 2022 was 34,396,461.

Further, total equity has, since year-end 2021, been decreased by the period's operating loss and currency translation, in total amounting to MNOK 169.7, and has in addition been increased by the recognition of share-based payments/stock options of MNOK 20.4.

Cash flow

The total net decrease in cash and cash equivalents in FY22, not including currency effects, was MNOK 155.4, which is primarily related to net negative cash-flow from operations amounting to MNOK 167.7, offset by interest income of MNOK 8.9 and two share issues related to share option exercises, raising net proceeds of MNOK 5.5.

Total cash and cash equivalents per 31 December 2022 amount to MNOK 425.3.

Allocation of the Parent Company's net result

The Board of Directors proposed that the loss of MNOK 161.1 in Ultimovacs ASA is transferred to accumulated losses.

Working environment

Ultimovacs aims to provide a safe, secure and positive work environment for all employees, free of discrimination or harassment. Ultimovacs does not accept any kind of discrimination against employees, shareholders, board members and suppliers on the basis of ethnicity, nationality, age, gender or religion. Salary and terms of employment for comparable positions, as well as recruitment, promotion and development of the employees, are the same for women and men.

Absence due to sickness was 1.1% in 2022, up from 0.1% in 2021. No work-related accidents were recorded in Ultimovacs in 2022.

As per 31 December 2022, the Group had 25 employees, 20 in Ultimovacs ASA in Oslo, and 5 in Ultimovacs AB in Uppsala, Sweden. Of the 25 employees, three were part time employees with 20-50% positions. 12 out of the 25 employees were male and 13 were female. The management team is comprised of six men and four women and the Board of Directors is comprised of five men and three women.

A total of 23.2 full time employee equivalents were employed during the financial year of 2022.

External Environment

Ultimovacs' operations do not directly pollute or harm the environment, and the Company and its employees are committed to behaving responsibly and to minimizing the impact on the environment.

Corporate Governance

The Board and management of Ultimovacs are committed to maintaining high ethical standards and promoting good corporate governance. Ultimovacs believes that strong corporate governance builds and maintains confidence among investors and other stakeholders, and thereby supports maximal value creation over time. The Board believes that attention to corporate governance is beneficial for companies and investors. Ultimovacs' corporate governance principles are based on maintaining a transparent and clear communication, regulating the division of roles between shareholders, the Board and Executive Management and treating all shareholders equally. In addition, shares in the Company are freely transferable and all shareholders are to be treated equally.

Ultimovacs' Corporate Governance Policy (approved by the Board of Directors on 24 March 2022) and the Report in this annual statement are based on the Norwegian Code of Practice for Corporate Governance, issued by the Norwegian Corporate Governance Board (NUES), last revised on 14 October 2021, and the corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act.

Corporate Governance is further addressed in a separate statement in this Annual Report and constitutes an integral part of the Directors' Report. The full Corporate Governance Policy is available on the company's website at www.ultimovacs.com/investors/governance

Corporate Social Responsibility (CSR)

Ultimovacs is committed to develop, manufacture and deliver innovative cancer vaccines to address unmet medical needs and advance cancer care. In its pursuit to reach this goal, Ultimovacs will work to ensure a socially responsible business operation involving good business ethics, as well as how employees are treated, the relationship with the environment and the work to deliver safe products to patients, among others.

Ultimovacs recognizes that we must integrate our business values and operations in a way so that we act responsibly in a broader social context and meet key expectations of our stakeholders. These stakeholders include employees, patients, regulators, suppliers, shareholders, the community and the environment. Ultimovacs will work to ensure a socially responsible business operation involving good business ethics, as well as how employees are treated, the relationship with the environment and the work to deliver safe products to patients, among others.

Key CSR focus areas identified, integrated into the Company's ESG Guidelines (Environmental, Social, & Governance), are patient safety, employee environment, human rights, environment, supply chain management, anti-corruption and transparent communication. In addition, separate ethical guidelines apply to all employees in the group.

Corporate Social Responsibility is further addressed in the ESG Report which also includes the reporting on the Transparency Act (Norwegian: 'Åpenhetsloven'), in section #3 in this Annual Report. The ESG guidelines along with the annual ESG report, are available on the company's website at www.ultimovacs.com/investors/ESG

The Board of Directors in Ultimovacs are ultimately responsible for the ESG governance in the Company, overseeing the ESG topics and the Management's role in assessing and managing them. All employees are responsible for adopting and implementing the Company's guidelines on ESG.

The ESG Guidelines will be regularly reviewed and any amendment shall be approved by the Board of Directors.

Risks and uncertainties

Ultimovacs is a mid-stage research and development biotech company. Ultimovacs is exposed to the same generic risks as other companies within this sector. The Company has not generated any revenues historically and is not expected to do so in the short term. The Group's development, results of operations and operational progress have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control.

Operational risks

Research and development up to approved registration is subject to considerable risk and is a capital-intensive process. The Company's cancer vaccines candidates and technology platforms are dependent on research and development and may be delayed and/or incur higher costs than currently expected.

Legislative and regulatory environment
Operations may be impacted negatively by changes or decisions regarding laws and regulations. Several regulatory factors have influenced and will likely continue to influence the Group's results of operations. The Group operates in a heavily regulated market and regulatory changes may affect the Group's ability to commence and perform clinical studies, include patients in clinical trials, protect intellectual property rights and obtain patents, obtain marketing authorization(s), market and sell potential products, operate within certain geographical areas/markets, produce the relevant products, in-license and out-license products and technology, etc.

Competitive environment
Competitive cancer treatments and new/alternative therapies, either within immune-oncology or within the broader space of oncology, may affect the Group's ability to commence and complete clinical trials, as well as the opportunity to apply for marketing authorization, and may influence future sales if marketing authorization is obtained. 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 amount and magnitude of clinical trials within different oncology areas in which the Group operates may influence the access to patients for clinical trials.

Financial risks

The primary financial risks are foreign exchange risks and financing risks.

Foreign exchange rate exposure
Ultimovacs will conduct a large share of its clinical studies and other R&D activities outside of Norway and is therefore exposed to fluctuations in the exchange rate between NOK and several currencies, mainly EUR and USD. Further, production is conducted in Belgium and Italy, and production costs are, therefore, exposed to the fluctuations of EUR against NOK. The fluctuation of the above-mentioned currencies may therefore impact the overall costs for the clinical studies and production, as well as other costs such as consultants invoicing in these currencies.

In addition, the Company has investment in foreign operations, whose net assets are exposed to currency translation risk.

Operational currency exposure is constantly monitored and assessed. The Group has converted cash to EUR and entered into EUR swaps to mitigate the foreign exchange risk and to get a better predictability regarding future costs.

Financing
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 Group monitors the liquidity risk through monthly rolling consolidated forecasts for result and cash flow, and the Board of Directors works continuously to secure the business operation's need for financing.

Interest rate risk
The Group has no interest-bearing debt. Bank deposits are exposed to market fluctuations in interest rates, which impact the financial income.

Ultimovacs' financial risk exposures are described in more detail in note 17 in this financial statement.

Going concern

The annual accounts have been prepared on the basis of a going concern assumption, in accordance with section 3-3(a) of the Norwegian Accounting Act, and in the opinion of the Board of Directors, these financial statements provide a fair presentation of the Company's business, financial results, and outlook. No significant events have occurred since the end of 2022, and the Board of Directors confirms that the going concern assumption has been satisfied.

Subsequent events

On 23 January 2023, Ultimovacs announced that patient enrollment was completed in the NIPU Phase II clinical trial in metastatic pleural mesothelioma.

In February 2023, as part of the Q4 2022 reporting, Ultimovacs provided an update on guidance regarding expected topline data readouts for its Phase II clinical trials:

- INITIUM (malignant melanoma): H1 2023 (no change from previous statements)
- NIPU (pleural mesothelioma): H1 2023 (no change from previous statements)
- FOCUS (head and neck cancer): H1 2024
- DOVACC (ovarian cancer): H2 2024
- LUNGVAC (non-small cell lung cancer): H2 2025

There are no other significant subsequent events after the balance sheet date.

Outlook

Ultimovacs' lead product candidate, the universal cancer vaccine UV1, triggers an immune response against telomerase, which is expressed in 85-90% of cancer types and across all stages of tumor growth. UV1 can be used in combination with different types of cancer treatment and is expected to generate immune responses across the general population (i.e., regardless of HLA type). The UV1 vaccine can be broadly applied, has low manufacturing cost, is off-the-shelf and easy to use, with intradermal injections, and can be administered at all hospitals and community centers. Checkpoint inhibitors have positively impacted the cancer treatment landscape over the last decade. Many patients, however, do not respond and will need further treatment, representing an unmet medical need. UV1 can potentially serve as a backbone therapy to enhance efficacy of different checkpoint inhibitors.

As of now, UV1 is being investigated in five randomized Phase II trials in five different cancer types in combination with different checkpoint inhibitors. Ultimovacs is sponsoring one of the trials. The other four trials are initiated and sponsored by academic institutions, and supported by Ultimovacs. The five Phase II clinical trials will enroll more than 670 patients in total, representing opportunities for Ultimovacs to move toward a possible registration path. The main study objectives are efficacy and safety on combination therapies.

The guidance for expected timeline readout from the UV1 Phase II clinical program, which will be updated with the Q4 2023 reporting, is as follows:

- INITIUM (malignant melanoma): H1 2023
- NIPU (metastatic pleural mesothelioma): H1 2023
- FOCUS (head and neck cancer): H1 2024
- DOVACC (ovarian cancer): H2 2024
- LUNGVAC (non-small cell lung cancer): H2 2025

Ultimovacs continues to pursue strategic collaborations with cancer institutions and pharmaceutical companies to document the efficacy and safety of UV1 in a range of cancer types and in combination with different cancer treatments. Ultimovacs makes clinical development choices based on the universal nature of UV1 as a cancer vaccine. Positive results from ongoing Phase II clinical trials will reinforce the significant development and market potential of the universal cancer vaccine. The related financial opportunity could be highly attractive. Based on current funding, plans and expectations, Ultimovacs current cash balance is expected to support operations to mid-2024.

Ultimovacs is also seeking to broaden its pipeline of drug candidates. The Company's research activities are currently focused on the development of new first-in-class cancer vaccine solutions, building on Ultimovacs' base technology, the TET-platform, and exploring new opportunities based on biobank material from the ongoing and planned clinical studies conducted with UV1. Pending final confirmation of the safety of the TET technology through the Phase I TENDU trial and further preclinical development, the TET vaccine adjuvant technology can be applied to identify new cancer vaccine program candidates to move into clinical development.

Board of Directors and CEO of Ultimovacs ASA

Oslo, 23 March 2023

Sign	Sign	Sign
Jónas Einarsson Chair of the Board	**Kari Grønås** Board member	**Eva S. Dugstad** Board member
Sign	Sign	Sign
Henrik Schüssler Board member	**Ketil Fjerdingen** Board member	**Leiv Askvig** Board member
Sign	Sign	Sign
Aitana Peire Board member	**Haakon Stenrød** Board member	**Carlos de Sousa** CEO

Responsibility statement from the Board of Directors and CEO

We confirm that the financial statements for the period 1 January to 31 December 2022, to the best of our knowledge, have been prepared in accordance with IFRS, that the accounts give a true and fair view of the assets, liabilities, financial position and profit or loss, and that the information in the report includes a fair review of the development, performance and position of the Company and the Group, together with a description of the principal risks and uncertainties facing the Company and the Group.

Board of Directors and CEO of Ultimovacs ASA

Oslo, 23 March 2023

Sign	Sign	Sign
Jónas Einarsson Chair of the Board	**Kari Grønås** Board member	**Eva S. Dugstad** Board member
Sign	Sign	Sign
Henrik Schüssler Board member	**Ketil Fjerdingen** Board member	**Leiv Askvig** Board member
Sign	Sign	Sign
Aitana Peire Board member	**Haakon Stenrød** Board member	**Carlos de Sousa** CEO

Governance | 03

- ESG Report
- Corporate Governance Report
- The Board of Directors

ESG Report

Ultimovacs' ESG (Environmental, Social and Government) report will be conducted annually, and this report is applicable for the full year of 2022. The report is prepared by the Ultimovacs team, and reviewed, discussed, and approved by the Board of Directors on 23 March 2023.

As of January 2023, Ultimovacs received an ESG Risk Score from Sustainalytics of 19.5, rated as low risk of experiencing material financial impact from ESG factors. Ultimovacs ranked in the top 3% in the global biotechnology and pharmaceutical industry.

The claims in this report have not been audited by a third party. For further information, contact ir@ultimovacs.com.

Contents

About the Company

Ultimovacs ("the Company") is a pre-commercial, clinical-stage biotechnology company developing novel immunotherapies against cancer. The lead product candidate, UV1, is a peptide-based therapeutic cancer vaccine inducing a specific T cell response against the universal and essential cancer antigen, telomerase. The technology is based on pre-clinical and clinical research conducted in more than 1,000 patients over 30 years at the Oslo University Hospital. UV1 is currently being assessed in an extensive Phase II clinical program in five cancer types in combination with different checkpoint inhibitors, enrolling more than 670 patients in 15 countries.

The Company was founded in 2011 and was publicly listed on the Euronext Oslo Stock Exchange in 2019. Ultimovacs' headquarter and main laboratory are located at the Oslo Cancer Cluster Innovation Park, next to The Norwegian Radium Hospital, a division of Oslo University Hospital dedicated to cancer treatment and cancer research. The Company also has an office and a laboratory in Uppsala, one of the strongest biotechnology clusters in Sweden.

Letter from the Chief Executive Officer

For Ultimovacs, ESG means building a sustainable business so that we can deliver on our mission: to extend and improve the life of patients, by directing the immune system against the core of cancer. We aim to provide universally accessible solutions for patients.

It takes hard work over many years to discover, develop and commercialize new therapies. We appreciate the contribution from our eco-system, including internal and external stakeholders, locally and internationally, to make the achievement of our mission possible. Ultimovacs is proud to be a part of a community committed to the UN's Sustainable Development Goal 3: Ensure healthy lives and promote well-being for all at all ages.

As a clinical-stage biotechnology company with 26 people (as of January 1, 2023), our environmental footprint is small. The industry operates within a regulated framework aiming to support medical innovation while ensuring that new biotechnology products are safe for the environment and human health. Headquartered and publicly listed in Norway, Ultimovacs appreciates the incorporation of the Human Rights Act as national law. Corruption in the country ranks amongst the lowest in the world. Norway is consistently ranked among the top countries regarding adherence to the rule of law.

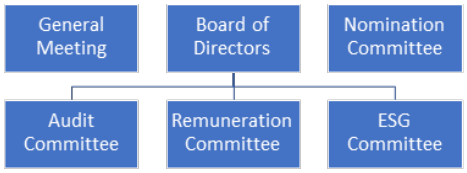
Ultimovacs acknowledges our responsibility for the indirect impact and potential for unintentional ripple effects from our work. Our current clinical program is conducted in Europe, the US, and Australia. Our R&D and manufacturing partners, suppliers, and collaborators, are located in Europe and the US. We are conscious of associating with companies sharing our ethical values and professional standards.

Ultimovacs is proud to be recognized as a top ESG performer out of more than 5,000 companies in Sustainalytics' rating universe and one of the top 3% companies in the biotechnology and pharmaceutical industry globally. Despite our small company size, Ultimovacs' first ESG report reflects our commitment to transparency as one of our Company's core values, and our ambition of continuous improvement in taking a wider responsibility for both planet and people. We plan to continue to deliver on building a sustainable business and supporting cancer patients with unmet needs.

Carlos de Sousa
Chief Executive Officer

Responsible Governance

The Governance framework, Corporate Governance Policy and Code of Ethics is described in detail in the Annual Report.



Corporate Governance
Ultimovacs has a strong commitment to ensure trust in the Company. The Company's framework for corporate governance is intended to decrease risk and utilize the Company's resources in a prudent and sustainable manner to the benefit of shareholders, employees, and society at large. The Company seeks to follow the Norwegian Code of Practice for Corporate Governance ("the Corporate Governance Code" available at www.nues.no) to the extent not considered unreasonable due to the Company size, stage of development, and common international (EU & US) industry practice.

The General Meeting
The General Meeting (GM) is the supreme governing body at which shareholders can influence how sustainability is practiced in the Company. One share equals one vote. The Nomination Committee evaluates and nominates the board members, and the GM elects each member of Board of Directors annually.

The Board of Directors
The Board of Directors has the principal responsibility for the overall management of the Company and shall supervise Company's day-to-day management. The Board holds the ultimate responsibility for the Company's sustainability approach. The ESG report is reviewed, discussed and approved by the Board.

The Company discloses details on the Board of Directors and the Audit, Remuneration, ESG and Nomination Committees annually in the annual report and on the Company website (Investors/Governance).

The Patients

Ultimovacs is a pre-commercial, clinical stage biotechnology company, conducting cancer research and clinical trials to develop novel immunotherapeutic cancer treatments. As a company, we are first and foremost patient-driven. However, we recognize that our work has an economic, social, and environmental impact on our surroundings.

Ultimovacs lead product candidate, UV1, is the result of more than 30 years of research at the Norwegian Radium Hospital, and biological observations in more than 1,000 patients. Our Phase II clinical program is enrolling 670 patients at more than 100 hospitals in Europe, the US and Australia.

Safety
The safety of patients being enrolled in the clinical trials is the highest priority. Ultimovacs has detailed protocols including the Standard Operating Procedure for Adverse Event Reporting. The trials are conducted in compliance with good clinical practice, following the standards of Good Clinical Practice and Clinical Trials, according to the regulations from FDA (US) and EMA (Europe). The Company seeks advice and approval from independent ethics committees and regulatory authorities. Collecting, obtaining, storing, and using human biological samples requires informed consent. Ultimovacs follows applicable bioethical principles and regulatory requirements and standards, including General Data Protection Regulation (GDPR) in Europe (2016/679).

An annual review of all aspects of the quality system and safety are conducted with the Management Team. For the year 2022, there were no quality or safety incidents that led to any market actions or need for reporting to the health authorities.

Research & Development
Ultimovacs collaborates with R&D partners following the principles for Good Laboratory Practice. The Company is not involved in genetic engineering or emerging technology considered high-risk.

Animal testing
In advancing development of medical products, animal research is often essential and required by regulatory authorities before human testing can take place. Ultimovacs conducts animal testing only when necessary, and we are committed to humane and ethical treatment of animals. We support the implementation of the 3 Rs standard for the ethical use of animals in medicine testing: Replace – use alternative methods, if possible, Reduce – use the minimum number of animals, and Refine – minimize suffering, pain and distress, and improve the welfare of the animal used.

Most of our animal studies are conducted at external qualified and certified vendors in the UK and Sweden. The testing is regulated by the European Union legislation on the protection of animals used for scientific purposes (Directive 2010/63/EU), one of the most stringent ethical and welfare standards worldwide.

Affordability and access
None of Ultimovacs' product candidates are currently on the market. We recognize that access to medicines is key to solving many public health issues. The cancer vaccine UV1 is off-the-shelf and easy to use with intradermal injections that can be administered at hospitals or community centers.

People & Planet

Developing novel cancer therapies requires a dedicated, highly skilled team, capable of focusing on short-term deliverables as well as the long-term overall objective for patients. Ultimovacs is proud of our history of attracting and retaining talent with outstanding expertise, track record and grit. During 2022, we had no turnover of staff in the Company.

We want to be a great place to work for all employees, with space for multiple identities where everyone feels they belong. We aim to provide a safe, secure, and positive work environment, free of discrimination or harassment on the grounds of ethnicity, nationality, age, gender identity, sexual orientation, religion, physical disabilities or cultural background. Ultimovacs has zero-tolerance for behavior and actions that may harm our common culture.

The Company has a competitive employee benefits package including a premium health plan, employee insurance and pension plan, sick leave and parental leave covered by the Company and/or the National Welfare Administration, flexibility to work from home, five weeks of paid vacation per year, and more.

All employees are invited to a bi-weekly team meeting, where employees have the opportunity to ask questions and voice concerns.

Diversity
The Ultimovacs Team includes a small number of highly specialized experts, supported by external resources. In 2022, Ultimovacs had 25 employees (now 26 employees) from seven different nationalities, including 13 women and 12 men. The Management Team consists of ten members from four different nationalities, including four women and six men. The Board of Directors consists of eight members from two different nationalities, including three women and five men.

As a small team of 26 people, performance and employee development are discussed on an informal, day-to-day basis. All employees are included in the Company's long-term incentive program. Ultimovacs does currently not report on the gender pay gap due to the company size, but the remuneration of the Board and Management Team is disclosed in the annual Remuneration Report.

Social Commitment

Ultimovacs fully supports the Ten Principles of the UN Global Compact. We acknowledge our responsibility not only for our own Company, but also our responsibility as a corporate citizen. Through the Human Rights Act, Norway has incorporated several human rights treaties as national law. These include the European Convention on Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights. Employees' freedom of association is protected by national law.

Ultimovacs does not partner or conduct business with any individual or company that participates in exploitation of children, inhumane treatment, discrimination, human trafficking, any form of modern slavery, or forced labor.

Whistle blowing
The national Working Environment Act protects the health, environment, and safety of employees by law. In addition, Ultimovacs' process for handling whistle blowing incidents is described in the Corporate Social Responsibilities (CSR) guidelines available on the Company website. Incidents can be reported either to Ultimovacs' CFO, the Chair of the Board, or the leader of the Audit Committee, and will be thoroughly investigated, while protecting the identity of the whistle blower against retaliation. Ultimovacs reported zero whistle blower incidents in 2022.

Business Ethics

Ultimovacs' policy and processes are described in detail in the Company Corporate Governance Policy.

Bribery and corruption
Ultimovacs has zero tolerance for bribery and corruption. The Company had no incidents in 2022.

Lobbying and political involvement
The Company is not engaged in lobbying or political involvement. Ultimovacs does not make monetary contributions to political parties or affiliated organizations.

Transparency
Ultimovacs is committed to transparency towards all our stakeholders, patients, shareholders, the medical and scientific community, collaboration partners, and general public. Data from our research and clinical activities are presented through publications and conferences. Enrollment status for the studies in the clinical program has been announced in the quarterly reports in 2022.

Community support
As a member of Oslo Cancer Cluster and the Life Science Cluster, the Company is an active participant in strengthening collaboration and knowledge sharing in the industry, academia, and the private and public sectors. Ultimovacs was developed with support and grants from the Norwegian Cancer Society, Norwegian Research Council and Innovation Norway.

Environmental Impact

With only 26 people, Ultimovacs' direct environmental footprint is small, and the greenhouse gases (GHG) carbon emissions are minimal. Norway has an almost entirely renewables-based electricity system, with renewable resources accounting for 98% of its generation. Most of the Company's carbon emissions are related to employees traveling due to the international nature of the industry. Ultimovacs' staff seek to avoid traveling if virtual meetings are a viable alternative.

As a clinical-stage biotech company, our chemistry, manufacturing and control (CMC) activity is currently limited to a small volume serving our R&D activities and clinical program. Ultimovacs seeks to collaborate with partners which are conscious about environmental, social and governance impact, demonstrated through an appropriate Code of Conduct. Material environmental topics may include green chemistry, circular waste management, environmental protection, and climate change mitigation.

100% of Ultimovacs' CMC partners hold a Good Manufacturing Practice (GMP) Certificate.

Quality Assurance and Risk Assessment

Ultimovacs' lean business model is based on the procurement of services from external industry experts, including product manufacturing and the conduct of clinical studies with third parties. The Company applies a comprehensive procurement process and a structured assessment of suppliers critical to our operations, to ensure that our work is in compliance with applicable laws, regulations, and guidelines.

Ultimovacs' Quality Management System (QMS) ensures that the Company's activities are in full compliance with applicable GxP regulations (Good Laboratory Practice (GLP), Good Manufacturing Practice (GMP), Good Distribution Practice (GDP), Good Clinical Practice (GCP), Good Pharmacovigilance Practice (GVP)) and other related requirements. All activities must comply with applicable national laws, regulations, and guidelines. Standard Operating Procedures (SOPs) give instructions for performing GxP activities at Ultimovacs. The Company commits to following the standards of the International Conference of Harmonisation (ICH) and the World Medical Association Declaration of Helsinki on the Ethical Principles for Medical Research Involving Human Subjects.

The QMS effectiveness is evaluated as a half-yearly review, performed by the QA and the Management Team. Ultimovacs aims to be always inspection-ready for audits from regulatory authorities. For the year 2022, there were no quality or safety incidents that led to any market actions or need for reporting to the health authorities.

Supplier assessment
Ultimovacs has identified 58 companies as "critical suppliers", defined as companies working within GxP and/or companies processing personal data on behalf of Ultimovacs. The critical suppliers will be screened for the existence of an ESG policy (or similar), in accordance with The Transparency Act.

The Transparency Act

The annual ESG Reports will include assessment in compliance with the Transparency Act. Ultimovacs has established or initiated the following actions during 2022:

I. Established accountability in the Board of Directors: ESG Committee
II. Established guidelines and integrated this into our internal processes:
III. System for handling the obligation to provide information established
IV. Supply chain mapping
V. Risk Analysis of the supply chains and other business relationships

Development Targets

1. Map suppliers' and collaboration business partners' adherence to ESG principles and ethical standards (initiated)
2. Assess risk regarding violations of basic human rights and decent working conditions in the various parts of the business internally, in the supply chains and vis-à-vis other business relationships (initiated)
3. Introduce systems for handling the obligation to provide information according to the Transparency Act (initiated)
4. Ensure that all ESG-related information is easily accessible for third-party assessment (initiated)

Corporate Governance Report

The Board of Directors of Ultimovacs ASA (the "Company") has prepared a corporate governance policy which was resolved by the Board of Directors on 4 December 2018 and which entered into force from the date the company applied for listing on the Oslo Stock Exchange, 21 May 2019. A revised version was approved by the Board of Directors on 24 March 2022. The complete Corporate Governance Policy can be found on the corporate website: www.ultimovacs.com

The corporate governance policy addresses the framework of guidelines and principles regulating the interaction between the Company's shareholders, the Board of Directors (the "Board"), the Chief Executive Officer (the "CEO") and the Company's executive management team.

The Policy is based on the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES). The Company will, in accordance with applicable legislation and stock exchange listing rules, provide a report on the Company's corporate governance in the Board of Directors' report or in a document that is referred to in the Board of Directors' report.

There has been no non-conformance with the recommendations referred to below for the financial year of 2022, with the exception for the Code of Practice recommendation which stipulates that the Board of Directors should ensure that the General Meeting is able to elect an independent chairman at General Meetings. Please refer to section '6 - General Meetings' regarding the deviation from this NUES recommendation.

1) Implementation and reporting on corporate governance

The Board of Directors ensures that the company implements and operates by sound corporate governance principles. The objective of the corporate governance is to regulate the division of roles between shareholders, the Board of Directors, the CEO and the Company's Executive Management. In this reporting section, the Board of Directors provides a systematic evaluation of the Company's corporate governance practice covering every section of the Code of Practice. Any deviations from full compliance with the Code of Practice is explained with a description of the solution that has selected.

The Corporate Governance policy is reviewed annually, and an updated version will be available in the 'Governance' section of the Company's website.

2) Business

Ultimovacs is a biotech company developing cancer vaccines, and the company's mission is:

"To extend and improve the life of patients by directing the immune system against the core of cancer. We will provide universally accessible solutions."

Ultimovacs is committed to develop, manufacture and deliver innovative cancer vaccines to address unmet medical needs and advance cancer care. The Company's business activity, as set out in Section 4 of the Articles of Association, is to develop, produce and sell medicines for the treatment of cancer. The business may be carried out by the Company, the Company's subsidiaries or by participation in other companies or in cooperation with others.

Ultimovacs will work to ensure a socially responsible business operation involving good business ethics, addressing how employees should be treated regarding equality and non-discrimination, respect for human rights, anti-corruption and bribery, the relationship with the environment and the work to deliver safe products to patients.

In addition to the contents in this report, the Articles of Association, the Corporate Governance Policy and the Environmental, Social and Governance (ESG) Guidelines give information regarding the Company's risk, goals, strategy and how Ultimovacs interacts with internal external stakeholders and other parties.

3) Equity and dividends
The Board aims to maintain a satisfactory equity ratio in the Company, in light of the Company's goals, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board shall continuously assess the Company's capital requirements in light of the Company's strategy and risk profile.

The Board's authorizations to increase the share capital and to buy own shares shall be granted for periods no longer than until the next Annual General Meeting of the Company.

At the Ordinary General Meeting on 21 April 2022, the Board of Directors was given a general authorization to increase the share capital by NOK 684,435.22 (20% increase in outstanding shares at the time of the General Meeting). In addition, the Board of Directors was also authorized increase the share capital by NOK 342,217.61 (10% increase in outstanding shares at the time of the General Meeting) in relation to the share-based incentive program (share options) for the employees, and to increase the share capital by NOK 342,217.61 (10% increase in outstanding shares at the time of the General Meeting) to acquire treasury shares.

These authorizations are valid until the next ordinary General Meeting of the company in 2023, but no longer than 30 June 2023.

The Company has historically not distributed dividends and is not expected to do so in the near future.

4) Equal treatment of shareholders and transactions with close associates
There is only one class of shares in the Company and all shares carry equal rights. The Company shall ensure equal treatment of its shareholders.

Any transactions, agreements or arrangements between the Company and its shareholders, members of the Board, members of the Executive Management Team or close associates of any such parties shall only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall comply with the procedures set out in the Norwegian Public Limited Liability Companies Act. In case of a transaction with close associates that is not part of ordinary course of business, the Board shall arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question must be considered to be immaterial. The Company's financial statements shall provide further information about transactions with related parties. There have been no such transactions in the financial year.

Board Members and members of the Executive Management Team shall immediately notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

5) Shares and negotiability
The shares in the Company shall be and are freely transferable.

6) General Meetings
All shareholders have the right to participate in the General Meetings of the Company, which exercise the highest authority of the Company.

The full notice for General Meetings shall be sent to the shareholders no later than 21 days prior to the meeting. The notices for such meetings shall include documents providing the shareholders with sufficient detail in order for the shareholders to make an assessment of all the cases to be considered as well as all relevant information regarding procedures of attendance and voting. The Board and the Company's auditor shall be present at General Meetings. Directors of the Board and the CEO have the right to attend and speak at General Meetings. The Chair of the Board and CEO shall attend General Meetings unless the General Meeting in each case decides otherwise (the Companies Act Section 5-5).

The Chair of the Nomination Committee, or a person authorized by the Chair, shall present the Committee's recommendations for the Annual General Meeting, and give an account of the reasons for its recommendations.

Notices for the General Meeting shall provide information on the procedures shareholders must observe in order to participate in and vote at the General Meeting. The notice should also set out:

i. the procedure for representation at the meeting through a proxy, including a form to appoint a proxy,

and

ii. the right for shareholders to propose resolutions in respect of matters to be dealt with by the General Meeting.

The cut-off for confirmation of attendance shall be set as short as practically possible and the Board will arrange matters so that shareholders who are unable to attend in person will be able to vote by proxy. The form of proxy will be distributed with the notice.

The Code of Practice stipulates that the Board of Directors should ensure that the General Meeting is able to elect an independent Chair at General meetings. Ultimovacs' Corporate Governance Policy deviates from this recommendation by not having such an arrangement in place, both for practical reasons and due to the size of the company.

7) Nomination committee

The Company has a Nomination Committee as set out in Section 11 and Appendix 1 in the Corporate Governance Policy. Members and Chairman of the Nomination Committee shall be elected by the General Meeting. At the outset, the Nomination Committee should consist of three members unless special circumstances suggest a different number of members.

The members of the Nomination Committee should be selected to take into account the interests of shareholders in general. Board Members and members of the Executive Management Team should not be members of the Nomination Committee. Instructions for the Nomination Committee shall be approved by the Company's General Meeting.

The Annual General Meeting stipulates the remuneration to be paid to the Nomination Committee. The Nomination Committee's expenses shall be covered by the Company.

As per 31 December 2022, all three members of the Nomination committee are independent of the Board of Directors and the Executive Management Team, and consist of:

- Ole Kristian Hjelstuen (Chair)
- Hans Peter Bøhn (Member)
- Jakob Iqbal (Member)

The Nomination Committee shall present proposals to the General Meeting regarding election of the Chair of the Board, Board Members and any deputy members of the Board. The Nomination Committee shall also present proposals to the General Meeting for remuneration of the Board and any sub-committees of the Board. The Nomination Committee shall justify its recommendations and provide relevant information about the candidates. Any dissenting votes shall be stated in the recommendation.

In its work, the Nomination Committee may contact shareholders, members of the Board, the Executive Management Team and external advisers. Shareholders should be given the opportunity to propose Board Member candidates to the Nomination Committee. The Nomination Committee should conduct individual discussions with the Board Members to ensure the best possible assessment basis for the Nomination Committee's decisions.

8) Board of directors: composition and independence

The Board of Directors is elected by the General Assembly. In appointing members to the Board, it is emphasized that the Board shall have the requisite competency to independently evaluate the cases presented by the Executive Management Team as well as the Company's operation. It is also considered important that the Board can function well as a body of colleagues. Board Members shall be elected for periods not exceeding two years at a time, with the possibility of re-election. Board Members shall be encouraged to own shares in the Company.

The Board shall comply with all applicable requirements as set out in the Norwegian Public Limited Liability Companies, Act, the listing rules of Oslo Børs and the recommendations set out in the Norwegian Code of Practice for Corporate Governance.

The Board of Directors consists of eight members, of which five men and three women. Seven of the board members are regarded as fully independent of the company and the main shareholders. Each Board Member is presented in the next section of this report and on the Company website.

9) The work of the Board of Directors

The Board shall prepare an annual plan for its work with special emphasis on goals, strategy and implementation. The Board's primary responsibility shall be:

i. participating in the development and approval of the Company's strategy,
ii. performing necessary monitoring functions and
iii. acting as an advisory body for the Executive Management Team. Its duties are not static, and the focus will depend on the Company's ongoing needs. The Board is also responsible for ensuring that the operations of the Company are in compliance with the Company's values and ethical guidelines. The Chair of the Board shall be responsible for ensuring that the Board's work is performed in an effective and correct manner.

The Board shall ensure that the Company has a good management with clear internal distribution of responsibilities and duties. A clear division of work has been established between the Board and the Executive Management Team. The CEO is responsible for the executive management of the Company.

All members of the Board shall regularly receive information about the Company's operational and financial development. The Company's strategies shall regularly be subject to review and evaluation by the Board.

The Board shall prepare an annual evaluation of its work.

The Board met 13 times in 2022.

Compensation Committee

The Company does not have a separate Compensation Committee as of today. However, the Board of Directors has taken upon themselves the role and tasks that a separate committee would have had. The Board of Directors, acting as a Compensation Committee, will continue to review the employee incentive plan, as well as the remuneration of the Executive Management Team.

Audit Committee
The Company shall have an Audit Committee in accordance with the rules of the Norwegian Public Limited Liability Companies Act and the listing rules of the Oslo Stock Exchange from the date decided by the Board of Directors. The Audit Committee's main function is to be a working committee for the Board, preparing matters and acting in an advisory capacity for the Company's finance function. In addition, the Committee will ensure that the auditor is independent and to ensure that the annual accounts give a fair picture of the Group's financial results and financial condition in accordance with generally accepted accounting practice. The Audit Committee shall receive reports on the work of the external auditor and the results of the audit.

An Audit Committee was established in the second half of 2019 and has, since 2021, consisted of Board Members Leiv Askvig (leader) and Haakon Stenrød, both with prior relevant financial and accounting experience.

The members shall be and are independent of the Company's senior Executive Management Team.

The Committee met with the financial management before the publication of all quarterly reports and the 2022 Annual Report in 2023. In addition, the Committee met with the auditor along with the financial management in Ultimovacs before the publication of the Annual Report 2022, and before the Q2 2022 and Q4 2022 reports. The Audit Committee will continue to meet with Ultimovacs' financial management and, at least twice a year, with the Company's audit partner before publication of quarterly and full year results.

ESG Committee
The Audit Committee also has the role as the ESG Committee of the Board of Directors. This committee has been involved in the drafting and review of the Environmental, Social and Governance (ESG) Guidelines and ESG report. An updated version of these guidelines were approved by the Board of Directors on 2 February 2023.

10) Risk management and internal control
As set out in the corporate governance guidelines of Ultimovacs, the Board of Directors shall ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The internal control and the systems shall also encompass the Company's corporate values and ethical guidelines. The objective of the risk management and internal control shall be to manage exposure to risks in order to ensure successful conduct of the Company's business and to support the quality of its financial reporting.

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements. The Board shall also focus on the need for developing ethical guidelines ensuring that employees can safely communicate to the Board matters related to illegal or unethical conduct by the Company. The Board shall ensure that the Company has the necessary routines with respect to hired personnel to ensure that any outsourced functions are handled in a satisfactory manner. The Board is given information on the current business performance and risk situation in board meetings on a regular basis, which is also presented in quarterly reports made publicly available.

It is of the greatest importance to the Company that all information which could influence the value of the shares or other financial instruments related to the shares is handled with confidentiality and communicated to the market in accordance with all financial market regulations.

The Board shall provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting. The list of primary risk factors and how they are mitigated are provided in the "Risk and uncertainties" section in this Annual Report. The Company's finance function is responsible for the preparation of financial statements and reports, and to ensure that these are in accordance with IFRS and other applicable laws and regulations. These are also reviewed by the Audit Committee. In addition, the annual financial statements are reviewed by the Company auditor.

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

11) Remuneration of the Board of Directors

The General Meeting shall annually determine the Board's remuneration. Remuneration of Board Members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise. The Board shall be informed if individual Board Members perform tasks for the Company other than exercising their role as Board Members. Work in sub-committees may be compensated in addition to the remuneration received for Board membership.

The annual Remuneration Report shall provide information regarding the Board's remuneration. The Remuneration Report for 2022 is available on Ultimovacs' website.

12) Remuneration of the Executive Management Team

The Board decides the salary and other compensation to the CEO within any legal boundaries set out in the Remuneration Guidelines on compensation to the CEO and Executive Management as approved by the Company's General Meeting. Any fringe benefits shall be in line with market practice, and should not be substantial in relation to the CEO's basic salary. The Board shall annually carry out an assessment of the salary and other remuneration to the CEO.

The Company's financial statements shall provide further information about salary and other compensation to the CEO and the Executive Management Team.

The CEO determines the remuneration of executive employees. The Board shall issue guidelines for the remuneration of the Executive Management Team for approval by the General Meeting. The guidelines shall lay down the main principles for the Company's management remuneration policy. The salary level should not be of a size that could harm the Company's reputation, or above the norm in comparable companies. The salary level should, however, ensure that the Company can attract and retain executive employees with the desired expertise and experience.

The Executive Management Team does not have bonus arrangements or separate incentive schemes, but takes part in the general share option incentive scheme which applies to all employees in the Group. The main objectives of the share option incentive scheme are to align interests of shareholders and management/employees (value creation and risk taking) and ensure competitive compensation for management/employees and the motivation to stay (retention). The remuneration guidelines are available on the Company website. Remuneration details to the Executive Management Team are available in a separate Remuneration Report, available on the Company website.

13) Information and Communications

The Board and the Executive Management Team assign considerable importance to giving the shareholders quick, relevant and current information about the Company and its activity areas. Emphasis is placed on ensuring that the shareholders receive identical and simultaneous information.

Sensitive information will be handled internally in a manner that minimizes the risk of leaks. All material contracts to which the Company becomes a party, shall contain confidentiality clauses.

The Company shall have clear routines for who is allowed to communicate on behalf of the Company on different subjects and who shall be responsible for submitting information to the market and investor community. The CEO, CFO and the Head of Investor Relations & Communications shall be the main contact persons of the Company in such respect.

The Board should ensure that the shareholders are given the opportunity to make known their points of view at and outside of the General Meeting.

Financial information is published on a quarterly basis, in addition to the Annual Financial Statements. The financial information is made available on the Company website as well as through distribution on Newsweb (Euronext Oslo Stock Exchange's public information system). A financial calendar is published annually through the same channels listing important dates such as publications of quarterly and annual reports and dates of General meetings.

14) Take-overs

In a take-over process, the Board and the Executive Management Team each have an individual responsibility to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the Board shall ensure that:

i. the Board will not seek to hinder or obstruct any takeover bid for the Company's operations or shares unless there are particular reasons for doing so;
ii. the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
iii. the Board shall not institute measures with the intention of protecting the personal interests of its Members at the expense of the interests of the shareholders; and
iv. the Board must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a take-over bid, the Board will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Norwegian Code of Practice for Corporate Governance. This includes obtaining a valuation from an independent expert. On this basis, the Board will make a recommendation as to whether or not the shareholders should accept the bid.

15) Auditor

The Company's auditor is Ernst & Young AS and has been the Company's auditor since the financial year 2015.

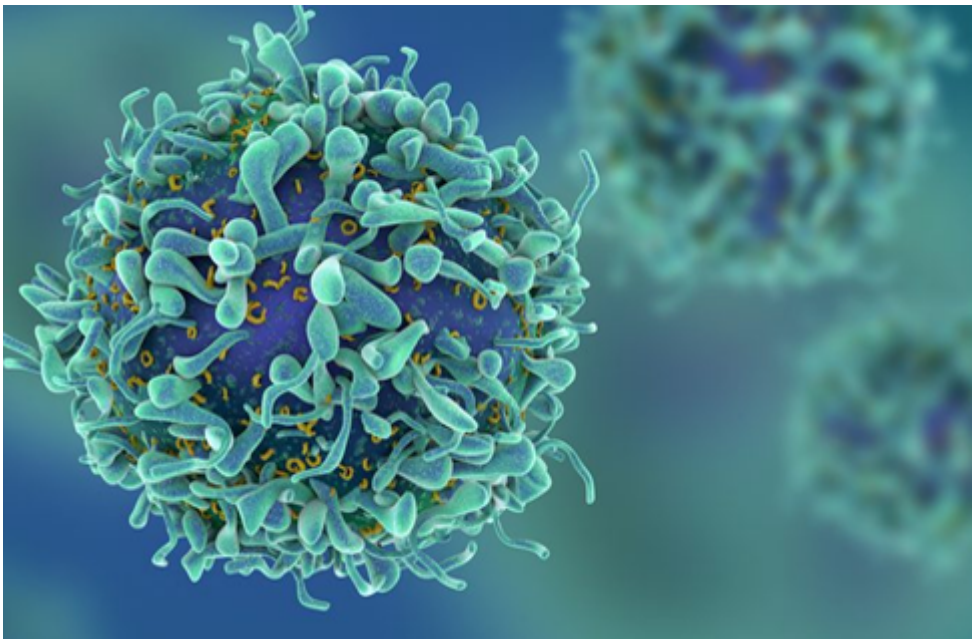
Each year the auditor shall present to the Board a plan for the implementation of the audit work and a written confirmation that the auditor satisfies established requirements as to independence and objectivity.

The auditor shall be present at Board meetings where the annual accounts are on the agenda. Whenever necessary, the Board shall meet with the auditor to review the auditor's view on the Company's accounting principles, risk areas, internal control routines etc.

The auditor may only be used as a financial advisor to the Company provided that such use of the auditor does not have the ability to affect or question the auditors' independence and objectiveness as auditor for the Company. Only the Company's CEO and/or CFO shall have the authority to enter into agreements in respect of such counselling assignments.

In connection with the auditor's presentation to the Board of the annual work plan, the Board should specifically consider if the auditor also carries out a control function to a satisfactory degree.

The Board shall arrange for the auditor to attend all General Meetings and certain Audit Committee meetings.



The Board of Directors

Jònas Einarsson has been the Chair of the Board since 2018 and has served as a Board Member since 2011. Mr. Einarsson has over 30 years of experience in the medical industry and has had and has several board positions in Norwegian biotech companies. He is currently the CEO of Radforsk Investment Fund, which position he has held since 2000. Mr. Einarsson was a general practitioner and health director of the Lardal municipality from 1991 until 2000 and was general manager of Oslo Private Hospital from 1984 until 1991.

Mr. Einarsson is educated as a Medical Doctor (MD) from the Reykjavik University, Iceland and the University of Oslo, Norway.

Leiv Askvig has served as a Board Member since 2015 and is currently also a member of the Audit Committee. Mr. Askvig is an Investment Advisor for Sundt AS and served as their CEO from 2003 to 2020. Mr. Askvig has vast experience within the financial industry. He was CEO/CFO at Opticore AB from 2001 until 2002, CFO at StudentUniverse, Inc. from 1999 until 2001 and has held various positions within investment banking at Sundal Collier & Co ASA (now "ABG Sundal Collier"). Mr. Askvig has significant board experience from a variety of industries.

Mr. Askvig holds a bachelor's degree in Business Administration from BI Norwegian Business School and attended the Advanced Management course at Harvard Business School.

Aitana Peire has served as a Board Member since 2020. Ms. Peire is an Investment Director of Canica's Future of Health assets and holds board positions in Hubro Therapeutics AS and Cercare Medical ApS (observer). She has wide experience as Industry Analyst, including as senior consultant in Venture Valuation Switzerland, as Pharma equity research analyst for Kepler Cheuvreux and as PMA consultant for Stratas Partners in Basel.

Ms. Peire holds a PhD in Evolutionary Genetics from the University of Groningen in the Netherlands.

Ketil Fjerdingen has served as a Board Member since 2012 and was the Chair of the Board of Directors from 2012 until 2018. Mr. Fjerdingen has, since 2002, been involved in investments and property development projects through a range of small single purpose companies. Prior to this, he held various executive management roles with companies including VI Partners AS, Mobile Media, Ernst & Young and Fokus Bank ASA.

Mr. Fjerdingen holds the degree of Certified Public Accountant from NHH Norwegian School of Economics.

The Board of Directors

Henrik Schüssler has served as a Board Member since 2015. Mr. Schüssler is the CEO and board member of Gjelsten Holding AS, which position he has held since 2000. Mr. Schüssler was CEO and CFO at Norway Seafoods ASA from 1995 until 2000 and accountant/ consultant at Ernst & Young AS from 1987 until 1995. Mr. Schüssler has significant board experience from several other companies.

Mr. Schüssler holds a Bachelor of Chartered Accounting from BI Norwegian Business School.

Kari Grønås has served as a Board Member since 2019. Kari Grønås has broad experience from the pharmaceutical/biotech industry. She has extensive experience in drug development and commercialization within the pharmaceutical industry of new breakthrough products securing regulatory approvals, i.e. Xofigo, Hexvix. Grønås also holds significant leadership and management experience including leadership of cross functional and governance teams from Bayer/ Algeta ASA, PhotoCure and Nycomed Imaging/Amersham Health (Now GE Healthcare). Today she is a consultant within the sector and holds board positions in Spago Nanomedical AB, Arxx AS and The Norwegian Lung Cancer Society.

Ms. Grønås holds a Cand. Pharm. degree from the University of Oslo.

Eva S. Dugstad has served as a Board Member since 2019. Ms. Dugstad started as Manager for Business and Community Relations at Faculty of Mathematics and Natural Sciences, University of Oslo, in February 2022. She joined Ultimovacs' Board during her tenure as Director for Business Development in Radforsk Investment Fund, a position she had held since 2017. Her previous appointments include the President and the Exec. Vice President at the Institute for Energy Technology (IFE), where she also was the Chair of the Board for IFE Venture. Ms. Dugstad has been involved in various boards in both public and private sector and in several public expert panels.

Ms. Dugstad holds a Cand. Pharm. degree from the University of Oslo.

Haakon Stenrød has served as a Board Member since 2020 and is currently also a member of the Audit Committee. Mr. Stenrød is a Senior Investment Manager at Watrium. Prior to joining Watrium, Mr. Stenrød spent 12 years in the Investment Banking department of ABG Sundal Collier, focusing on M&A, restructurings and capital markets advisory. He is currently a Board member of DF Capital, a UK challenger bank listed on AIM London.

In addition, he holds a Master in Industrial Economics and Technology management from NTNU, studied at London School of Economics and was an officer in the Royal Norwegian Army.

Financial Statements - Ultimovacs Group

04

- Financial Statements
- Notes

Contents - Consolidated Financial Statement

Consolidated statement of profit and loss and other comprehensive income

(NOK 1 000) EXCEPT PER SHARE DATA	NOTES	2022	2021
Total revenues		**-**	**-**
Payroll and payroll related expenses	3, 4, 15	(71 466)	(61 916)
Depreciation and amortization	9, 14	(2 648)	(2 703)
Other operating expenses	3, 5	(109 517)	(99 213)
Total operating expenses		**(183 631)**	**(163 832)**
Operating profit (loss)		**(183 631)**	**(163 832)**
Financial income	6	17 375	13 383
Financial expenses	6	(1 536)	(14 272)
Net financial items		**15 839**	**(890)**
Profit (loss) before tax		**(167 792)**	**(164 722)**
Income tax expense	7	-	-
Profit (loss) for the year		**(167 792)**	**(164 722)**
Items that subsequently may be reclassified to profit or loss:			
Exchange rate differences on translation of foreign operations		(1 889)	(3 953)
Total comprehensive income (loss) for the year		**(169 681)**	**(168 676)**
Non-controlling interest		-	-
Owners of the Company		(169 681)	(168 676)
Total comprehensive income (loss) for the year		**(169 681)**	**(168 676)**
Basic and diluted earnings (loss) per share (NOK per share)	8	(4.9)	(5.1)

Consolidated statement of financial position

(NOK 1 000)	NOTES	2022	2021
ASSETS			
Non-current assets			
Goodwill	9	10 701	11 031
Licenses	9	51 944	53 549
Patents	9	5 784	6 539
Property, plant and equipment	9	220	212
Right of use assets	14	5 444	1 951
Total non-current assets		**74 093**	**73 282**
Current assets			
Receivables and prepayments	3, 10	10 270	8 087
Cash and cash equivalents	11	425 309	574 168
Total current assets		**435 579**	**582 255**
TOTAL ASSETS		**509 672**	**655 537**
EQUITY AND LIABILITIES			
Equity			
Share capital		3 440	3 422
Share premium		1 076 308	1 070 841
Total paid-in equity		**1 079 747**	**1 074 264**
Accumulated losses		(672 113)	(504 321)
Other equity		40 752	20 358
Translation differences		964	2 853
TOTAL EQUITY	12	**449 350**	**593 152**
Non-current liabilities			
Lease liability	14	3 713	457
Deferred tax	7	10 701	11 031
Total non-current liabilities		**14 414**	**11 488**
Current liabilities			
Lease liability	14	1 767	1 628
Accounts payable		7 655	22 555
Other current liabilities	15, 16	36 485	26 714
Total current liabilities		**45 907**	**50 897**
TOTAL LIABILITIES		**60 321**	**62 384**
TOTAL EQUITY AND LIABILITIES		**509 672**	**655 537**

Board of Directors and CEO of Ultimovacs ASA

Oslo, 23 March 2023

Sign	Sign	Sign
Jónas Einarsson Chair of the Board	**Kari Grønås** Board member	**Eva S. Dugstad** Board member
Sign	Sign	Sign
Henrik Schüssler Board member	**Ketil Fjerdingen** Board member	**Leiv Askvig** Board member
Sign	Sign	Sign
Aitana Peire Board member	**Haakon Stenrød** Board member	**Carlos de Sousa** CEO

Consolidated statement of cash flow

(NOK 1 000)	NOTES	2022	2021
Cash flow from operating activities			
Profit (loss) before tax		**(167 792)**	**(164 722)**
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization	9, 14	2 648	2 703
Interest received including investing activities	6	(8 887)	(3 062)
Net foreign exchange differences	6	(7 176)	3 619
Other financial expenses	14	105	179
Share option expenses	15	20 395	11 595
Working capital adjustment:			
Changes in prepayments and other receivables	10	(1 859)	351
Changes in payables and other current liabilities	16	(5 129)	23 509
Net cash flow from operating activities		**(167 695)**	**(125 828)**
Cash flow from investing activities			
Purchase of property, plant and equipment	9	(195)	(85)
Patent milestone payments	13	-	-
Interest received	6	8 887	3 062
Net cash flow from investing activities		**8 691**	**2 977**
Cash flow from financing activities			
Proceeds from issuance of equity	12	5 484	272 864
Share issue cost	12	-	(11 012)
Interest paid	14	(105)	(179)
Payment of lease liability	14	(1 802)	(1 716)
Net cash flow from financing activities		**3 577**	**259 957**
Net change in cash and cash equivalents	11	(155 426)	137 106
Effect of change in exchange rate	6	(6 567)	(3 863)
Cash and cash equivalents, beginning of period	11	**574 168**	**440 925**
Cash and cash equivalents, end of period		**425 309**	**574 168**

Consolidated statement of changes in equity

(NOK 1000)	NOTES	SHARE CAPITAL	SHARE PREMIUM	TOTAL PAID IN CAPITAL	ACCU-MULATED LOSSES	OTHER EQUITY	TRANS-LATION DIFFER-ENCES	TOTAL EQUITY
Balance as of 31 December 2020		**3 197**	**809 214**	**812 411**	**(339 599)**	**8 762**	**6 806**	**488 380**
Profit (loss) for the year				**-**	(164 722)			**(164 722)**
Other comprehensive income (loss)				**-**			(3 953)	**(3 953)**
Issue of share capital	12	225	272 640	**272 864**				**272 864**
Share-issue costs	12		(11 012)	**(11 012)**				**(11 012)**
Recognition of share-based payments	15			**-**		11 595		**11 595**
Balance as of 31 December 2021		**3 422**	**1 070 841**	**1 074 264**	**(504 321)**	**20 358**	**2 853**	**593 152**
Profit (loss) for the year				**-**	(167 792)			**(167 792)**
Other comprehensive income (loss)				**-**			(1 889)	**(1 889)**
Issue of share capital	12	17	5 466	**5 484**				**5 484**
Share-issue costs	12			**-**				**-**
Recognition of share-based payments	15			**-**		20 395		**20 395**
Balance as of 31 December 2022		**3 440**	**1 076 308**	**1 079 747**	**(672 113)**	**40 752**	**964**	**449 350**

Note 1: General information

Ultimovacs ASA (the Company or Ultimovacs) and its subsidiary (together the Group) is a biotech Group developing novel immunotherapies against cancer. Ultimovacs was established in 2011 and is a public limited liability company listed on the Stock Exchange in Norway. The Company and its proprietary technology are based on pre-clinical 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' lead universal cancer vaccine candidate UV1 leverages the high prevalence of the human telomerase (hTERT) to be effective across the dynamic stages of a tumor's growth and its microenvironment. By directing the immune system to hTERT antigens which are expressed at a high level in 85-90% of human tumors, UV1 drives CD4 helper T cells to tumors 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 Group will expand its pipeline using its novel TET-platform which is a vaccine technology that can generate multiple vaccine candidates designed to achieve increased T cell responses to a broad range of target antigens. The Group is performing a broad clinical development program with clinical trials in Europe, Australia and the USA.

The financial statements were approved by the Board of Directors on 23 March 2023.

Note 2: Accounting principles

I. Basis for preparation

The financial statements for the Group have been prepared in accordance with IFRS as adopted by the EU (IFRS). The financial statements are presented in NOK (Norwegian kroner) which is also the parent company's functional currency.

The financial statements have been prepared on the historical cost basis, with the exception of derivatives which are measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the Group's accounting policies.

II. Going concern

The financial statements for 2022 have been prepared under the going concern assumption.

III. Accounting principles

i. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with maturity of three months or less, which are subject to an insignificant risk of changes in value.

ii. Cash Flow statement

The statement of cash flows is compiled using the indirect method. The statement of cash flows distinguishes between cash flows from operating, investing and financing activities. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, cash pool balances and bank overdrafts. Cash flows in foreign currencies are translated at the rate of the transaction date. Interest paid is included under cash flow from financing activities, and interest received is included in investing activities. Cash flows arising from the acquisition or disposal of financial interests (subsidiaries and participating interests) are recognized as cash flows from investing activities, taking into account any cash and cash equivalents in these interests. Dividends paid out are recognized as cash flows from financing activities; dividends received are recognized as cash flows from investing activities. Cash flows from share issues are recognized as cash flows from financing activities.

Note 2: Accounting principles (continued)

iii. Financial instruments

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.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other comprehensive income, loans and borrowings, or payables. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables.

- Subsequent measurement

The measurement of financial liabilities depends on their classification.

- Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Note 2: Accounting principles (continued)

iv. Current vs non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

v. Foreign currencies

The Group's presentation currency is NOK. This is also the parent company's functional currency. The statement of financial position figures of entities with different functional currency are translated at the exchange rate prevailing at the end of the reporting period for balance sheet items, and the exchange rate at the date of the transaction for profit and loss items. The monthly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognized in other comprehensive income (OCI).

Transactions in foreign currencies are initially recorded by the Group in its respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss and other comprehensive income.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into NOK at the exchange rates at the reporting date.

The income and expenses of foreign operations are translated into NOK at the average exchange rates within each respective month of the date of the transactions. Foreign currency differences are recognized in other comprehensive income (OCI) and accumulated in the translation reserve.

Exchange differences on intra-group items are recognized in profit or loss of the respective company and Group accounts.

Note 2: Accounting principles (continued)

vi. Impairment
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's (cash-generating unit) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Goodwill is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGU). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. An impairment loss is recognized in the income statement when the carrying amount of CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value in use.

The Group has goodwill created by deferred tax which is tested for impairment annually.

vii. Business combination and consolidation
The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

viii. Contingent liabilities
Contingent liabilities are not recognized in the statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability represent a liability in respect of which the amount cannot be reliably measured. Contingent liabilities are disclosed if the possibility of an outflow of economic benefit to settle the obligation is more than remote.

ix. Interest income
Interest income is recognized using the effective interest method.

Note 2: Accounting principles (continued)

x. Earnings per share

The basic earnings per share are calculated as the ratio of the total profit (loss) for the year divided by the weighted average number of ordinary shares outstanding. When calculating the diluted earnings per share, the profit that is attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding are adjusted for all the dilution effects relating to share options.

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. As the Group has currently no issuable potential ordinary shares and basic and diluted earnings per share is the same.

xi. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Government grants have been recognized in the statement of profit or loss and other comprehensive income as a reduction of personnel- and other operating expenses.

Where the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. If the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

xii. IFRS 16 Leases

Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for all leases.

Right-of-use assets are measured at an amount equal to the lease liability and are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Ultimovacs' incremental borrowing rate. The incremental borrowing rate is used as the discount rate.

When applying the practical expedients in IFRS 16 for lease-contracts with low value or lease terms of less than 12 months, the lease payments (net of any incentives received from the lessor) are taken to the statement of profit and loss and other comprehensive income on a straight-line basis over the period of the lease. When the lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Note 2: Accounting principles (continued)

xiii. Share-based payments

Employees in the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions) or granted share appreciation rights, which can be settled in cash (cash-settled transactions). The determination of whether the arrangement is cash or equity settled is based on a careful evaluation of the terms of the agreement and also the Group's ability to settle in shares and the promise and intent of settlement in cash.

- **Cash-settled transactions:**

A liability is recognized for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognized in payroll and payroll related expenses. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a Black Scholes model.

- **Equity-settled transactions**

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

xiv. Intangible assets

Intangible assets are stated at their historical cost and amortized on a straight-line basis over their expected useful lives, which usually varies from 3 to 10 years and up to 20 years for patents. An adjustment is made for any impairment. Intangible items acquired in a business combination must be recognized as assets separately from goodwill if they meet the definition of an asset, are either separable or arise from contractual or other legal rights, and their fair value can be measured reliably.

All research and development spending is expensed each year in the period in which it is incurred. Development costs will be capitalized once the "asset" being developed has met requirements of technical and commercial feasibility to signal that the intangible investment is likely to either be brought to market or sold. Due to uncertainties regarding award of patents, regulations, ongoing clinical trials etc., the asset recognition criteria of IAS 38 "Intangible Assets" are not met.

xv. Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss and other comprehensive income as incurred.

Note 2: Accounting principles (continued)

xvi. Tax

The income tax expense includes tax payable and changes in deferred tax. Income tax on balances recognized in other comprehensive income is recognized as other comprehensive income, and tax on balances related to equity transactions is recognized in equity. The tax payable for the period is calculated according to the tax rates and regulations ruling at the end of the reporting period.

Deferred tax is calculated on temporary differences between book and tax values of assets and liabilities and the tax effects of losses to carry forward in the consolidated financial statements at the reporting date. Deferred tax liabilities and assets are calculated according to the tax rates and regulations ruling at the end of the reporting period and at nominal amounts. Deferred tax liabilities and assets are recognized net when the Group has a legal right to net assets and liabilities.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available which the loss carry forward or other deductible temporary differences can be utilized. Currently no deferred tax assets are recognized in the statement of financial position as the utilization is uncertain.

xvii. Segments

The Group is still in a R&D phase, and currently does not generate revenues. For management purposes, the Group is organized as one business unit and the internal reporting is structured in accordance with this. All non-current assets are located at the Group's main office in Oslo, Norway.

IV. Significant estimates and judgements

In order to prepare the financial statements, management and the Board may have to make various judgments and estimates that can affect the amounts recognized in the financial statements for assets, liabilities and expenses. Uncertainties about these adjustments and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. Assumptions and estimates were based on available information at the time of the preparation of the financial statements. Existing circumstances and assumptions about future developments, however, may change and such changes are reflected when they occur.

- Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

- Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. The Group considers that a deferred tax asset related to accumulated tax losses cannot be recognized in the statement of financial position until the product under development has been approved for marketing by the relevant authorities. Significant management judgement is required to determine the amount, if any, of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

- Impairment of goodwill and intangible assets

The Group follows the guidance of IAS 36 to determine when impairment indicators exist for its goodwill and intangible assets. When impairment indicators exist, the Group is required to make a formal estimate of the recoverable amount of its intangible assets. This determination requires significant judgment. In making this judgment, management evaluates external and internal factors, such as significant adverse changes in the technological, market, economic or legal environment in which the Group operates as well as the results of its ongoing development programs. Management also considers the carrying amount of the Group's net assets in relation to its market capitalization as a key indicator.

Note 3: Government grants

The following government grants have been recognized in the statement of profit and loss:

GRANTS RECOGNIZED (NOK 1 000)	2022	2021
Skattefunn	4 750	4 750
Eurostars	-	786
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	594	802
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	4 194	5 241
Innovation Norway	-	3 000
Total grants	**9 538**	**14 578**

Government grants have been recognized in the statement of profit and loss and other comprehensive income as a reduction for the related expenses with the following amounts:

COSTS DEDUCTED (NOK 1 000)	2022	2021
Payroll and payroll related expenses	1 822	2 472
Other operating expenses	7 717	12 106
Total costs deducted	**9 538**	**14 578**

Grants receivable as per 31 December are detailed as follows:

GRANTS RECEIVABLES (NOK 1 000)	2022	2021
Skattefunn	4 750	4 750
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	198	267
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	42	296
Total grants receivables	**4 990**	**5 314**

Skattefunn:
The Skattefunn R&D tax incentive scheme is a government program designed to stimulate research and development in Norwegian. In FY2022, four Skattefunn-grants were approved, two of which reported in 2022, one will report in 2024 and one in 2025.

Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet):
The industrial Ph.D. project is a collaboration between Ultimovacs ASA, Oslo University Hospital and the University of Oslo. The Ph.D. candidate for this project is employed by Ultimovacs. The project aims to characterize the immunological mechanisms induced by treatment with a peptide-based therapeutic cancer vaccine. The project ended in and reported in December 2022.

Innovation Project grant from The Research Council of Norway (Forskningsrådet):
Innovation Project for the Industrial Sector is a funding instrument that provides grants to business-led innovation projects that make extensive use of research and development activities. The FOCUS Phase II trial has been granted an innovation grant of up to MNOK 16 from the Norwegian Research Council.

Innovation Norway:
Innovation Norway is the Norwegian Government's most important instrument for innovation and development of Norwegian enterprises and industry. Innovation Norway has granted Ultimovacs MNOK 10 to support the execution of the Phase II DOVACC study.

All conditions and contingencies attached to the grants recognized in the accounts have been fulfilled.

Note 4: Salary and personnel expenses and management remuneration

PAYROLL AND PAYROLL RELATED EXPENSES (NOK 1 000)	2022	2021
Salaries and holiday pay	38 215	34 543
Social security tax	9 142	6 686
Social security tax related to options	2 016	8 557
Pension expenses	2 818	2 690
Share-based compensation	20 395	11 595
Other personnel expenses	702	318
Government grants	(1 822)	(2 472)
Total payroll and payroll related expenses	**71 466**	**61 916**
Number of FTEs employed during the financial year	23.2	21.3
Number of FTEs at end of year	23.2	23.5

The Group's Management team consists of the Company's CEO, CFO and the managers of each department, totaling ten employees. Anne Worsøe (Head of IR and Communication) and Orla Mc Callion (Head of Regulatory and QA), joined the company in October 2021. Ton Berkien and Orla Mc Callion are both employed in Ultimovacs AB.

EXECUTIVE REMUNERATION (NOK 1 000)	2022	2021
Management Team remuneration	37 599	30 989
Board of Director's remunerations	2 055	1 915

There were no outstanding loans or guarantees made to related parties, the Board of Directors, the Management Team or any other employees as of 31 December 2021 or as of 31 December 2022.

Please refer to the Remuneration Report 2022 for more information.

Pensions

Ultimovacs ASA is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company has a defined contribution pension scheme which complies with the Act on Mandatory company pensions. As at 31 December 2022, all twenty of Ultimovacs ASA's employees were covered by the pension scheme. A similar pension scheme is in place for the five employees in Ultimovacs AB in Sweden.

Other than the general pension schemes described above, there are no specific pension arrangements made for any member of the Management team. The Group has no pension or retirement benefits for its Board Members.

The total pension contributions for all employees recognized as expenses equalled MNOK 2.7 and MNOK 2.8 in 2021 and 2022 respectively.

Note 4: Salary and personnel expenses and management remuneration (continued)

Severance pay/pay after termination of employment
Under certain conditions, the CEO is entitled to 12 months' severance pay. The severance pay period will be extended to 18 months if the termination of the CEO takes place in connection with a 'change of control' event in the Company.

The company's CFO is entitled to receive pay after termination of his employment with the Group equal to 9 months' base salary in addition to payment of his salary during his 3-month notice period.

There are no similar arrangements for any of the other employees of the Group with respect to termination of their employment.

Other benefits received
There is no bonus scheme in the Group, however, sign-on-fees and bonus may be applied at the Board's discretion.

Statement on the executive employee remuneration policy during the previous financial year
The executive compensation for the fiscal year 2022 has been in accordance with the Remuneration Guidelines for 2022. Please refer to Remuneration Guidelines 2022 and Remuneration Report 2022 available on Ultimovacs' website for more information.

Note 5: Other 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 profit and loss and other comprehensive income.

OTHER OPERATING EXPENSES (NOK 1 000)	2022	2021
External R&D expenses	95 175	96 735
Clinical studies	66 772	56 675
Manufacturing costs	19 899	21 455
Other R&D expenses	8 504	18 605
Patent related expenses	3 571	3 540
Rent, office and IT	4 221	3 645
Accounting, audit, legal, consulting	9 246	5 061
Other operating expenses	5 020	2 338
Less government grants	(7 717)	(12 106)
Total operating expenses	**109 517**	**99 213**

Total expenses related to R&D, including other operating expenses, payroll and payroll related expenses, less government grants, amounted to MNOK 123.1 in 2021 and MNOK 128.5 in 2022.

SPECIFICATION AUDITOR'S FEE (NOK 1 000)	2022	2021
Statutory audit	404	243
Audit related services	40	61
Tax related services	10	-
Other	3	10
Total auditor's fee	**456**	**313**

VAT is not included in the fees specified above.

Note 6: Financial items

FINANCIAL INCOME (NOK 1 000)	2022	2021
Foreign exchange gains - related to derivatives	5 053	9 042
Foreign exchange gains - related to EUR bank account	2 087	849
Foreign exchange gains - other	1 329	430
Interest income	8 906	3 062
Total financial income	**17 375**	**13 383**

FINANCIAL EXPENSES (NOK 1 000)	2022	2021
Foreign exchange losses - related to derivatives	-	10 520
Foreign exchange losses - related to EUR bank account	-	2 702
Foreign exchange losses - other	1 293	717
Other financial expenses	243	333
Total financial expenses	**1 536**	**14 272**

Note 7: Income tax

TAX EXPENSE BASIS (NOK 1 000)	2022	2021
Profit (loss) before tax	(167 792)	(164 722)
Net non-taxable income	(4 759)	(4 750)
Other items*	18 089	(116)
Change in temporary differences	1 051	7 248
Basis for tax calculation	**(153 411)**	**(162 340)**

INCOME TAX EXPENSE (NOK 1 000)	2022	2021
Expected tax expense	(36 821)	(36 049)
Net non-taxable income	(1 049)	(1 045)
Other items	3 980	(26)
Change in deferred tax assets not recognized	33 888	37 119
Income tax expense	**-**	**-**

* The share issue cost of MNOK 11.0 in 2021 was deducted directly from equity and is included in the basis for tax calculation as the tax-effect is charged directly to equity.

The corporate tax rate in Norway was 22% in 2021 and 2022. The corporate tax rate in Sweden was 20.6% in 2021 and 2022, which is the basis of the deferred tax calculation for Ultimovacs AB.

INCOME TAX EXPENSE (NOK 1 000)	2022	2021
Tax losses carried forward	709 118	555 707
Temporary differences - financial instruments	(1 083)	(759)
Temporary differences - leasing liability	37	134
Temporary differences - licenses	(51 944)	(53 549)
Temporary differences - social security on options	13 488	12 009
Temporary differences - PP&E	238	246
Temporary differences and tax loss carry forward	**669 854**	**513 788**
Deferred tax assets - not recognized in statement of financial position	**158 329**	**124 440**
Deferred tax liability per 31 December	**10 701**	**11 031**

Ultimovacs has not recognized a deferred tax asset in the statement of financial position related to its previous losses, as the Group does not expect taxable income to be generated in the short-term to support the use of the deferred tax asset. Total tax losses carried forward and temporary differences as per 31 December 2021 was MNOK 513.8, and MNOK 669.9 as per 31 December 2022 (of which MNOK 33.4 in Ultimovacs AB).

In relation to purchase price allocation conducted of Ultimovacs AB, acquired in July 2018, all excess value has been allocated to the license agreement which gives access to the TET-technology. A deferred tax liability of MNOK 10.7 has been calculated on the excess values utilizing the tax rate in Sweden of 20.6%. Please see note 9 for more information.

Note 8: Earnings per share

The basic earnings per share (EPS) are calculated as the ratio of the total profit (loss) for the year divided by the weighted average number of ordinary shares outstanding. As the Group has currently no potential issuable ordinary shares, basic and diluted earnings per share is the same.

The issued share options 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.

EARNINGS PER SHARE	2022	2021
Profit (loss) for the year (NOK 1000)	(167 792)	(164 722)
Average number of outstanding shares during the year (1 000)	34 247	32 373
EPS - basic and diluted (NOK per share)	**(4.9)**	**(5.1)**

A share option program was introduced in June 2019 and at the ordinary General Assembly held on 15 April 2022, the Board was authorized until the next ordinary General Assembly in 2023 to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 342,217.61. A total of 2,138,885 share options are outstanding as per 31 December 2022, corresponding to 6.22% of the outstanding number of shares in the Company.

Please see note 15 for more information regarding the option program.

Note 9: Non-current assets

NON-CURRENT ASSETS 2022 (NOK 1 000)	OFFICE AND LAB EQUIPM.	PATENTS	LICENSES	GOODWILL	TOTAL
Accumulated cost 1 Jan 2022	**2 148**	**9 000**	**50 401**	**10 383**	**71 932**
Additions	195	-	-	-	**195**
Cost at 31 Dec 2022	**2 344**	**9 000**	**50 401**	**10 383**	**72 127**
Accumulated depreciation and amortization at 1 Jan 2022	(1 936)	(2 461)	-	-	**(4 397)**
Depreciations in the year	(188)	(754)	-	-	**(943)**
Accumulated depreciation and amortization at 31 Dec 2022	**(2 124)**	**(3 215)**	-	-	**(5 339)**
Accumulated currency effects at 1 Jan 2022	-	-	3 148	649	**3 797**
Currency exchange effects in the year	-	-	(1 605)	(331)	**(1 935)**
Carrying value at 31 Dec 2022	**220**	**5 784**	**51 944**	**10 701**	**68 649**

NON-CURRENT ASSETS 2021 (NOK 1 000)	OFFICE AND LAB EQUIPM.	PATENTS	LICENSES	GOODWILL	TOTAL
Accumulated cost 1 Jan 2021	**2 063**	**9 000**	50 401	10 383	**71 847**
Additions	85	-	-	-	**85**
Cost at 31 Dec 2021	**2 148**	**9 000**	**50 401**	**10 383**	**71 932**
Accumulated depreciation and amortization at 1 Jan 2021	(1 686)	(1 707)	-	-	**(3 393)**
Depreciations in the year	(250)	(754)	-	-	**(1 004)**
Accumulated depreciation and amortization at 31 Dec 2021	**(1 936)**	**(2 461)**	-	-	**(4 397)**
Accumulated currency effects at 1 Jan 2021	-	-	6 857	1 413	**8 270**
Currency exchange effects in the year	-	-	(3 709)	(764)	**(4 473**
Carrying value at 31 Dec 2021	**212**	**6 539**	**53 549**	**11 031**	**71 331**
Economic life	3 years	15 years	indefinite	indefinite	
Depreciation method	linear	linear			

Patents

In 2015, the Group acquired all rights to the patents and technology from Inven2 AS, which is one of the Group's main shareholders. The price for the patent was MNOK 4.0 and was based on a purchase option in the license agreement entered into with Inven2 AS in 2011. The purchase of these rights implies that the Group no longer has to pay future royalties to Inven2 AS from potential commercial sales of products related to the patents/patent applications. The patent period spans over 15 years and expires in 2031.

According to the purchase agreement related to the same patents, Inven2 AS is entitled to two milestone payments of MNOK 5.0 and MNOK 6.0 at the commencement of a clinical phase IIb and phase III study (or another registration study) respectively. The first milestone payment of MNOK 5.0 was paid to Inven2 in May 2020 due to the commencement of the INITIUM phase II trial. The milestone payment was capitalized in the balance sheet when it was paid to Inven2, and will be depreciated linearly until February 2031.

Licenses and Goodwill

Beyond UV1, which is the core product of the Ultimovacs group, Ultimovacs is pursuing development of a first-in-class vaccine solution utilizing the proprietary Tetanus-Epitope Targeting-platform (TET-platform). A preclinical program was initiated in 2019 to take the pharmaceutical product candidate to a decision point for further clinical development, given that the results from the preclinical program are positive.

Note 9: Non-current assets (continued)

Licenses and Goodwill (continued)
There have been and there are several significant milestones in terms of impairment testing of the value of the TET technology. The current preclinical development of TET is planned to be funded until an expected milestone in 2023. If Ultimovacs decides not to go further in the development of the TET technology, it would be difficult to justify the value in the balance-sheet, and a substantial part of the booked value is subject for impairment.

Impairment of assets
1. IAS 36 seeks to ensure that an entity's assets are not carried at more than their recoverable amount.
2. Impairment means that asset has suffered a loss in value.
3. An asset is said to be impaired when its recoverable amount is less than its carrying amount.

Ultimovacs has both goodwill and intangibles with indefinite useful lives as of 31 December 2022. Under IAS 36, 'Impairment of assets', these assets are required to be tested annually for impairment irrespective of indictors of impairment. The intangible assets subject to impairment in the balance sheet are "Licenses", which are the basis for the TET technology. The license agreement with Academisch Ziekenhuis Leiden and Technologiestichting STW gives Ultimovacs rights to commercial development, manufacture and sales of immunotherapy treatments against cancer utilizing the TET technology. The license agreement does not have any expiration date, and the license is therefore defined to have indefinite useful life.

The Group also has goodwill created by deferred tax, which is a result of the purchase price amount for acquiring the licensed technology. The Goodwill is also tested for impairment annually. To test for impairment, goodwill must be allocated to each of the acquirer's cash-generating units (CGU), or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. The legal entities Ultimovacs ASA and Ultimovacs AB, together the Group, is defined as the CGU subject for impairment testing. The impairment testing of the Licenses and its corresponding goodwill will therefore be performed at Group level.

Impairment test
In order to identify the Recoverable amount of the intangible assets, a value must be found for both Value in use and Fair value. The Value in use of an asset is the expected future cash flows that the asset in its current condition will produce, discounted to present value using an appropriate discount rate. Ultimovacs has chosen not to prepare a Value in use calculation from the TET technology as the estimates of future cash flows would be highly unreliable. Potential earnings are years ahead, and it would not be clear if these could come from direct sales, indirect sales or through licensing agreements. To prepare a forecast in order to obtain any value for the assets tested for impairments would not be reasonable and supportable.

Ultimovacs will therefore rely on the value from the Fair Value assessment, which normally is the market value at measurement date. No active market exists for comparison; thus, the acquisition price, and book value, is considered as the fair value. The fair value, however, must be tested for factors which may reduce is value, function etc.

The following factors have been assessed when testing for impairment:

1. Market value declines: There is no indication that the value for adjuvants is in decline. Ultimovacs has few or no real alternatives to the adjuvant currently being used, GM-CSF.

2. Negative changes in technology, markets, economy, or laws: There is still an unmet need for more adjuvant solutions to be used with vaccines. Thus, the TET technology may potentially be utilized in other vaccine candidates, and it could also be sold to third parties. No other negative factors are observed in the markets.

Note 9: Non-current assets (continued)

3. Asset is idle, part of a restructuring or held for disposal: The first phase of the development plan is to develop product candidates of the TET prototype and identify 1-2 clinical trial lead candidate(s). Approximately MNOK 37 has been spent from 2019 until December 2022 on preclinical development, the TENDU phase I clinical trial, production and consultant costs in order to create and validate the TET technology platform and to develop one or more product candidates. Several employees in both Norway and Sweden are involved in the project. In October 2021, the Company raised gross MNOK 270 in equity in a private placement, where a certain amount was allocated to further TET-development.

4. Worse economic performance than expected: Even though TET is still far from bringing any cash inflows to the company, the technology will be highly valuable if the project is successful. Setting any value on the TET technology using a CF model is of no real value/use at this very early stage of its research and development.

In addition, Management has undertaken a review of the company's business and the environment in which it operates, and concludes that there are no significant changes in the business or its environment now or in the future regarding:

- a decline in the market or price for products or services
- oversupply in markets for products or services
- problems in sourcing raw materials or services
- increases in the costs of production or delivering services
- changes in exchange rates affecting costs or sales
- new competitors
- new products or services from competitors
- technological change
- changes in law or regulations
- changes in economic conditions

An additional factor which could be an indicator for impairment of the non intangible assets would be if the total market capitalization of the Group was lower than the net asset value in the balance sheet. This does however, not necessarily mean that the asset is overvalued in the statement of financial position, but should be a trigger to test for impairment based on other parameters. Market capitalization for the Group was as per 31 December 2022, MNOK 3,784, significantly higher than the value of the assets being tested for impairment (MNOK 449.4). On the other hand, a market capitalization over the current book value, does not directly indicate that the value is present and no other testing is required, as most of the market value is primarily attributable to UV1. Market capitalization alone cannot therefore be the sole parameter for testing the asset for impairment, but should additionally be assessed based on the factors discussed above. Based on the market capitalization as per 31 December 2022, there is no indication that the market values TET lower than the current book value.

Although the list above is not exhaustive, we do not observe any new risk factors related to the technology which may reduce the value of the assets in the balance sheet.

The preclinical development of TET is planned to be funded until an expected milestone in 2023. Then, if certain milestones are reached, additional funding will be needed for the next phase (mainly CMC development/manufacturing processes and clinical development) towards the commencement of a clinical trial. This critical decision point will be important when considering impairment of the intangible assets, as the asset could then be considered partly idle, reducing its value significantly.

Conclusion
In the impairment test performed, no indications of impairment were identified, which concludes that the fair value of the intangible assets are higher than carrying value. As a result, no impairment of these intangible assets has been recognized.

Note 10: Other receivables

OTHER RECEIVABLES (NOK 1 000)	2022	2021
Government grants receivables (ref note 3)	4 990	5 314
Prepayments	2 916	878
Fair value of currency contracts	1 083	759
Other receivables	1 280	1 135
Total other receivables	**10 270**	**8 087**

Note 11: Cash and cash equivalents

CASH AND CASH EQUIVALENTS (NOK 1 000)	2022	2021
Employee withholding tax	1 818	1 855
Cash at bank	423 491	572 313
Cash and cash equivalents	**425 309**	**574 168**

As of 31 December 2022, cash and cash equivalents amounted to MNOK 425.3, of which MNOK 19.7 (MEUR 1.9) on an EUR account and MNOK 4.9 (MSEK 5.2) in Ultimovacs AB on a Swedish bank account in SEK.

Note 12: Share capital, shareholder information and dividend

The share capital as of 31 December 2022 was NOK 3,439,646.1, with 34,396,461 ordinary shares with a nominal value of NOK 0.1. All issued shares have equal voting rights and the right to receive dividend. No dividend has been paid in the period. Ultimovacs ASA has approximately 5,000 shareholders as of 31 December 2022, with the 20 largest shareholders as of this date listed in a table below on the next page. The movement in the number of registered shares and share capital was in 2021 and 2022 as follows:

CHANGES TO SHARE CAPITAL	SHARE CAPITAL NUMBER OF SHARES	SHARE CAPITAL (NOK 1 000)
31 December 2020	**31 973 511**	**3 197 351.1**
Issuance of ordinary shares	2 248 250	224 825.0
31 December 2021	**34 221 761**	**3 422 176.1**
Issuance of ordinary shares	174 700	17 470
31 December 2022	**34 396 461**	**3 439 646.1**

In September and November 2022, a total of 174,700 options, granted under Ultimovacs' option program, were exercised. Subsequently, the Company's share capital was increased by NOK 17,470 by issuing 174,700 new shares, each share of par value NOK 0.10.

In a private placement in October 2021, 2,160,000 new shares each with a par value of NOK 0.10 and issued at a subscription price per share of NOK 125.0, resulting in gross proceeds from the share issue of MNOK 270. The transaction costs related to the share-issues amounted to MNOK 11.0 in 2021, and have been recognized against share premium. For computation of earnings per share and diluted earnings per share see Note 8.

In March and October 2021, a total of 88,250 options, granted under Ultimovacs' option program, were exercised. Subsequently, the Company's share capital was increased by NOK 8,825 by issuing 88,250 new shares, each share of par value NOK 0.10.

Note 12: Share capital, shareholder information and dividend (continued)

THE 20 MAIN SHAREHOLDERS AS OF 31 DECEMBER 2022	NUMBER OF SHARES	OWNERSHIP INTEREST
Gjelsten Holding AS	6 495 866	18.9 %
Canica AS	2 705 957	7.9 %
Watrium AS	1 780 575	5.2 %
Inven2 AS	1 555 492	4.5 %
Folketrygdfondet	1 515 813	4.4 %
Radforsk Investeringsstiftelse	1 512 163	4.4 %
Langøya Invest AS	1 389 006	4.0 %
Helene Sundt AS	965 802	2.8 %
CGS Holding AS	882 132	2.6 %
Sundt AS	803 321	2.3 %
Danske Invest Norge Vekst	736 440	2.1 %
Stavanger Forvaltning AS	590 000	1.7 %
Prieta AS	533 988	1.6 %
Verdipapirfondet Nordea Avkastning	480 573	1.4 %
SEB Prime Solutions Sissener Canopus	400 000	1.2 %
Verdipapirfondet KLP Aksjenorge	348 416	1.0 %
Swedbank AB	252 814	0.7 %
Wiarom AS	250 000	0.7 %
Verdipapirfondet Nordea Kapital	246 178	0.7 %
Gade, Leif Johan	225 052	0.7 %
20 Largest shareholders	**23 669 588**	**68.8%**
Other shareholders	10 726 873	31.2%
Total	**34 396 461**	**100.0%**

As of 31 December 2022, four members of the Management team in the Group held a total of 163,066 ordinary shares in Ultimovacs.

NUMBER OF SHARES HELD BY CEO AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2022	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	14 906
Ketil Fjerdingen - through Langøya Invest AS	Board member	1 389 006
Leiv Askvig - through Basen Kapital AS	Board member	91 500
Henrik Schussler - through Fireh AS	Board member	30 900
Eva S. Dugstad	Board member	6 400
Kari Grønås - through K OG K AS	Board member	6 640
Total shares held by CEO and Board of Directors		**1 539 352**

Note 12: Share capital, shareholder information and dividend (continued)

THE 20 MAIN SHAREHOLDERS AS OF 31 DECEMBER 2021	NUMBER OF SHARES	OWNERSHIP INTEREST
Gjelsten Holding AS	6 495 866	19.0 %
Canica AS	2 705 957	7.9 %
Watrium AS	1 780 575	5.2 %
Inven2 AS	1 555 492	4.5 %
Radforsk Investeringsstiftelse	1 506 913	4.4 %
Folketrygdfondet	1 400 000	4.1 %
Langøya Invest AS	1 389 006	4.1 %
Helene Sundt AS	965 802	2.8 %
CGS Holding AS	882 132	2.6 %
Sundt AS	803 321	2.3 %
Danske Invest Norge Vekst	736 440	2.2 %
Stavanger Forvaltning AS	596 999	1.7 %
Prieta AS	533 988	1.6 %
Verdipapirfondet Nordea Avkastning	483 573	1.4 %
JPMorgan Chase Bank, N.A., London	402 495	1.2 %
Verdipapirfondet KLP AksjeNorge	348 416	1.0 %
SEB Prime Solutions Sissener Canopus	324 000	0.9 %
Verdipapirfondet Nordea Kapital	282 549	0.8 %
Avanza Bank AB (Nominee)	274 520	0.8 %
Swedbank AB	258 629	0.8 %
20 Largest shareholders	**23 726 673**	**69.3%**
Other shareholders	10 495 088	30.7%
Total	**34 221 761**	**100.0%**

As of 31 December 2021, three members of the Management team in the Group held a total of 156,606 ordinary shares in Ultimovacs.

NUMBER OF SHARES HELD BY CEO AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2021	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	11 906
Ketil Fjerdingen - through Langøya Invest AS	Board member	1 389 006
Leiv Askvig - through Basen Kapital AS	Board member	91 500
Henrik Schussler - through Fireh AS	Board member	30 900
Eva S. Dugstad	Board member	6 400
Kari Grønås - through K OG K AS	Board member	6 640
Håkan Englund - through JDS Invest AB	Deputy Board member	73 650
Total shares held by CEO and Board of Directors		**1 610 002**

Note 13: Transactions with related parties

In 2015, Ultimovacs acquired the patent rights for the core UV1 technology from Inven2 AS, a major shareholder in the Group. Based on the agreements, Invent2 AS is entitled to receive two potential milestone payments when certain clinical research criteria are reached; MNOK 5.0 and MNOK 6.0 at the commencement of a clinical phase IIb and phase III study (or another registration study) respectively. The first milestone payment of MNOK 5.0 was paid to Inven2 in May 2020 due to the commencement of the INITIUM phase II trial.

Please refer to note 9 for additional information.

As part of ordinary business and at market price, Ultimovacs purchases services related to clinical trials and laboratory services from Oslo University Hospital through Inven2 AS. Invoicing directly from or administered by Inven2 AS amounted to MNOK 4.3 in 2021 and MNOK 2.9 in 2022 respectively (incl. VAT). As per 31 December 2022, Ultimovacs had no outstanding payables to Inven2 AS.

Ultimovacs ASA partly finances running operations and projects in its Swedish subsidiary Ultimovacs AB through unconditional shareholder contributions. In 2021, Ultimovacs ASA contributed with a total of MNOK 12.0 in unconditional shareholder contributions to Ultimovacs AB, and MNOK 8.0 in 2022.

As of 2022, Ultimovacs ASA and Ultimovacs AB have entered into an intercompany agreement where Ultimovacs AB will provide R&D services for Ultimovacs ASA, and thus invoice Ultimovacs ASA for these services. Direct and indirect costs pertaining to Ultimovacs AB's employees' performance of the services as well as other direct costs are invoiced using a 'cost plus' model. In 2022, MNOK 9.9 was invoiced from Ultimovacs AB to Ultimovacs ASA.

Note 14: Leases and commitments

RIGHT-OF-USE ASSETS 2022 (NOK 1 000)	CARS	OFFICE	TOTAL
Right-of-use assets as per 1 January 2022	680	1 270	**1 951**
Depreciation costs during the year	(365)	(1 340)	**(1 705)**
Extension options exercised / additions	955	4 244	**5 199**
Balance sheet value as per 31 December 2022	**1 270**	**4 174**	**5 444**

RIGHT-OF-USE ASSETS 2021 (NOK 1 000)	CARS	OFFICE	TOTAL
Right-of-use assets as per 1 January 2021	1 109	2 520	**3 630**
Depreciation costs during the year	(429)	(1 269)	**(1 698)**
Extension options exercised / additions	-	19	**19**
Balance sheet value as per 31 December 2021	**680**	**1 270**	**1 951**

LEASE LIABILITIES (NOK 1 000)	2022	2021
Lease liability as per 1 January	**2 084**	**3 782**
Additions	5 199	19
Cash payments for the principal portion of the lease liability	(1 802)	(1 716)
Cash payments for the interest portion of the lease liability	(105)	(179)
Interest expense on lease liabilities	105	179
Lease liability as per 31 December	**5 481**	**2 084**
Current	1 767	1 628
Non-current	3 713	457

LEASE EXPENSES (NOK 1 000)	2022	2021
Depreciation expense of right-of-use assets	1 705	1 698
Interest expense on lease liabilities	105	179
Expense relating to short-term leases (incl. in Other operating expenses)	1 018	743
Expense relating to low-value assets (incl. in Other operating expenses)	11	11
Total amount recognized in profit or loss	**2 839**	**2 632**

The right-of-use assets comprise a rental agreement for office premises in Oslo with 3 years left of the rental contract as of 31 December 2022, and four car-leasing contracts. The weighted average discount rate applied is 8.3% as per 31 December 2022.

The Group has utilized the practical expedients relating to leases where short term leases and lease-contracts of low value have not been recognized as right of use assets. Expenses relating to short-term lease comprise lab premises and parking spaces in Oslo, Norway, and office- and lab premises in Uppsala, Sweden. These contracts can be terminated by both lessee and lessor within 1 - 3 months.Expense relating to low-value assets comprise leasing of an office printer in Oslo.

The Group had total cash outflows related to leases of MNOK 2.6 in FY21 and MNOK 2.8 in FY22.

NON-DISCOUNTED LEASE LIABILITIES EXPIRING WITHIN THE FOLLOWING PERIODS FROM THE BALANCE SHEET DATE (NOK 1 000)	2022	2021
Within 1 year	2 147	1 708
1 to 2 years	2 058	285
2 to 3 years	1 862	196
3 to 4 years	112	-
4 to 5 years	-	-
Over 5 years	-	-
Sum	**6 179**	**2 190**

Note 15: Share based payment

Share option program
The share option program was introduced in June 2019. The share option program is groupwide and includes all employees in the Group. At the Annual General Meeting held on 21 April 2022, the Board was authorized to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 342,217.61. The authorization is valid until the next ordinary General Meeting in 2023.

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, NOK 61.99 for the options granted in 2021 and NOK 83.46 for the options granted in 2022.

Options that are not exercised within 7 years from the date of grant will lapse and become void. In 2022, the Board of Directors decided to extend the duration of all options under the share option program from 5 years to 7 years. Due to this life extension, the unamortized value of the options increased, resulting in an increased IFRS cost related to the options going forward, as well as a one-off cost of MNOK 4.5 booked in Q2 2022 in accordance with IFRS 2.

After the distribution of 480,000 new options on 21 April 2022 and the exercise of 174,700 shares during 2022, a total of 2,138,885 share options are granted per 31 December 2022, corresponding to 6.22% of the outstanding number of shares in the Company.

MOVEMENTS OF OPTIONS DURING 2022	NUMBER OF INSTRUMENTS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at 1 January	**1 833 585**	**44.77**
Granted during the year	480 000	83.46
Terminated during the year	-	-
Exercised during the year	(174 700)	31.39
Expired during the year	-	-
Outstanding at 31 December	**2 138 885**	**54.55**
Vested options during the year	441 126	45.85

MOVEMENTS OF OPTIONS DURING 2021	NUMBER OF INSTRUMENTS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at 1 January	**1 330 435**	36.16
Granted during the year	600 000	61.99
Terminated during the year	(8 600)	39.15
Exercised during the year	(88 250)	32.46
Expired during the year	-	-
Outstanding at 31 December	**1 833 585**	**44.77**
Vested options during the year	279 953	37.49

OUTSTANDING INSTRUMENTS OVERVIEW AT YEAR END	2022	2021
Number of instruments	2 138 885	1 833 585
Weighted Average Exercise Price (NOK)	54.55	44.77
Vested/Exercisable instruments as of 31 December	40.76	35.42
Weighted Average Exercise Price on vested instruments (NOK)	860 454	419 328
Weighted Average remaining contractual life (years)	4.96	3.46

Note 15: Share based payment (continued)

Assumptions, costs and social security provisions:
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.

The exercise price is set out in the Ultimovacs Award Agreements with each employee and is stated in the Norwegian Krone. The current price of the underlying shares used in the model is the last available closing price of Ultimovacs at grant date.

The risk-free interest rate used in the B&S Model is equal to the rates of the government bond issues of the country in whose currency the exercise price is expressed, with the term equal to the expected term of the option being valued. Since the exercise price is expressed in Norwegian Krone, the "Norges Bank Statskasseveksler" and "Obligasjoner"-rate is used as input. The interest rates used for the options with term structures outside of the quoted terms of Norges Banks interest rates are calculated with the use of a linear interpolation between the two closest quoted rates.

A dividend parameter is not included in the calculations.

The B&S Model assumes that the time from grant until expiry gives the time parameter in the model. This assumption is based on the options being free from restraints and that the owner of the options holds the right to sell the option in the market at any time. As this is not the case for most employee share options, IFRS-2 Appendix B §B16-18, states that a shorter time period can be used as the expected lifetime of the options in some cases. Half a year after vesting date is therefore assumed to be the estimated end-of-lifetime of each option in the model. However, exercise patterns will be monitored, and expected option lifetime will be updated if needed for future grants.

As Ultimovacs has not been listed on a stock exchange long enough to have a sufficient share price history to calculate the shares' volatility, comparable firms' share price volatility have been used to estimate the expected volatility.

The fair value of the granted instruments in 2021 and 2022 have been calculated using a Black Scholes model with the following assumptions:

FAIR VALUE PRICING ASSUMPTIONS	2022	2021
Instrument	Option	Option
Quantity as of 31 December	480 000	600 000
Contractual life*	7.00	7.00
Exercise price*	83.46	61.99
Share price*	81.60	62.10
Expected lifetime*	3.25	3.25
Volatility*	59.60%	48.12%
Interest rate*	2.2451%	0.067%
Dividend*	-	-
Fair value per instrument*	34.46	20.79
Vesting conditions	Service condition	

*Weighted average parameters at grant of instrument

The total IFRS cost recognized for the option program was MNOK 11.6 in FY 2021 and MNOK 20.4 in FY22. The total social security provision was MNOK 8.6 in FY21 and MNOK 2.0 in FY22.

Note 15: Share based payment (continued)

NUMBER OF OPTIONS HELD BY MANAGEMENT TEAM	POSITION	2022	2021
Carlos de Sousa	Chief Executive Officer	416 035	416 035
Hans Vassgård Eid	Chief Financial Officer	224 500	177 500
Jens Egil Torbjørn Bjørheim	Chief Medical Officer	215 000	168 000
Audun Tornes	Chief Technology Officer	137 500	107 500
Gudrun Trøite	Head of Project Coordination	96 814	107 500
Ingunn Hagen Westgaard	Head of Research	111 395	107 500
Øivind Foss	Head of Clinical Operations	104 500	107 500
Ton Berkien	Chief Business Officer	106 000	59 000
Anne Worsøe	Head of IR and Communication	22 500	-
Orla Mc Callion	Head of Regulatory Affairs and QA	38 000	-
Total allocated share options to Management Team		**1 472 244**	**1 250 535**

Note 16 - Other current liabilities

OTHER CURRENT LIABILITIES (NOK 1 000)	2022	2021
Public duties payable	3 698	3 386
Public duties payable related to options	14 904	12 888
Holiday pay payable	3 913	3 415
Other accrued expenses	13 970	7 025
Sum	**36 485**	**26 714**

Note 17: Financial instruments

Foreign exchange derivatives not designated as hedging instruments reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected purchases.

FINANCIAL ASSETS (NOK 1 000)	2022 CARRYING VALUE	2022 FAIR VALUE	2021 CARRYING VALUE	2021 FAIR VALUE
Foreign exchange forward contracts	1 083	1 083	759	759
Total financial assets	**1 083**	**1 083**	**759**	**759**

Foreign exchange forward contracts are valued at fair value which is also the market value of the contract based on the use of market observable inputs at Level 2 of the fair value hierarchy (please refer to 'Note 2: Accounting principles - iii. Financial instruments' for information regarding the 'fair value hierarchy'). Market values are calculated using mid-rates (excluding margins) as determined by the financial institution counterparty on available market rates at reporting date.

Note 17: Financial instruments (continued)

Financial risks
The most significant financial risks for the Group are liquidity risk, credit risk and foreign currency risk. Management continuously evaluates these risks and determines policies related to how these risks are to be handled within the Group.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument of customer contract, leading to a financial loss. The Group is exposed to credit risk from its receivables, deposits in banks.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Interest rate risk
The Group has no interest-bearing debt. Bank deposits are exposed to market fluctuations in interest rates, which impact the financial income.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange-rates relates to the Group's operating activities, primarily expenses in USD, EUR, SEK and GBP. During 2022 the Company has held funds in EUR and entered into EUR swaps to mitigate the foreign exchange risk and to get a better predictability regarding future costs. The fair value of forward exchange contracts are determined using the forward exchange rate at the end of the reporting period, with changes in the value recognized in the income statement. In the income statement, impacts from the derivatives are presented as loss/gains in the financial items.

The Group does not use financial instruments, including financial derivatives, for trading purposes.

The table below shows a simulation of sensitivity to a 10% increase/decrease in EUR, GBP, USD and SEK against NOK and the effect on Profit (loss) before tax:

FOREIGN CURRENCY SENSITIVITY (NOK 1 000)	CHANGE IN FOREIGN CURRENCY	2022	2021
EUR	+10%	25 215	26 533
	-10%	(25 215)	(26 533)
GBP	+10%	629	455
	-10%	(629)	(455)
USD	+10%	1 334	821
	-10%	(1 334)	(821)
SEK	+10%	1 764	2 646
	-10%	(1 764)	(2 646)

Note that the majority of the simulated EUR sensitivity effects are related to EUR at bank and the forward exchange contracts which effects Profit (loss) before tax when EUR/NOK fluctuates.

Note 17: Financial instruments (continued)

INTEREST RATE SENSITIVITY (NOK 1 000)	CHANGE IN INTEREST RATE	2022	2021
Bank deposits	+2%	9 717	8 331
	-2%	(9 717)	(8 331)
	+5%	24 293	20 828
	-5%	(24 293)	(20 828)

Currency fluctuations in regards to the bank deposits in foreign currency and the foreign exchange forward contracts will not result in any 'other comprehensive income' (OCI) effects.

Fair value
The Management assessed that the fair values of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Capital management
The Group manages its capital to ensure that Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to support future development of the business. The Group is currently sufficiently capitalized as per 31 December 2022. Management closely monitors the Group's cash flows short-term and long-term and continuously assesses the need for additional funding.

The capital structure of the Group consists of equity attributable to owners of the Group, comprising share capital, share premium and accumulated losses.

The Group is not subject to any externally imposed capital requirements.

Note 18: Events after the balance sheet date

On 23 January 2023, Ultimovacs announced that patient enrollment was completed in the NIPU Phase II clinical trial in metastatic pleural mesothelioma.

In February 2023, as part of the Q4 2022 reporting, Ultimovacs provided an update on guidance regarding topline data readouts for its Phase II clinical trials:

- INITIUM (malignant melanoma): H1 2023 (no change from previous statements)
- NIPU (pleural mesothelioma): H1 2023 (no change from previous statements)
- FOCUS (head and neck cancer): H1 2024
- DOVACC (ovarian cancer): H2 2024
- LUNGVAC (non-small cell lung cancer): H2 2025

There are no other significant subsequent events after the balance sheet date.

Financial Statements - Ultimovacs ASA

05

- Financial Statements
- Notes
- Auditor’s Report

Contents - Financial Statements Ultimovacs ASA

Statement of profit and loss and other comprehensive income Ultimovacs ASA

(NOK 1 000) EXCEPT PER SHARE DATA	NOTES	2022	2021
Total revenues		**-**	**-**
Payroll and payroll related expenses	3, 4, 15	(60 132)	(52 959)
Depreciation and amortization	9, 14	(2 648)	(2 703)
Other operating expenses	3, 5	(114 182)	(94 602)
Total operating expenses		**(176 962)**	**(150 264)**
Operating profit (loss)		**(176 962)**	**(150 264)**
Financial income	6	17 365	13 383
Financial expenses	6	(1 530)	(14 268)
Net financial items		**15 836**	**(885)**
Profit (loss) before tax		**(161 126)**	**(151 149)**
Income tax expense	7	-	-
Profit (loss) for the year		**(161 126)**	**(151 149)**
Items that subsequently may be reclassified to profit or loss:			
Other comprehensive income (loss) for the year		-	-
Total comprehensive income (loss) for the year		**(161 126)**	**(151 149)**
Basic and diluted earnings (loss) per share (NOK per share)	8	(4.7)	(4.7)

Statement of financial position Ultimovacs ASA

(NOK 1 000)	NOTES	2022	2021
ASSETS			
Non-current assets			
Investment in subsidiary	13, 18	85 512	77 512
Patents	9	5 784	6 539
Property, plant and equipment	9	220	212
Right of use assets	14	5 444	1 951
Total non-current assets		**96 960**	**86 214**
Current assets			
Receivables and prepayments	3, 10	9 424	7 539
Cash and cash equivalents	11	420 365	573 255
Total current assets		**429 788**	**580 794**
TOTAL ASSETS		**526 748**	**667 008**
EQUITY AND LIABILITIES			
Equity			
Share capital		3 440	3 422
Share premium		1 076 308	1 070 841
Total paid-in equity		**1 079 747**	**1 074 264**
Accumulated losses		(636 201)	(475 074)
Other equity		37 494	19 405
TOTAL EQUITY	12	**481 041**	**618 594**
Non-current liabilities			
Lease liability	14	3 713	457
Total non-current liabilities		**3 713**	**457**
Current liabilities			
Lease liability	14	1 767	1 628
Accounts payable		6 545	21 275
Other current liabilities	15, 16	33 681	25 055
Total current liabilities		**41 994**	**47 957**
TOTAL LIABILITIES		**45 707**	**48 414**
TOTAL EQUITY AND LIABILITIES		**526 748**	**667 008**

Board of Directors and CEO of Ultimovacs ASA

Oslo, 23 March 2023

Sign	Sign	Sign
Jónas Einarsson Chair of the Board	**Kari Grønås** Board member	**Eva S. Dugstad** Board member
Sign	Sign	Sign
Henrik Schüssler Board member	**Ketil Fjerdingen** Board member	**Leiv Askvig** Board member
Sign	Sign	Sign
Aitana Peire Board member	**Haakon Stenrød** Board member	**Carlos de Sousa** CEO

Statement of cash flow Ultimovacs ASA

(NOK 1 000)	NOTES	2022	2021
Cash flow from operating activities			
Profit (loss) before tax		(161 126)	(151 149)
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization	9, 14	2 648	2 703
Interest received including investing activities	6	(8 887)	(3 062)
Net foreign exchange differences	6	(7 182)	3 614
Other financial expenses	14	105	179
Share option expenses	15	18 089	10 896
Working capital adjustment:			
Changes in prepayments and other receivables	10	(1 561)	730
Changes in payables and other current liabilities	16	(6 103)	21 495
Net cash flows from operating activities		**(164 018)**	**(114 593)**
Cash flow from investing activities			
Purchase of property, plant and equipment	9	(195)	(85)
Patent milestone payments	13	-	-
Shareholder contribution to subsidiary	18	(8 000)	(12 000)
Interest received	6	8 887	3 062
Net cash flow from investing activities		**691**	**(9 023)**
Cash flow from financing activities			
Proceeds from issuance of equity	12	5 484	272 864
Share issue cost	12	-	(11 012)
Interest paid	14	(105)	(179)
Payment of lease liability	14	(1 802)	(1 716)
Net cash flow from financing activities		**3 577**	**259 957**
Net change in cash and cash equivalents	11	(159 749)	136 341
Effect of change in exchange rate	6	6 858	(3 614)
Cash and cash equivalents, beginning of period	11	**573 255**	**440 529**
Cash and cash equivalents, end of period		**420 365**	**573 255**

Statement of changes in equity Ultimovacs ASA

(NOK 1 000)	NOTES	SHARE CAPITAL	SHARE PREMIUM	TOTAL PAID IN CAPITAL	ACCU-MULATED LOSSES	OTHER EQUITY	TOTAL EQUITY
Balance as of 31 December 2020		**3 197**	**809 214**	**812 411**	**(323 925)**	**8 509**	**496 995**
Profit (loss) for the year					(151 149)		**(151 149)**
Other comprehensive income (loss)							**-**
Issue of share capital	12	225	272 640	**272 864**			**272 864**
Share-issue costs	12		(11 012)	**(11 012)**			**(11 012)**
Recognition of share-based payments	15					10 896	**10 896**
Balance as of 31 December 2021		**3 422**	**1 070 841**	**1 074 864**	**(475 074)**	**19 405**	**618 594**
Profit (loss) for the year					(161 126)		**(161 126)**
Other comprehensive income (loss)							**-**
Issue of share capital	12	17	5 466	**5 484**			**5 484**
Share-issue costs	12						**-**
Recognition of share-based payments	15					18 089	**18 089**
Balance as of 31 December 2022		**3 440**	**1 076 308**	**1 079 747**	**(636 201)**	**37 494**	**481 041**

Note 1: General information

Ultimovacs ASA (the Company or Ultimovacs) is a biotech company developing novel immunotherapies against cancer. 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 pre-clinical 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' 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 which is expressed at a high level in 85-90% of human tumors, 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 vaccine technology that can generate multiple vaccine candidates designed to achieve increased T cell responses to a broad range of target antigens. The Company is performing a broad clinical development program with clinical trials in Europe, Australia and the USA.

The financial statements were approved by the Board of Directors on 23 March 2022.

Note 2: Accounting principles

I. Basis for preparation
The financial statements for the Company have been prepared in accordance with IFRS as adopted by the EU (IFRS). The financial statements are presented in NOK (Norwegian kroner) which is also the Company's functional currency.

The financial statements have been prepared on the historical cost basis, with the exception of derivatives which are measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the Company's accounting policies.

II. Going concern
The financial statements for 2022 have been prepared under the going concern assumption.

III. Accounting principles

i. Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with maturity of three months or less, which are subject to an insignificant risk of changes in value.

ii. Cash Flow statement
The statement of cash flows is compiled using the indirect method. The statement of cash flows distinguishes between cash flows from operating, investing and financing activities. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, cash pool balances and bank overdrafts. Cash flows in foreign currencies are translated at the rate of the transaction date. Interest paid is included under cash flow from financing activities, and interest received is included in investing activities. Cash flows arising from the acquisition or disposal of financial interests (subsidiaries and participating interests) are recognized as cash flows from investing activities, taking into account any cash and cash equivalents in these interests. Dividends paid out are recognized as cash flows from financing activities; dividends received are recognized as cash flows from investing activities. Cash flows from share issues are recognized as cash flows from financing activities.

Note 2: Accounting principles (continued)

iii. Financial instruments

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other comprehensive income, loans and borrowings, or payables. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

The Company 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.

- Subsequent measurement

The measurement of financial liabilities depends on their classification.

- Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

iv. Current vs non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Note 2: Accounting principles (continued)

v. Foreign currencies
The Company's financial statements are presented in NOK, which is the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company in its respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss under financial items.

vi. Impairment
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's (cash-generating unit) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

vii. Investments in subsidiaries
Investments in subsidiaries, joint ventures and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognized in profit or loss.

viii. Contingent liabilities
Contingent liabilities are not recognized in the statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability represent a liability in respect of which the amount cannot be reliably measured. Contingent liabilities are disclosed if the possibility of an outflow of economic benefit to settle the obligation is more than remote.

ix. Interest income
Interest income is recognized using the effective interest method.

x. Earnings per share
The basic earnings per share are calculated as the ratio of the total profit (loss) for the year divided by the weighted average number of ordinary shares outstanding. When calculating the diluted earnings per share, the profit that is attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding are adjusted for all the dilution effects relating to share options.

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 Company is currently loss-making, an increase in the average number of shares would have anti-dilutive effects. As the Company has currently no issuable potential ordinary shares and basic and diluted earnings per share is the same.

xi. Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Government grants have been recognized in the statement of profit or loss and other comprehensive income as a reduction of personnel- and other operating expenses.

Where the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. If the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual installments.

Note 2: Accounting principles (continued)

xii. IFRS 16 Leases
Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for all leases.

Right-of-use assets are measured at an amount equal to the lease liability and are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Ultimovacs' incremental borrowing rate. The incremental borrowing rate is used as the discount rate.

When applying the practical expedients in IFRS 16 for lease-contracts with low value or lease terms of less than 12 months, the lease payments (net of any incentives received from the lessor) are taken to the statement of profit and loss and other comprehensive income on a straight-line basis over the period of the lease. When the lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

xiii. Share-based payments
Employees in the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions) or granted share appreciation rights, which can be settled in cash (cash-settled transactions). The determination of whether the arrangement is cash or equity settled is based on a careful evaluation of the terms of the agreement and also the Company's ability to settle in shares and the promise and intent of settlement in cash.

- **Cash-settled transactions:**
A liability is recognized for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognized in payroll and payroll related expenses. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a Black Scholes model.

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

Note 2: Accounting principles (continued)

xiv. Intangible assets

Intangible assets are stated at their historical cost and amortized on a straight-line basis over their expected useful lives, which usually varies from 3 to 10 years and up to 20 years for patents. An adjustment is made for any impairment. Intangible items acquired in a business combination must be recognized as assets separately from goodwill if they meet the definition of an asset, are either separable or arise from contractual or other legal rights, and their fair value can be measured reliably.

All research and development spending is expensed each year in the period in which it is incurred. Development costs will be capitalized once the "asset" being developed has met requirements of technical and commercial feasibility to signal that the intangible investment is likely to either be brought to market or sold. Due to uncertainties regarding award of patents, regulations, ongoing clinical trials etc., the asset recognition criteria of IAS 38 "Intangible Assets" are not met.

xv. Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss and other comprehensive income as incurred.

xvi. Tax

The income tax expense includes tax payable and changes in deferred tax. Income tax on balances recognized in other comprehensive income is recognized as other comprehensive income, and tax on balances related to equity transactions is recognized in equity. The tax payable for the period is calculated according to the tax rates and regulations ruling at the end of the reporting period.

Deferred tax is calculated on temporary differences between book and tax values of assets and liabilities and the tax effects of losses to carry forward in the consolidated financial statements at the reporting date. Deferred tax liabilities and assets are calculated according to the tax rates and regulations ruling at the end of the reporting period and at nominal amounts. Deferred tax liabilities and assets are recognized net when the Company has a legal right to net assets and liabilities.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available which the loss carry forward or other deductible temporary differences can be utilized. Currently no deferred tax assets are recognized in the statement of financial position as the utilization is uncertain.

xvii. Segments

The Company is still in a R&D phase, and currently does not generate revenues. For management purposes, the Company is organized as one business unit and the internal reporting is structured in accordance with this. All non-current assets are located at the Company's main office in Oslo, Norway.

Note 2: Accounting principles (continued)

IV. Significant estimates and judgements

In order to prepare the financial statements, management and the Board may have to make various judgments and estimates that can affect the amounts recognized in the financial statements for assets, liabilities and expenses. Uncertainties about these adjustments and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods. Assumptions and estimates were based on available information at the time of the preparation of the financial statements. Existing circumstances and assumptions about future developments, however, may change and such changes are reflected when they occur.

- Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

- Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. The Company considers that a deferred tax asset related to accumulated tax losses cannot be recognized in the statement of financial position until the product under development has been approved for marketing by the relevant authorities. Significant management judgement is required to determine the amount, if any, of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Note 3: Government grants

The following government grants have been recognized in the statement of profit and loss:

GRANTS RECOGNIZED (NOK 1 000)	2022	2021
Skattefunn	4 750	4 750
Eurostars	-	786
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	594	802
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	4 194	5 241
Innovation Norway	-	3 000
Total grants	**9 538**	**14 578**

Government grants have been recognized in the statement of profit and loss and other comprehensive income as a reduction for the related expenses with the following amounts:

COSTS DEDUCTED (NOK 1 000)	2022	2021
Payroll and payroll related expenses	1 822	2 472
Other operating expenses	7 717	12 106
Total costs deducted	**9 538**	**14 578**

Grants receivable as per 31 December are detailed as follows:

GRANTS RECEIVABLES (NOK 1 000)	2022	2021
Skattefunn	4 750	4 750
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	198	267
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	42	296
Total grants receivables	**4 990**	**5 314**

Skattefunn:
The Skattefunn R&D tax incentive scheme is a government program designed to stimulate research and development in Norwegian. In FY2022, four Skattefunn-grants were approved, two of which reported in 2022, one will report in 2024 and one in 2025.

Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet):
The industrial Ph.D. project is a collaboration between Ultimovacs ASA, Oslo University Hospital and the University of Oslo. The Ph.D. candidate for this project is employed by Ultimovacs. The project aims to characterize the immunological mechanisms induced by treatment with a peptide-based therapeutic cancer vaccine. The project ended in and reported in December 2022.

Innovation Project grant from The Research Council of Norway (Forskningsrådet):
Innovation Project for the Industrial Sector is a funding instrument that provides grants to business-led innovation projects that make extensive use of research and development activities. The FOCUS Phase II trial has been granted an innovation grant of up to MNOK 16 from the Norwegian Research Council.

Innovation Norway:
Innovation Norway is the Norwegian Government's most important instrument for innovation and development of Norwegian enterprises and industry. Innovation Norway has granted Ultimovacs MNOK 10 to support the execution of the Phase II DOVACC study.

All conditions and contingencies attached to the grants recognized in the accounts have been fulfilled.

Note 4: Salary and personnel expenses and management remuneration

PAYROLL AND PAYROLL RELATED EXPENSES (NOK 1 000)	2022	2021
Salaries and holiday pay	32 773	29 753
Social security tax	7 230	5 000
Social security tax related to options	1 479	7 978
Pension expenses	1 686	1 505
Share-based compensation	18 089	10 896
Other personnel expenses	697	299
Government grants	(1 822)	(2 472)
Total payroll and payroll related expenses	**60 132**	**52 959**
Number of FTEs employed during the financial year	19.0	17.6
Number of FTEs at end of year	20.0	19.0

The Company's Management team consists of the Company's CEO, CFO and the managers of each department, totaling ten employees, of which two employees in Ultimovacs AB.

EXECUTIVE REMUNERATION (NOK 1 000)	2022	2021
Management Team remuneration	31 434	27 044
Board of Director's remunerations	2 055	1 915

There were no outstanding loans or guarantees made to related parties, the Board of Directors, the Management Team or any other employees as of 31 December 2021 or as of 31 December 2022.

Please refer to the Remuneration Report 2022 for more information.

Pensions
Ultimovacs ASA is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company has a defined contribution pension scheme which complies with the Act on Mandatory company pensions.
As at 31 December 2022, all twenty of Ultimovacs ASA's employees were covered by the pension scheme.

Other than the general pension schemes described above, there are no specific pension arrangements made for any member of the Management team. The Company has no pension or retirement benefits for its Board Members.

The total pension contributions for all employees recognized as expenses equalled MNOK 1.5 and MNOK 1.7 in 2021 and 2022 respectively.

Note 4: Salary and personnel expenses and management remuneration (continued)

Severance pay/pay after termination of employment
Under certain conditions, the CEO is entitled to 12 months' severance pay. The severance pay period will be extended to 18 months if the termination of the CEO takes place in connection with a 'change of control' event in the Company.

The company's CFO is entitled to receive pay after termination of his employment with the Group equal to 9 months' base salary in addition to payment of his salary during his 3-month notice period.

There are no similar arrangements for any of the other employees of the Group with respect to termination of their employment.

Other benefits received
There is no bonus scheme in the Group, however, sign-on-fees and bonus may be applied at the Board's discretion.

Statement on the executive employee remuneration policy during the previous financial year
The executive compensation for the fiscal year 2022 has been in accordance with the Remuneration Guidelines for 2022. Please refer to Remuneration Guidelines 2022 and Remuneration Report 2022, available on the ultimovacs-website, for more information.

Note 5: Other operating expenses

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

OTHER OPERATING EXPENSES (NOK 1 000)	2022	2021
External R&D expenses	95 057	93 426
Clinical studies	64 864	54 760
Manufacturing costs	19 899	21 455
Other R&D expenses	10 293	17 210
Patent related expenses	2 728	3 180
Rent, office and IT	3 743	3 091
Accounting, audit, legal, consulting	15 773	4 820
Other operating expenses	4 597	2 190
Less government grants	(7 717)	(12 106)
Total operating expenses	**114 182**	**94 602**

Total expenses related to R&D, including other operating expenses, payroll and payroll related expenses, less government grants, amounted to MNOK 111.8 in 2021 and MNOK 121.0 in 2022.

SPECIFICATION AUDITOR'S FEE (NOK 1 000)	2022	2021
Statutory audit	404	243
Audit related services	40	61
Tax related services	10	-
Other	3	10
Total auditor's fee	**456**	**313**

VAT is not included in the fees specified above.

Note 6: Financial items

FINANCIAL INCOME (NOK 1 000)	2022	2021
Foreign exchange gains - related to derivatives	5 053	9 042
Foreign exchange gains - related to EUR bank account	2 087	849
Foreign exchange gains - other	1 329	430
Interest income	8 897	3 062
Total financial income	**17 365**	**13 383**

FINANCIAL EXPENSES (NOK 1 000)	2022	2021
Foreign exchange losses - related to derivatives	-	10 520
Foreign exchange losses - related to EUR bank account	-	2 702
Foreign exchange losses - other	1 286	712
Other financial expenses	243	333
Total financial expenses	**1 530**	**14 268**

Note 7: Income tax

TAX EXPENSE BASIS (NOK 1 000)	2022	2021
Profit (loss) before tax	(161 126)	(151 149)
Net non-taxable income	(4 760)	(4 750)
Other items*	18 089	(116)
Change in temporary differences	1 051	7 248
Basis for tax calculation	**(146 746)**	**(148 767)**

INCOME TAX EXPENSE (NOK 1 000)	2022	2021
Expected tax expense	(35 448)	(33 253)
Net non-taxable income	(1 047)	(1 045)
Other items	3 980	(26)
Change in deferred tax assets not recognized	32 515	34 323
Effect from changes in tax rate	-	-
Income tax expense	**-**	**-**

* The share issue cost of MNOK 11.0 in 2021 was deducted directly from equity and is included in the basis for tax calculation as the tax-effect is charged directly to equity.

The corporate tax rate in Norway was 22% in 2021 and 2022.

DEFERRED TAX ASSETS (NOK 1 000)	2022	2021
Tax losses carried forward	675 754	529 008
Temporary differences - financial instruments	(1 083)	(759)
Temporary differences - leasing liability	37	134
Temporary differences - social security on options	13 488	12 009
Temporary differences - PP&E	238	246
Temporary differences and tax loss carry forward	**688 435**	**540 637**
Deferred tax assets - not recognized in statement of financial position	**151 456**	**118 940**
Deferred tax assets per 31 December	**-**	**-**

Ultimovacs has not recognized a deferred tax asset in the statement of financial position related to its previous losses, as the Company does not expect taxable income to be generated in the short-term to support the use of the deferred tax asset. Total tax losses carried forward and temporary differences as per 31 December 2021 was MNOK 540.6, and MNOK 688.4 as per 31 December 2022.

Note 8: Earnings per share

The basic earnings per share (EPS) are calculated as the ratio of the total profit (loss) for the year divided by the weighted average number of ordinary shares outstanding. As the Group has currently no potential issuable ordinary shares, basic and diluted earnings per share is the same.

The issued share options 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.

EARNINGS PER SHARE	2022	2021
Profit (loss) for the year (NOK 1 000)	(161 126)	(151 149)
Average number of outstanding shares during the year (1 000)	34 247	32 373
EPS - basic and diluted (NOK per share)	**(4.7)**	**(4.7)**

A share option program was introduced in June 2019 and at the ordinary General Assembly held on 15 April 2022, the Board was authorized until the next ordinary General Assembly in 2023 to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 342,217.61. A total of 2,138,885 share options are outstanding as per 31 December 2022, corresponding to 6.22% of the outstanding number of shares in the Company.

Please see note 15 for more information regarding the option program.

Note 9: Non-current assets

NON-CURRENT ASSETS 2022 (NOK 1 000)	OFFICE AND LAB EQUIPM.	PATENTS	TOTAL
Accumulated cost as of 1 January 2022	**2 148**	**9 000**	**11 148**
Additions	195	-	**195**
Cost as of 31 December 2022	**2 344**	**9 000**	**11 344**
Accumulated depreciation and amortization as of 1 January 2022	(1 936)	(2 461)	**-4 397**
Depreciations in the year	(188)	(754)	**-943**
Accumulated depreciation and amortization as of 31 December 2022	**(2 124)**	**(3 215)**	**-5 339**
Carrying value as of 31 December 2022	**220**	**5 784**	**6 004**

NON-CURRENT ASSETS 2021 (NOK 1 000)	OFFICE AND LAB EQUIPM.	PATENTS	TOTAL
Accumulated cost as of 1 January 2021	**2 063**	**9 000**	**11 063**
Additions	85	-	**85**
Cost as of 31 December 2021	**2 148**	**9 000**	**11 148**
Accumulated depreciation and amortization as of 1 January 2021	(1 686)	(1 707)	**(3 393)**
Depreciations in the year	(250)	(754)	**(1 004)**
Accumulated depreciation and amortization as of 31 December 2021	**(1 936)**	**(2 461)**	**(4 397)**
Carrying value as of 31 December 2021	**212**	**6 539**	**6 752**
Economic Life	3 years	15 years	
Depreciation method	linear	linear	

Patents
In 2015, the Group acquired all rights to the patents and technology from Inven2 AS, which is one of the Group's main shareholders. The price for the patent was MNOK 4.0 and was based on a purchase option in the license agreement entered into with Inven2 AS in 2011. The purchase of these rights implies that the Group no longer has to pay future royalties to Inven2 AS from potential commercial sales of products related to the patents/patent applications. The patent period spans over 15 years and expires in 2031.

According to the purchase agreement related to the same patents, Inven2 AS is entitled to two milestone payments of MNOK 5.0 and MNOK 6.0 at the commencement of a clinical Phase IIb and Phase III study (or another registration study) respectively. The first milestone payment of MNOK 5.0 was paid to Inven2 in May 2020 due to the commencement of the INITIUM Phase II trial. The milestone payment was capitalized in the balance sheet when it was paid to Inven2 and will be depreciated linearly until February 2031.

Note 10: Other receivables

OTHER RECEIVABLES (NOK 1 000)	2022	2021
Government grants receivables (ref note 3)	4 990	5 314
Prepayments	2 916	878
Fair value of currency contracts	1 083	759
Other receivables	435	588
Total other receivables	**9 424**	**7 539**

Note 11: Cash and cash equivalents

CASH AND CASH EQUIVALENTS (NOK 1 000)	2022	2021
Employee withholding tax	1 818	1 855
Cash at bank	418 547	571 400
Cash and cash equivalents	**420 365**	**573 255**

As of 31 December 2022, cash and cash equivalents amounted to MNOK 420.4, of which MNOK 19.7 (MEUR 1.9) on an EUR account.

Note 12: Share capital, shareholder information and dividend

The share capital as of 31 December 2022 was NOK 3,439,646.1, with 34,396,461 ordinary shares with a nominal value of NOK 0.1. All issued shares have equal voting rights and the right to receive dividend. No dividend has been paid in the period. Ultimovacs ASA has approximately 5,000 shareholders as of 31 December 2022, with the 20 largest shareholders as of this date listed in a table below on the next page. The movement in the number of registered shares and share capital was in 2021 and 2022 as follows:

CHANGES TO SHARE CAPITAL	SHARE CAPITAL NUMBER OF SHARES	SHARE CAPITAL (NOK 1 000)
31 December 2020	**31 973 511**	**3 197 351.1**
Issuance of ordinary shares	2 248 250	224 825.0
31 December 2021	**34 221 761**	**3 422 176.1**
Issuance of ordinary shares	174 700	17 470
31 December 2022	**34 396 461**	**3 439 646.1**

In September and November 2022, a total of 174,700 options, granted under Ultimovacs' option program, were exercised. Subsequently, the Company's share capital was increased by NOK 17,470 by issuing 174,700 new shares, each share of par value NOK 0.10.

In a private placement in October 2021, 2,160,000 new shares each with a par value of NOK 0.10 and issued at a subscription price per share of NOK 125.0, resulting in gross proceeds from the share issue of MNOK 270. The transaction costs related to the share-issues amounted to MNOK 11.0 in 2021, and have been recognized against share premium. For computation of earnings per share and diluted earnings per share see Note 8.

In March and October 2021, a total of 88,250 options, granted under Ultimovacs' option program, were exercised. Subsequently, the Company's share capital was increased by NOK 8,825 by issuing 88,250 new shares, each share of par value NOK 0.10.

Note 12: Share capital, shareholder information and dividend (continued)

THE 20 MAIN SHAREHOLDERS AS OF 31 DECEMBER 2022	NUMBER OF SHARES	OWNERSHIP INTEREST
Gjelsten Holding AS	6 495 866	18.9 %
Canica AS	2 705 957	7.9 %
Watrium AS	1 780 575	5.2 %
Inven2 AS	1 555 492	4.5 %
Folketrygdfondet	1 515 813	4.4 %
Radforsk Investeringsstiftelse	1 512 163	4.4 %
Langøya Invest AS	1 389 006	4.0 %
Helene Sundt AS	965 802	2.8 %
CGS Holding AS	882 132	2.6 %
Sundt AS	803 321	2.3 %
Danske Invest Norge Vekst	736 440	2.1 %
Stavanger Forvaltning AS	590 000	1.7 %
Prieta AS	533 988	1.6 %
Verdipapirfondet Nordea Avkastning	480 573	1.4 %
SEB Prime Solutions Sissener Canopus	400 000	1.2 %
Verdipapirfondet KLP Aksjenorge	348 416	1.0 %
Swedbank AB	252 814	0.7 %
Wiarom AS	250 000	0.7 %
Verdipapirfondet Nordea Kapital	246 178	0.7 %
Gade, Leif Johan	225 052	0.7 %
20 Largest shareholders	**23 669 588**	**68.8%**
Other shareholders	10 726 873	31.2%
Total	**34 396 461**	**100.0%**

As of 31 December 2022, four members of the Management team in the Group held a total of 163,066 ordinary shares in Ultimovacs.

NUMBER OF SHARES HELD BY CEO AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2022	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	14 906
Ketil Fjerdingen - through Langøya Invest AS	Board member	1 389 006
Leiv Askvig - through Basen Kapital AS	Board member	91 500
Henrik Schussler - through Fireh AS	Board member	30 900
Eva S. Dugstad	Board member	6 400
Kari Grønås - through K OG K AS	Board member	6 640
Total shares held by CEO and Board of Directors		**1 539 352**

Note 12: Share capital, shareholder information and dividend (continued)

THE 20 MAIN SHAREHOLDERS AS OF 31 DECEMBER 2021	NUMBER OF SHARES	OWNERSHIP INTEREST
Gjelsten Holding AS	6 495 866	19.0 %
Canica AS	2 705 957	7.9 %
Watrium AS	1 780 575	5.2 %
Inven2 AS	1 555 492	4.5 %
Radforsk Investeringsstiftelse	1 506 913	4.4 %
Folketrygdfondet	1 400 000	4.1 %
Langøya Invest AS	1 389 006	4.1 %
Helene Sundt AS	965 802	2.8 %
CGS Holding AS	882 132	2.6 %
Sundt AS	803 321	2.3 %
Danske Invest Norge Vekst	736 440	2.2 %
Stavanger Forvaltning AS	596 999	1.7 %
Prieta AS	533 988	1.6 %
Verdipapirfondet Nordea Avkastning	483 573	1.4 %
JPMorgan Chase Bank, N.A., London	402 495	1.2 %
Verdipapirfondet KLP AksjeNorge	348 416	1.0 %
SEB Prime Solutions Sissener Canopus	324 000	0.9 %
Verdipapirfondet Nordea Kapital	282 549	0.8 %
Avanza Bank AB (Nominee)	274 520	0.8 %
Swedbank AB	258 629	0.8 %
20 Largest shareholders	**23 726 673**	**69.3%**
Other shareholders	10 495 088	30.7%
Total	**34 221 761**	**100.0%**

As of 31 December 2021, three members of the Management team in the Group held a total of 156,606 ordinary shares in Ultimovacs.

NUMBER OF SHARES HELD BY CEO AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2021	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	11 906
Ketil Fjerdingen - through Langøya Invest AS	Board member	1 389 006
Leiv Askvig - through Basen Kapital AS	Board member	91 500
Henrik Schussler - through Fireh AS	Board member	30 900
Eva S. Dugstad	Board member	6 400
Kari Grønås - through K OG K AS	Board member	6 640
Håkan Englund - through JDS Invest AB	Deputy Board member	73 650
Total shares held by CEO and Board of Directors		**1 610 002**

Note 13: Transactions with related parties

In 2015, Ultimovacs acquired the patent rights for the core UV1 technology from Inven2 AS, a major shareholder in the Group. Based on the agreements, Invent2 AS is entitled to receive two potential milestone payments when certain clinical research criteria are reached: MNOK 5.0 and MNOK 6.0 at the commencement of a clinical Phase IIb and Phase III study (or another registration study) respectively. The first milestone payment of MNOK 5.0 was paid to Inven2 in May 2020 due to the commencement of the INITIUM Phase II trial.

Please refer to note 9 for additional information.

As part of ordinary business and at market price, Ultimovacs purchases services related to clinical trials and laboratory services from Oslo University Hospital through Inven2 AS. Invoicing directly from or administered by Inven2 AS amounted to MNOK 4.3 in 2021 and MNOK 2.9 in 2022 respectively (incl. VAT). As per 31 December 2022, Ultimovacs had no outstanding payables to Inven2 AS.

Ultimovacs ASA partly finances running operations and projects in its Swedish subsidiary Ultimovacs AB through unconditional shareholder contributions. In 2021, Ultimovacs ASA contributed with a total of MNOK 12.0 in unconditional shareholder contributions to Ultimovacs AB, and MNOK 8.0 in 2022.

As of 2022, Ultimovacs ASA and Ultimovacs AB have entered into an intercompany agreement where Ultimovacs AB will provide R&D services for Ultimovacs ASA, and thus invoice Ultimovacs ASA for these services. Direct and indirect costs pertaining to Ultimovacs AB's employees' performance of the services as well as other direct costs are invoiced using a 'cost plus' model. In 2022, MNOK 9.9 was invoiced from Ultimovacs AB to Ultimovacs ASA.

Note 14: Leases and commitments

RIGHT-OF-USE ASSETS 2022 (NOK 1 000)	CARS	OFFICE	TOTAL
Right-of-use assets as per 1 January 2022	680	1 270	**1 951**
Depreciation costs during the year	(365)	(1 340)	**(1 705)**
Extension options exercised / additions	955	4 244	**5 199**
Balance sheet value as per 31 December 2022	**1 270**	**4 174**	**5 444**

RIGHT-OF-USE ASSETS 2021 (NOK 1 000)	CARS	OFFICE	TOTAL
Right-of-use assets as per 1 January 2021	1 109	2 520	**3 630**
Depreciation costs during the year	(429)	(1 269)	**(1 698)**
Extension options exercised / additions	-	19	**19**
Balance sheet value as per 31 December 2021	**680**	**1 270**	**1 951**

LEASE LIABILITIES (NOK 1 000)	2022	2021
Lease liability as per 1 January	**2 084**	**3 781**
Additions	5 199	19
Cash payments for the principal portion of the lease liability	(1 802)	(1 716)
Cash payments for the interest portion of the lease liability	(105)	(179)
Interest expense on lease liabilities	105	179
Lease liability as per 31 December	**5 481**	**2 084**
Current	1 767	1 628
Non-current	3 713	457

LEASE EXPENSES (NOK 1 000)	2022	2021
Depreciation expense of right-of-use assets	1 705	1 698
Interest expense on lease liabilities	105	179
Expense relating to short-term leases (incl. in Other operating expenses)	642	502
Expense relating to low-value assets (incl. in Other operating expenses)	11	11
Total amount recognized in profit or loss	**2 463**	**2 391**

The right-of-use assets comprise a rental agreement for office premises in Oslo with 3 years left of the rental contract as of 31 December 2022, and four car-leasing contracts. The weighted average discount rate applied is 8.3% as per 31 December 2022.

The Company has utilized the practical expedients relating to leases where short term leases and lease-contracts of low value have not been recognized as right of use assets. Expenses relating to short-term lease comprise lab premises and parking spaces in Oslo, Norway. These contracts can be terminated by both lessee and lessor within 1 - 3 months. Expense relating to low-value assets comprise leasing of an office printer in Oslo.

The Company had total cash outflows related to leases of MNOK 2.4 in FY21 and MNOK 2.5 in FY22.

NON-DISCOUNTED LEASE LIABILITIES EXPIRING WITHIN THE FOLLOWING PERIODS FROM THE BALANCE SHEET DATE (NOK 1 000)	2022	2021
Within 1 year	2 147	1 708
1 to 2 years	2 058	285
2 to 3 years	1 862	196
3 to 4 years	112	-
4 to 5 years	-	-
Over 5 years	-	-
Sum	**6 179**	**2 190**

Note 15: Share based payment

Share option program
The share option program was introduced in June 2019. The share option program is groupwide and includes all employees in the Group. At the Annual General Meeting held on 21 April 2022, the Board was authorized to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 342,217.61. The authorization is valid until the next ordinary General Meeting in 2023.

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, NOK 61.99 for the options granted in 2021 and NOK 83.46 for the options granted in 2022.

Options that are not exercised within 7 years from the date of grant will lapse and become void.

After the distribution of 480,000 new options on 21 April 2022 and the exercise of 174,700 shares during 2022, a total of 2,138,885 share options are granted per 31 December 2022, corresponding to 6.22% of the outstanding number of shares in the Company.

MOVEMENTS OF OPTIONS DURING 2022	NUMBER OF INSTRUMENTS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at 1 January	**1 833 585**	**44.77**
Granted during the year	480 000	83.46
Terminated during the year	-	-
Exercised during the year	(174 700)	31.39
Expired during the year	-	-
Outstanding at 31 December	**2 138 885**	**54.55**
Vested options during the year	441 126	45.85

MOVEMENTS OF OPTIONS DURING 2021	NUMBER OF INSTRUMENTS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at 1 January	**1 330 435**	36.16
Granted during the year	600 000	61.99
Terminated during the year	(8 600)	39.15
Exercised during the year	(88 250)	32.46
Expired during the year	-	-
Outstanding at 31 December	**1 833 585**	**44.77**
Vested options during the year	279 953	37.49

OUTSTANDING INSTRUMENTS OVERVIEW AT YEAR END	2022	2021
Number of instruments	2 138 885	1 833 585
Weighted Average Exercise Price (NOK)	54.55	44.77
Weighted Average Exercise Price on vested instruments (NOK)	40.76	35.42
Vested/Exercisable instruments as of 31 December	860 454	419 328
Weighted Average remaining contractual life (years)	4.96	3.46

Note 15: Share based payment (continued)

Assumptions, costs and social security provisions:
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.

The exercise price is set out in the Ultimovacs Award Agreements with each employee and is stated in the Norwegian Krone. The current price of the underlying shares used in the model is the last available closing price of Ultimovacs at grant date.

The risk-free interest rate used in the B&S Model is equal to the rates of the government bond issues of the country in whose currency the exercise price is expressed, with the term equal to the expected term of the option being valued. Since the exercise price is expressed in Norwegian Krone, the "Norges Bank Statskasseveksler" and "Obligasjoner"-rate is used as input. The interest rates used for the options with term structures outside of the quoted terms of Norges Banks interest rates are calculated with the use of a linear interpolation between the two closest quoted rates.

A dividend parameter is not included in the calculations.

The B&S Model assumes that the time from grant until expiry gives the time parameter in the model. This assumption is based on the options being free from restraints and that the owner of the options holds the right to sell the option in the market at any time. As this is not the case for most employee share options, IFRS-2 Appendix B §B16-18, states that a shorter time period can be used as the expected lifetime of the options in some cases. Half a year after vesting date is therefore assumed to be the estimated end-of-lifetime of each option in the model. However, exercise patterns will be monitored, and expected option lifetime will be updated if needed for future grants.

As Ultimovacs has not been listed on a stock exchange long enough to have a sufficient share price history to calculate the shares' volatility, comparable firms' share price volatility have been used to estimate the expected volatility.

The fair value of the granted instruments in 2021 and 2022 have been calculated using a Black Scholes model with the following assumptions:

FAIR VALUE PRICING ASSUMPTIONS	2022	2021
Instrument	Option	Option
Quantity as of 31 December	480 000	600 000
Contractual life*	7.00	7.00
Exercise price*	83.46	61.99
Share price*	81.60	62.10
Expected lifetime*	3.25	3.25
Volatility*	59.60%	48.12%
Interest rate*	2.2451%	0.067%
Dividend*	-	-
Fair value per instrument*	34.46	20.79
Vesting conditions		Service condition

*Weighted average parameters at grant of instrument

The total IFRS cost recognized for the option program was MNOK 10.9 in FY21 and MNOK 18.1 in FY22. The total social security provision was MNOK 8.0 in FY21 and MNOK 1.5 in FY22.

Note 15: Share based payment (continued)

NUMBER OF OPTIONS HELD BY MANAGEMENT TEAM	POSITION	2022	2021
Carlos de Sousa	Chief Executive Officer	416 035	416 035
Hans Vassgård Eid	Chief Financial Officer	224 500	177 500
Jens Egil Torbjørn Bjørheim	Chief Medical Officer	215 000	168 000
Audun Tornes	Chief Technology Officer	137 500	107 500
Gudrun Trøite	Head of Project Coordination	96 814	107 500
Ingunn Hagen Westgaard	Head of Research	111 395	107 500
Øivind Foss	Head of Clinical Operations	104 500	107 500
Ton Berkien (employed in Ulimovacs AB)	Chief Business Officer	106 000	59 000
Anne Worsøe	Head of IR and Communication	22 500	-
Orla Mc Callion (employed in Ulimovacs AB)	Head of Regulatory Affairs and QA	38 000	-
Total allocated share options to Management Team		**1 472 244**	**1 250 535**

Note 16: Other current liabilities

OTHER CURRENT LIABILITIES (NOK 1 000)	2022	2021
Public duties payable	4 310	3 076
Public duties payable related to options	13 488	12 009
Holiday pay payable	3 301	3 032
Other accrued expenses	12 582	6 937
Sum	**33 681**	**25 055**

Note 17: Financial instruments

Foreign exchange derivatives not designated as hedging instruments reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected purchases.

FINANCIAL ASSETS (NOK 1 000)	2022 CARRYING VALUE	2022 FAIR VALUE	2021 CARRYING VALUE	2021 FAIR VALUE
Foreign exchange forward contracts	1 083	1 083	759	759
Total financial assets	**1 083**	**1 083**	**759**	**759**

Foreign exchange forward contracts are valued at fair value which is also the market value of the contract based on the use of market observable inputs at Level 2 of the fair value hierarchy (please refer to 'Note 2: Accounting principles - iii. Financial instruments' for information regarding the 'fair value hierarchy'). Market values are calculated using mid-rates (excluding margins) as determined by the financial institution counterparty on available market rates at reporting date.

Note 17: Financial instruments (continued)

Financial risk
The most significant financial risks for the Company are liquidity risk, credit risk and foreign currency risk. Management continuously evaluates these risks and determines policies related to how these risks are to be handled within the Company.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument of customer contract, leading to a financial loss. The Company is exposed to credit risk from its receivables, deposits in banks.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Interest rate risk
The Company has no interest-bearing debt. Bank deposits are exposed to market fluctuations in interest rates, which impact the financial income.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange-rates relates to the Group's operating activities, primarily expenses in USD, EUR, SEK and GBP. During 2022 the Company has held funds in EUR and entered into EUR swaps to mitigate the foreign exchange risk and to get a better predictability regarding future costs. The fair value of forward exchange contracts are determined using the forward exchange rate at the end of the reporting period, with changes in the value recognized in the income statement. In the income statement, impacts from the derivatives are presented as loss/gains in the financial items.

The Company does not use financial instruments, including financial derivatives, for trading purposes.

The table below show a sensitivity to a 10% increase/decrease in EUR, GBP, USD and SEK against NOK and the effect on Profit (loss) before tax:

FOREIGN CURRENCY SENSITIVITY (NOK 1 000)	CHANGE IN FOREIGN CURRENCY	2022	2021
EUR	+10%	25 198	26 513
	-10%	(25 198)	(26 513)
GBP	+10%	572	446
	-10%	(572)	(446)
USD	+10%	1 317	821
	-10%	(1 317)	(821)
SEK	+10%	1 402	1 451
	-10%	(1 402)	(1 451)

Note that the majority of the simulated EUR sensitivity effects are related to EUR at bank and the forward exchange contracts which effects Profit (loss) before tax when EUR/NOK fluctuates.

INTEREST RATE SENSITIVITY (NOK 1 000)	CHANGE IN INTEREST RATE	2022	2021
Bank deposits	+2%	9 646	8 284
	-2%	(9 646)	(8 284)
	+5%	24 115	20 709
	-5%	(24 115)	(20 709)

Currency fluctuations in regards to the bank deposits in foreign currency and the foreign exchange forward contracts will not result in any 'other comprehensive income' (OCI) effects.

Note 17: Financial instruments (continued)

Fair value
The Management assessed that the fair values of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Capital management
The Company manages its capital to ensure that Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to support future development of the business. The Company is currently sufficiently capitalized as per 31 December 2022. Management closely monitors the Company's cash flows short-term and long-term and continuously assesses the need for additional funding.

The capital structure of the Company consists of equity attributable to owners of the Company, comprising share capital, share premium and accumulated losses.

The Company is not subject to any externally imposed capital requirements.

Note 18: Investment in subsidiary

On the 10 July 2018, Ultimovacs ASA acquired 100% of the shares in the Swedish biotech company TET Pharma AB, now Ultimovacs AB, from Immuneed AB at a consideration of MNOK 50.5 (MSEK 55.0). The business is located in Uppsala, Sweden and has five employees. The share capital in Ultimovacs AB is SEKk 50.

Ultimovacs ASA partly finances running operations and projects in Ultimovacs AB through unconditional shareholder contributions. As at 31 December 2022, Ultimovacs AS has contributed with a total of MNOK 32.5 in unconditional shareholder contributions to Ultimovacs AB, of which MNOK 8.0 in FY22.

The impairment test performed as of 31 December 2022 did not result in any impairment of book value of the investment in Ultimovacs AB. The impairment test was based on the same assumptions as used in the impairment test of "goodwill" and "licenses" in the group accounts.

INVESTMENT IN SUBSIDIARY (NOK 1 000)	2022	2021
Investment in subsidiary as at 01 January	**77 512**	**65 512**
Unconditional shareholder contribution to Ultimovacs AB	8 000	12 000
Investment in subsidiary as at 31 December	**85 512**	**77 512**

Note 19: Events after the balance sheet date

On 23 January 2023, Ultimovacs announced that patient enrollment was completed in the NIPU Phase II clinical trial in metastatic pleural mesothelioma.

In February 2023, as part of the Q4 2022 reporting, Ultimovacs provided an update on guidance regarding topline data readouts for its Phase II clinical trials:

- INITIUM (malignant melanoma): H1 2023 (no change from previous statements)
- NIPU (pleural mesothelioma): H1 2023 (no change from previous statements)
- FOCUS (head and neck cancer): H1 2024
- DOVACC (ovarian cancer): H2 2024
- LUNGVAC (non-small cell lung cancer): H2 2025

There are no other significant subsequent events after the balance sheet date.

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Ultimovacs ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ultimovacs ASA (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the statement of financial position as at 31 December 2022, statement of profit and loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

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

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

We have been the auditor of the Company for eight years from the election by the general meeting of the shareholders on 21 April 2015 for the accounting year 2015.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. We have determined that there are no key audit matters to communicate in our report.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance

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and the statement on corporate social responsibility contain the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if

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such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Ultimovacs ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name ultimovacsasa-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

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

Management's responsibilities

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

Auditor's responsibilities

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

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about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

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

Oslo, 23 March 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Erik Søreng
State Authorised Public Accountant (Norway)

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.
Immune response	The activity of the immune system against foreign substances (antigens).
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.
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.
PARP and Checkpoint inhibitors	
Ipilimumab	Anti-CTLA-4 checkpoint inhibitor from BMS (Bristol-Myers Squibb)
Nivolumab	Anti-PD-1 checkpoint inhibitor from BMS (Bristol-Myers Squibb)
Pembrolizumab	Anti-PD-1 checkpoint inhibitor from Merck (Merck & Co. Inc.)
Durvalumab	Anti-PD-L1 checkpoint inhibitor from AstraZeneca
Cemiplimab	PD-L1 checkpoint inhibitor from Regeneron Pharmaceuticals
Olaparib	PARP inhibitor from AstraZeneca

Glossary

WORDS / TERMS	DESCRIPTION
Clinical trial terms	
CR	Complete response (The disappearance of all signs of cancer in response to treatment. Also called complete remission.)
DOR	Duration of response (The length of time that a tumor continues to respond to treatment without the cancer growing or spreading.)
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	Overall response rate = CR + PR
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 (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 amount 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. If you have an allergy, your immune system overreacts to an allergen (what you 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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Our mission is to extend and improve the life of patients by directing the immune system against the core of cancer.

We will provide universally accessible solutions.