ultimovacs

2023

Annual Report

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ultimovacs

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About the company

Ultimovacs is a clinical-stage biotechnology company developing novel immunotherapies against cancer. The lead product candidate, UV1, is an off-the-shelf therapeutic cancer vaccine aiming to increase treatment efficacy and extend the benefits of immunotherapy to more cancer patients.

UV1 triggers an immune response against the shared cancer antigen telomerase, a target present in 85-90% of all cancer indications. The vaccine does not require testing for eligibility or sophisticated hospital infrastructure for initiating treatment.

Ultimovacs is investigating the safety and efficacy of UV1 combined with various checkpoint inhibitors in a broad clinical development program with currently five Phase II clinical trials and one Phase I trial ongoing. More than 750 patients in the U.S., Europe, and Australia will be enrolled in the current program. More than 300 patients have already received treatment with UV1 per date with no safety concerns reported with the use of UV1.

The first three randomized Phase II trials have completed enrollment: INITIUM investigating ipilimumab/nivolumab with or without UV1 vaccination as first-line treatment of unresectable or metastatic malignant melanoma, NIPU investigating ipilimumab/nivolumab with or without UV1 vaccination as second-line treatment of malignant mesothelioma, and FOCUS investigating pembrolizumab with or without UV1 vaccination as first-line treatment of metastatic or recurrent head and neck squamous cell carcinoma.

In October 2023, the NIPU trial malignant mesothelioma reported a clinically meaningful overall survival benefit in patients receiving UV1 vaccination on top of ipilimumab and nivolumab with no added toxicities. Confirmed objective response rates showed a significant benefit of adding the UV1 vaccine. The primary endpoint of progression-free survival was not met.

In March 2024, the INITIUM trial in advanced melanoma reported that with 18 months minimum follow-up all the patients, the trial did not meet the primary endpoint of improved progression-free survival (PFS). Median PFS was not reached in either arm. The data did not show a difference in overall survival and objective response rate. The safety profile of the combination of UV1 plus ipilimumab and nivolumab was consistent between the two arms, confirming the good safety profile for UV1.

Ultimovacs remains committed to the development of the UV1 vaccine in specific therapeutic combinations and indications. Topline results for the Phase II FOCUS trial are expected in the third quarter of 2024.

Ultimovacs is listed on Euronext Oslo Stock Exchange (OSE:ULTI).

Ultimovacs at a glance

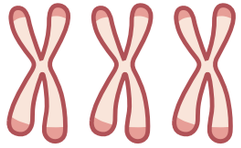
Our mission

Prolong the life of cancer patients

Lead product: UV1

Immunotherapeutic cancer vaccine

Target telomerase expressed in 85-90% of cancers



Pipeline: TET

Vaccine adjuvant technology

Basis for new, first-in-class therapeutic cancer vaccines

Locations

Oslo, Norway & Uppsala, Sweden

Euronext listing

Oslo 2019 (ULTI)

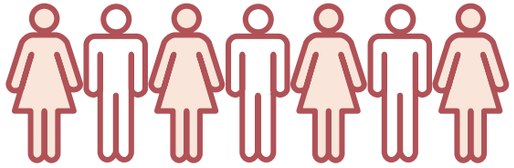
Cash end Q4 2023

MNOK 267 / MUSD 25

26 employees

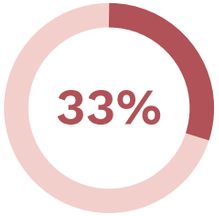
7 nationalities

54% female

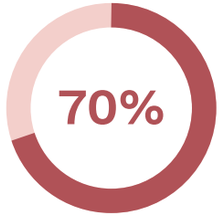


UV1 Phase I

1 ongoing trial: UV1-103 in advanced melanoma



33% complete response



~70% overall survival after 4 years

UV1 Phase II

5 ongoing randomized controlled clinical trials, combining top five checkpoint inhibitors

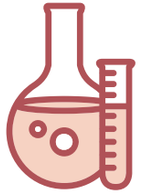
INITIUM
Advanced melanoma

NIPU
Advanced mesothelioma

DOVACC
Ovarian cancer

FOCUS
Head and neck cancer

LUNGVAC
Non-Small cell lung cancer



Trials enrolling

> 670 patients

in Europe, USA and Australia

Milestones 2023

January

Completed patient enrollment in NIPU

April

Updated guidance on timeline for readout of INITIUM

June

Topline results announced in NIPU: Primary endpoint (PFS) not met

3-year update from UV1-103 (cohort 2): All patients alive after 2 years remain alive after 3 years follow up

August

Completed patient enrollment in FOCUS

October

Receives FDA Orphan Drug Designation for UV1 in mesothelioma

4-year update from UV1-103 (cohort 1): All patients alive after 3 years remain alive after 4 years follow up

NIPU results presented at ESMO 2023: Clinically meaningful improvement in overall survival

Protocol amendment in INITIUM: Data readout in first half of 2024

November

Completed patient enrollment in INITIUM supplementary study

December

Completion of exploratory Phase I TENDU study: Primary endpoint met

PHASE I TRIALS:
UV1-103: UV1 + pembrolizumab in advanced melanoma

PHASE II RANDOMIZED CONTROLLED TRIALS:
INITIUM: Ipilimumab / nivolumab +/- UV1 in advanced melanoma
NIPU: Ipilimumab / nivolumab +/- UV1 in malignant mesothelioma
FOCUS: Pembrolizumab +/- UV1 in head and neck cancer
DOVACC: Olaparib / durvalumab +/- UV1 in ovarian cancer
LUNGVAC: Cempiplimab +/- UV1 in non-small cell lung cancer

A year of data and achievements

With an ambitious clinical program in hard-to-treat cancer indications, we are prepared for both challenges and accomplishments along the way.

2023 was the year in which Ultimovacs began to gather the data from the extensive Phase II clinical development program. While the NIPU study reported encouraging survival data in a hard-to-treat cancer indication, we were surprised and disappointed by the INITIUM results, which were not consistent with previous clinical experience.

The Phase II NIPU trial in malignant mesothelioma reported topline results in June 2023 and the trial's principal investigator Professor Åslaug Helland, MD, PhD, presented the results in October at ESMO 2023. While the trial did not meet the primary endpoint of PFS, the data reported a clinically meaningful improvement in overall survival for patients receiving UV1. The results have been underpinned by an Orphan Drug Designation from the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA), and a Fast Track Designation from the FDA, for UV1 in the treatment of mesothelioma.

The negative topline results from the Phase II INITIUM trial, evaluating UV1 in advanced melanoma were announced in March 2024. Unfortunately, the study failed to meet the primary and secondary endpoints. We knew that the bar was set very high as ipilimumab and nivolumab currently are considered the most efficacious treatment combination for this patient population. The patients in the INITIUM study took much longer to progress than expected:

Based on published historical references, progression was estimated to occur in 70 patients by the first half of 2023. With the 18 months minimum follow-up of all patients in January 2024, the 70 endpoints were still not reached. The information from the INITIUM trial will be used to support the ongoing development of UV1.

The UV1 vaccine has shown promising benefits in previous clinical studies, and we remain committed to support ongoing studies and to continue investigating the potential of the vaccine to enhance the efficacy of cancer therapies.

The FOCUS trial completed the enrollment in August 2023, and we are looking forward to the expected readout in the third quarter of 2024. The study investigates pembrolizumab with or without UV1 vaccination as treatment for patients with head and neck cancer.

I thank the Ultimovacs team for their drive, expertise, and relentless dedication to improve the treatment options for cancer patients, and Ultimovacs' shareholders, collaborators, and stakeholders around the world. I am confident that together we will continue to make an impact for cancer patients in the years to come.

Carlos de Sousa,
Chief Executive Officer

OUR GOAL

The successful development of an off-the-shelf cancer vaccine that can benefit solid tumor cancer patients worldwide.

Carlos de Sousa

ultimovacs

02 Business overview

- The UV1 cancer vaccine
- Phase II clinical trials
- Phase I clinical trials
- Regulatory designations
- Manufacturing
- TET vaccine adjuvant technology
- Publications
- Intellectual property

The UV1 cancer vaccine

Immunotherapy empowers the body's immune system to fight cancer. The discovery of immune checkpoint inhibitors has significantly transformed cancer treatment. Their impact includes improved overall survival rates, and a safer and more tolerable alternative to traditional chemotherapies. However, the success rate of checkpoint inhibitors in treating different types of cancer varies; some cancers are less responsive to checkpoint inhibitors than others.

– Breakthrough science has given researchers, clinicians, and patients new hope in the fight against cancer.

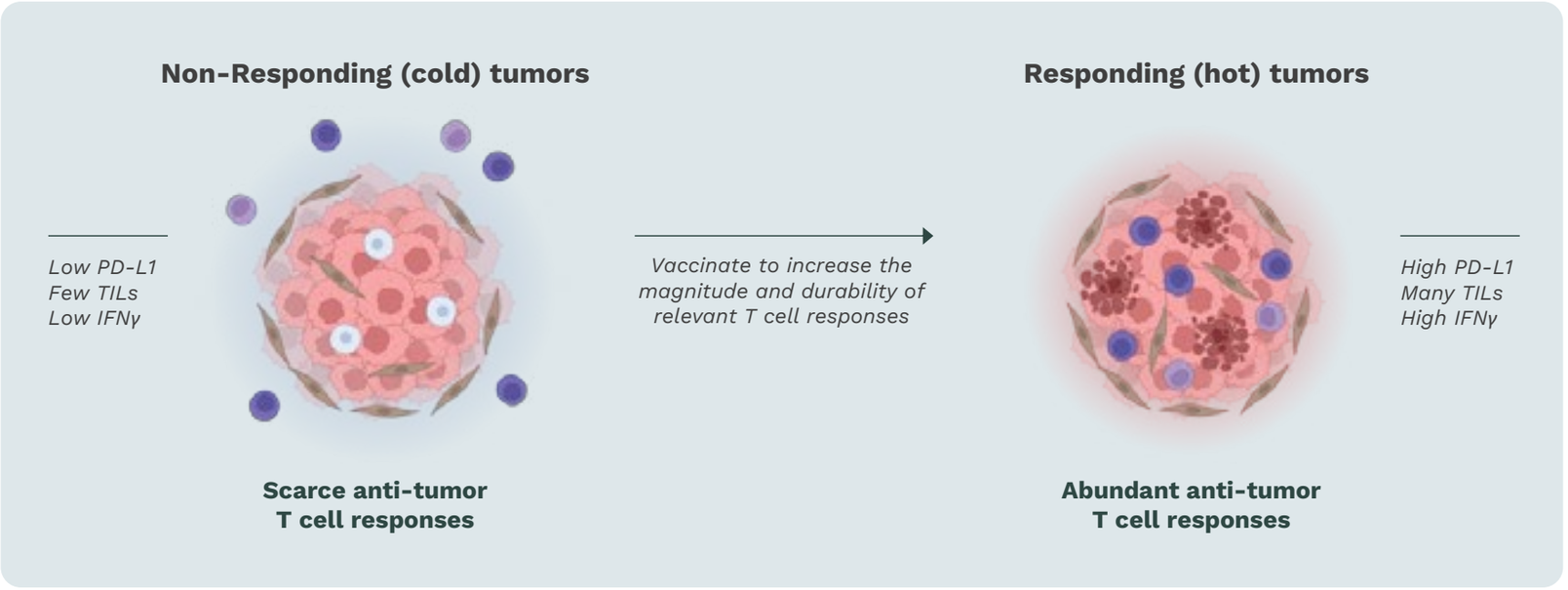
With recent discoveries in immunotherapy treatments and an increased understanding of the immune system's role in fighting disease, we are closer than ever before to transforming all cancers into curable diseases.

Cancer Research Institute

The rationale behind cancer vaccines

The efficacy of checkpoint inhibitors is mediated through the T cells, a specific immune cell able to recognize and attack cancer cells. The checkpoint inhibitors work by “releasing the brakes” on these T cells, leading to improved cancer cell killing. However, if there is a limited T cell response against the tumor, releasing their brakes is insufficient for robust cancer cell killing. Inflamed (“hot”) tumors are characterized by a strong anti-tumor T cell response, and are more likely to respond to checkpoint inhibitors. “Cold” tumors are characterized by insufficient or suppressed anti-tumor T cell responses, and show little benefit from checkpoint inhibitors.

Cancer vaccines can improve the efficacy of immune checkpoint inhibitors by enhancing the activation and infiltration of T cells into the tumor and induce more effective antitumor immune responses. Much like traditional vaccines against viruses, cancer vaccines work by training the immune system to attack an antigen (a target for the immune system). They differ, however, in what type of antigen they target, where cancer vaccines target antigens specific to the tumor. The T cell response induced through vaccination can help improve the limiting factor for checkpoint inhibitor efficacy, i.e. the breadth and magnitude of anti-tumor T cell responses.



Telomerase; a safe and clinically relevant target

Combining telomerase-based vaccination with checkpoint inhibitors is an emerging strategy aimed at enhancing the effectiveness of both treatments.

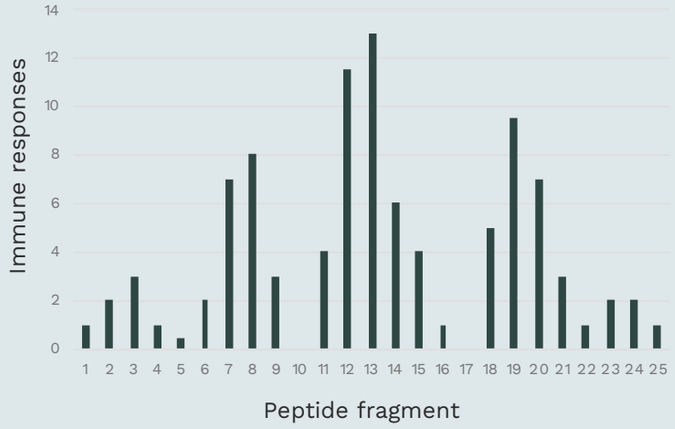
The telomeres are protective caps at the ends of our chromosomes that are crucial to prevent damage to our DNA. In healthy cells, the telomeres are gradually shortened with each cell division until they are eroded and the cell eventually dies and is replaced. A critical feature of cancer, however, is the cells' ability to divide indefinitely, so-called replicative immortality. Cancer cells acquire replicative immortality by activating an enzyme called telomerase that elongates the telomeres thereby preventing their attrition during cell division. Activation of telomerase allows cancer cells to replicate and proliferate in an uncontrolled manner, infiltrate tissues, and metastasize to distant organs. Human telomerase reverse transcriptase (hTERT) is the functionally most important part of telomerase and is seen in 85-90% of cancer types, across all stages of the disease, making it an attractive therapeutic target.

The UV1 cancer vaccine was developed through a unique approach, using a biobank of patient blood samples to identify clinically relevant targets within hTERT. Researchers identified three hTERT peptides that elicited strong T cell responses that correlated with prolonged survival across different cancer types. These peptides were chosen because they demonstrated the ability to mount immune responses irrespective of HLA type, a limitation of previous cancer vaccines. It is therefore not required to perform HLA screening of patients since the UV1 vaccine has a broad population coverage.

Healthy cells typically lack telomerase activity, whereas cancer cells have very high telomerase activity. There is a limited theoretical risk that T cells induced through vaccination will harm healthy tissue, and the growing body of clinical evidence suggests telomerase-targeting vaccines are safe. In total, more than 300 cancer patients have received treatment with UV1 in Phase I and Phase II trials, and no safety concerns have been reported with the use of UV1 to date.

1. Build library of overlapping peptides

2. Identify optimal regions by testing patient samples for immune responses



3. Validate immunogenic peptides

- Assess in vitro HLA binding capacities
- Ensure broad population coverage by in silico epitope prediction
- Test if peptide-specific T cells can recognize melanoma cells naturally (in vitro co-culture)
- Correlate immune response presence against survival data

Features and clinical development

UV1 is a second-generation, off-the-shelf peptide-based therapeutic cancer vaccine that induces specific T cell responses against the pan-tumor antigen, telomerase.

The UV1 vaccine stimulates the immune system to expand T cells recognizing sequences of the hTERT enzyme leading to a stronger anti-tumor immune response. The combination of the cancer vaccine added to checkpoint inhibitor treatment may result in a more enhanced and longer-lasting responses due to the improved activation of the immune system.

CD4+ T cells are recognized as the “generals” and CD8+ T cells the “soldiers” of the immune system: CD4 T cells direct a broader immune response towards the tumor, whereas the CD8 T cells directly kill the cancer cells. The vaccine-induced CD4+ T cells secrete inflammatory cytokines, such as interleukin (IL)-2 and interferon (IFN)-y, which are crucial in the anti-tumor immune response, also supporting the direct action of the CD8+ T cells. The UV1 vaccine is therefore designed to induce robust CD4+ T cells that are essential for a strong and long-lasting anti-tumor immune response. The T cells induced by UV1 have been shown to persist in patients for many years after vaccination, and T cell responses against hTERT correlate with improved survival in human cancer studies.

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 Oslo University Hospital. The observed clinical outcomes from these three trials, including dose selection, immune response, safety, and signals clinical efficacy, served as a basis for the transition of the clinical development of UV1 into Phase II.

In addition, Ultimovacs is the sponsor of the ongoing Phase I clinical study UV1-103 in the U.S. in 30 patients with inoperable or metastatic malignant melanoma, with UV1 as add-on to the PD-1 checkpoint inhibitor pembrolizumab. Efficacy readout showed that the UV1 vaccine plus pembrolizumab elicited an overall response rate (ORR) of 57% with a complete response (CR) rate of 33%. The ORR in PD-L1–negative patients (n = 14) was 57%, with a CR rate of 36%. Four-year overall survival rate is ~ 70%.

Phase II clinical trials

Investigating UV1 in a data-driven approach across cancer indications

UV1 has the potential to be used broadly across multiple cancer types, in different stages of the disease, and in combination with different cancer treatments. Randomized controlled trials (RCTs) are the most definitive tool for this evaluation. UV1 is currently being evaluated in five Phase II RCTs in five different cancer types in combination with different checkpoint inhibitors. The full clinical program will enroll more than 670 patients at approximately 100 hospitals in Europe, the U.S., and Australia.

The INITIUM trial is sponsored by Ultimovacs. NIPU, FOCUS, DOVACC, and LUNGVAC, are investigator-initiated trials, supported by Ultimovacs. The NIPU trial is also supported by Bristol Myers Squibb, and the DOVACC trial is also supported by AstraZeneca.

Considering the evolving immune-oncology and cancer vaccine landscape, it would be attractive to investigate the use of UV1 in neo-adjuvant settings.

	NIPU	INITIUM	FOCUS	DOVACC	LUNGVAC
Indication	Second line mesothelioma	First line malignant melanoma	First line head and neck cancer	Second line ovarian cancer	First line non-small cell lung cancer
Immunotherapy combination	Ipilimumab Nivolumab	Ipilimumab Nivolumab	Pembrolizumab	Durvalumab Olaparib	Cemiplimab
Study conduct	118 patients 6 sites 5 countries Europe, Australia	156 patients 39 sites 4 countries Europe, US	75 patients 10 sites Germany	184 patients 35 sites 10 countries Europe	138 patients 9 sites Norway
Enrollment status	✓	✓	✓	> 40%	>15%
Topline results	Announced October 2023	Announced March 2024	Q3 2024	H1 2025	H1 2026

Primary endpoint: Progression-free survival

Secondary endpoints: Overall survival, objective response rate, duration of response, safety

Malignant mesothelioma

About malignant mesothelioma

Malignant mesothelioma is a rare and aggressive cancer that occurs in the thin layer of tissue that surrounds the lungs and inside of the chest. It is considered an aggressive, complex form of cancer with a high mortality rate and few therapeutic options. Patients affected have often been occupationally or environmentally exposed to asbestos, and the disease can take several decades to develop. Despite the banning of asbestos in many countries, mesothelioma continues to pose a medical challenge with significant unmet medical need. Malignant mesothelioma patients have a very severe prognosis, and the median overall survival is just over one year. About 3,000 new cases are diagnosed each year in the United States (*Source: American Cancer Society, 2019).*

Over the past few decades, substantial efforts have been made to improve the survival outcomes of patients with malignant pleural mesothelioma. However, the results of these investigations have not been very encouraging. There is currently no established standard of care in second-line treatment. Telomerase (hTERT) is overexpressed in 91-100% of the mesothelioma cancers and is a relevant target for therapeutic vaccination with UV1.

NIPU: A randomized controlled Phase II trial in malignant pleural mesothelioma

NIPU (NCT04300244) is an investigator-initiated randomized, open-label, multi-center Phase II trial in malignant pleural mesothelioma where patients received immunotherapy as a second-line treatment after first-line treatment with platinum-based chemotherapy. The study was designed to investigate if UV1 vaccination, on top of the checkpoint inhibitors ipilimumab and nivolumab from Bristol-Myers Squibb, would provide a benefit compared to ipilimumab and nivolumab alone. Professor Åslaug Helland, MD PhD, is the principal investigator for the trial, which is sponsored by Oslo University Hospital. Bristol-Myers Squibb and Ultimovacs have supported the trial.

The primary endpoint in the study was progression-free survival (PFS). Secondary endpoints include overall survival (OS), objective response rate (ORR), duration of response (DOR) and safety. 118 patients were randomized from June 2020 to January 2023. Six sites in five countries (Australia, Denmark, Norway, Sweden, and Spain) participated in the trial. All participating centres were university hospitals, and patients were referred from other hospitals in the respective countries. The patients were randomized 1:1 to ipilimumab and nivolumab alone (arm B) or combined with the UV1 vaccine (arm A).

The results from the trial

The topline results from the NIPU trial were reported in June 2023. The results were shared in a late-breaking abstract and as an oral presentation by the Principal Investigator at the ESMO Congress 2023 in Madrid in October. The study, including subtype analyses, was also published in the European Journal of Cancer in March 2024, "UV1 telomerase vaccine with ipilimumab and nivolumab as second line treatment for pleural mesothelioma – a phase II randomized trial."

Based on blinded independent central review (BICR), the study did not meet its primary endpoint of improved PFS. ORR (by BICR) showed a significant benefit of adding the UV1 vaccine. Investigator assessment, a pre-defined supportive analysis of the primary endpoint performed by specialized radiologists at the study hospitals, indicated an improved PFS among the patients in the vaccine arm for all histological subtypes combined, and for the epithelioid subtype especially.

The data showed that UV1 plus ipilimumab and nivolumab improved overall survival, reducing the risk of death by 27% (HR=0.73 [80% CI, 0.53-1.00]). The median OS was 15.4 months (95% CI, 11.1-22.6) for UV1 plus ipilimumab and nivolumab (treatment arm) versus 11.1 months (95% CI, 8.8-18.1) for ipilimumab and nivolumab alone (control arm), with a median observation time of 17.3 months. This degree of improvement met the protocol predefined threshold for statistical significance.

The data further demonstrated a benefit in terms of objective response rate, as determined by BICR. In the UV1 arm, 31% of the patients experienced an objective response, as compared to 16% in the control arm (odds ratio 2.44 [80% CI, 1.35-4.49]).

The safety profile of the combination of UV1 plus ipilimumab and nivolumab observed in the trial was consistent with the safety profile of ipilimumab and nivolumab alone, confirming the good safety profile for UV1. The patients will continue to be monitored for efficacy and safety endpoints over the next years.

The positive data reported from the NIPU study are the first demonstration of clinically meaningful prolonged survival for the UV1 vaccine in a randomized Phase II trial and the first time a comparative study reports efficacy on a off-the-shelf cancer vaccine targeting a nearly universal, shared antigen. Updated results from the NIPU study will be discussed with the regulatory authorities.

In October 2023, Ultimovacs announced that FDA had granted Orphan Drug designation for UV1 in the treatment of mesothelioma (based on the NIPU data from June 2023). In February 2024, Ultimovacs announced that FDA had granted Fast Track designation for UV1 in combination with ipilimumab and nivolumab for the treatment of patients with unresectable malignant pleural mesothelioma to improve overall survival.

In February 2024, EMA Orphan Drug Designation was granted to UV1 for treatment of mesothelioma.

Advanced melanoma

About advanced melanoma

Immunotherapy for melanoma has changed the way this cancer is treated. In particular, checkpoint inhibitors has contributed to increased survival rate and is standard of care in this population. Despite this, a large proportion of the patient population remains underserved due to suboptimal responses to monotherapy checkpoint inhibitor, underscoring the need for more effective treatment options.

Melanoma comprises less than five percent of all skin cancers, it accounts for the vast majority of deaths. Instances of melanoma is on the rise globally. Approximately 290,000 people are diagnosed each year in addition to about 61,000 deaths. The aggressive nature of this disease sustains an urgent need for more successful, effective melanoma immunotherapies *(Source: Cancer Research Institute)*.

INITIUM: A randomized controlled Phase II trial in advanced melanoma

INITIUM (NCT04382664) is an Ultimovacs-sponsored randomized, open-label, multi-center Phase II trial in which the off-the-shelf cancer vaccine UV1 is being evaluated in combination with the checkpoint inhibitors ipilimumab and nivolumab for first-line treatment of patients with unresectable or metastatic malignant melanoma. A total of 156 patients were randomized between June 2020 and July 2022. The study is being conducted at 40 sites in 39 hospitals across the U.S., UK, Belgium, and Norway.

Ipilimumab and nivolumab is considered the most efficacious treatment for these patients. The trial was designed after the registrational trial for ipilimumab and nivolumab, CHECKMATE-067, reporting a median PFS of 11.5 months. The primary endpoint in the INITIUM trial is progression-free survival. Secondary endpoints include overall survival (OS), objective response rate (ORR), duration of response (DOR) and safety.

In March 2024, Ultimovacs announced that with the 18 months minimum follow-up of all patients, the trial did not meet the primary endpoint of improved progression-free survival (PFS). Median PFS was not reached in either arm, and the Hazard Ratio (HR) between the arms for PFS was 0.95. Evaluation on secondary endpoints did not show a difference on overall survival, objective response rate or duration of response. UV1 maintained its positive safety profile with similar safety and tolerability as observed in the control arm.

In September 2022, Ultimovacs initiated a supplementary single-arm study to the INITIUM trial. The study was fully enrolled in October 2023 with a total of 21 patients. The single-arm study was designed to describe the mechanisms leading to improved clinical effect in patients treated with UV1 vaccination. The single-arm study will provide in-depth data on biological activity and mode of action of the T cells induced by the UV1. All patients will receive experimental treatment (i.e., the triple combination of UV1, ipilimumab, and nivolumab). Data collected from 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. Six patients in the INITIUM study will also be part of the INITIUM supplementary study, for a total of 27 patients.

Head and neck cancer

About head and neck cancer

"Head and neck cancer" is a collective term that includes several different types of cancer. The most common type is squamous cell carcinoma of the head and neck (HNSCC). HNSCC accounts for about three to five percent of all cancers in the US. Globally, there were an estimated 890,000 cases in 2018 along with 450,000 deaths. The five-year survival rate is about 60%. Pembrolizumab is one of the approved immunotherapies for patients with advanced head and neck cancer, including as a first-line therapy. *(Source: Cancer Research Institute)*.

FOCUS: A randomized controlled Phase II trial in head and neck cancer

The FOCUS trial (NCT05075122) is an investigator-initiated, randomized Phase II clinical trial. The cancer vaccine UV1 will be evaluated in combination with the checkpoint inhibitor pembrolizumab as first-line treatment of patients with recurrent or metastatic PD-L1 positive head and neck squamous cell carcinoma. Prof. Mascha Binder is the principal investigator for the trial, which is sponsored by University Medicine Halle in Germany.

The first patient received treatment in the FOCUS trial in August 2021, and the last patient was enrolled and received the first dose of treatment in August 2023. The study is being conducted in ten hospitals in Germany, and a total of 75 patients have been enrolled. The patients are randomized 2-to-1 so that 50 patients will receive UV1 and pembrolizumab, and 25 patients will receive pembrolizumab alone.

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 included. For the secondary endpoints, including overall survival (OS), objective response rate (ORR), duration of response (DOR) and safety, patients will be followed until 12 months after the last patient has been enrolled. The data, including PFS and OS, will be analyzed 12 months after inclusion of last patient, and the results are expected to be reported in the third quarter of 2024.

Ovarian cancer

About ovarian cancer

Immunotherapy for ovarian cancer shows a substantial potential for addressing the unmet need of the disease. Ovarian cancer often progresses significantly before a patient is diagnosed. The symptoms can easily be confused with digestive issues. Roughly 20 percent of ovarian cancers are detected before it spreads beyond the ovaries. Women who test positive for the inherited mutations in the BRCA1 or BRCA2 genes are at greater risk of developing ovarian cancer.

Globally, ovarian cancer is diagnosed in an estimated 300,000 women each year, and causes roughly 180,000 deaths. The poor survival in advanced ovarian cancer is due both to late diagnosis as well as to the lack of effective second-line therapy for patients who relapse. Many people affected by advanced ovarian cancer respond to chemotherapy, but effects are not typically long-lasting. More than 80% of ovarian cancer patients experience recurrent disease, and more than 50% of these patients die from the disease in less than five yeards post-diagnosis. There is an urgent need for new treatments for advanced stage, recurring ovarian cancer. *(Source: Cancer Research Institute)*

DOVACC: A randomized controlled Phase II trial in ovarian cancer

DOVACC (NCT04742075) is an investigator-initiated, randomized, open-label clinical collaboration trial with the Nordic Society of Gynaecological Oncology – Clinical Trial Unit (NSGO-CTU), the European Network of Gynaecological Oncological Trial Groups (ENGOT). The trial is supported by AstraZeneca and Ultimovacs. The cancer vaccine UV1 will be evaluated in combination with AstraZeneca's durvalumab, a PD-L1 checkpoint inhibitor, and olaparib, a PARP inhibitor, which is approved for this patient population. 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. MD Manzoor Raza Mirza is the principal investigator for the trial, which is sponsored by NSGO-CTU.

The first patient received treatment in the DOVACC trial in December 2021. Per Q4 2023 reporting date, a total of 75 out of 184 patients have been enrolled. The trial will be conducted at approximately 35 hospitals in 10 European countries. Ultimovacs will provide the UV1 vaccine, and AstraZeneca will provide durvalumab and olaparib for the trial.

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 who 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. Readout is expected in the first half of 2025.

Non-small cell lung cancer

About non-small cell lung cancer

Immunotherapy can significantly improve outcomes for patients fighting lung cancer. As the most common cancer worldwide, lung cancer causes an estimated 1.7 million deaths each year. Lung cancer claims more lives every year than do cancers of the breast, prostate, and colon combined. Non-small cell lung cancer (NSCLC) comprises approximately 85-90% of all lung cancers cases, which is typically diagnosed in advanced stages and more challenging to treat. Further research is needed on immunotherapy combination treatments for advanced NSCLC.

LUNGVAC: A randomized controlled Phase II trial in non-small cell lung cancer

The LUNGVAC trial (NCT05344209) is an investigator-initiated, randomized, open-label clinical trial in which the cancer vaccine UV1 will be evaluated in combination with a PD-1 checkpoint inhibitor as first-line treatment of 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 equal to or 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 Vestre Viken Hospital Trust, Norway.

The LUNGVAC study will be conducted at approximately 10 clinical centers in Norway. The first patient received treatment in the LUNGVAC trial in October 2022. In December 2022, the Norwegian health authorities changed the reimbursement of checkpoint inhibitor 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. The 138 patients will be randomized 1:1 where half of the patients will be treated with UV1 vaccination on top of the checkpoint inhibitor, and the other half will be treated with the checkpoint inhibitor alone. Per Q4 2023 reporting date, 23 patients have received treatment with cemiplimab +/- UV1, and three patients have received treatment with pembrolizumab +/- UV1.

The primary endpoint of the trial will be progression-free survival. Secondary endpoints will include overall survival (OS), objective response rate (ORR), duration of response (DOR) and safety. Readout is expected in the first half of 2026.

The UV1-103 trial in advanced melanoma

This U.S.-based Phase I clinical trial (NCT03538314) is evaluating UV1 in combination with the PD-1 checkpoint inhibitor pembrolizumab as a first-line treatment in patients with unresectable or metastatic malignant melanoma. Thirty patients in the U.S. were treated in the study in two cohorts that differed only in the concentration of GM-CSF used as vaccine adjuvant. The 20 patients in the first cohort received a 37.5 mcg GM-CSF adjuvant dose per UV1 vaccination. The 10 patients in the second cohort received the standard 75 mcg GM-CSF adjuvant dose per UV1 vaccination. The study has completed the enrollment of 30 patients, as announced on August 18, 2020.

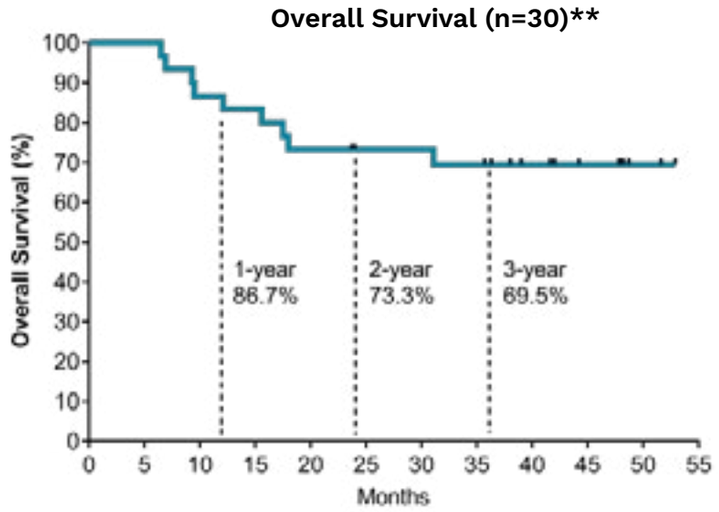
UV1 has demonstrated a good safety profile in the study, and no unexpected safety issues related to UV1 have been observed. The objective response rate was 57%, with 33% achieving a complete response (disappearance of the tumors). The median progression-free survival was 18.9 months, and the median overall survival has not been reached after a median follow-up of 47.8 months. Combined overall survival rates per year for both cohorts are shown in the Kaplan-Meier diagram below. In Cohort 1, all patients have been followed for 4 years, showing an overall survival rate of 73.8%.

After the study ended at two years follow-up, the protocol was amended to allow extended follow-up of patients for up to five years to evaluate overall survival. Three patients in Cohort 1 chose not to be followed up further after two years, changing the number of participating patients in Cohort 1 from 20 to 17. 12 out of 17 patients were confirmed alive after 4 years.

The target patient population in the UV1-103 trial is similar to the UV1 Phase II trial INITIUM.

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*



The UV1-103 trial – biomarker analyses

The analyses of five different biomarkers in the UV1-103 trial, published in Q3 2023 in Clinical Cancer Research, 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 that are underserved by existing therapies. The potential value of expanding the number of patients that can benefit from UV1 could 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.

In addition to the sub-analysis of 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 also observed in patients with low TMB, in patients with low neoantigen burden, and in patients with tumors that were not enriched for IFN-gamma. These are characteristics of tumors that previous 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.

Earlier UV1 Phase I trials

(in long-term follow-up)

In addition to UV1-103, Ultimovacs has conducted three Phase I trials with UV1: in metastatic prostate cancer (n=22 patients), in metastatic non-small cell lung cancer (n=18 patients), and in metastatic malignant melanoma with UV1 in combination with ipilimumab (named ‘UV1-ipi’, n=12 patients). Enrollment of patients in these trials took place during 2013-2015.

Data from these clinical trials showed that UV1 was generally well tolerated, has a good safety profile, and there were no dose-limiting toxicities. UV1 immune monitoring data from these studies showed a robust and durable immune response induction with dynamic T cell responses in 78% of the patients, lasting up to 9.5 years.

The observed clinical outcomes from these three completed trials served as a strong basis for the further clinical development of UV1 with respect to safety, immune response and signals of clinical effect.

Regulatory designations

Melanoma

FDA Orphan Drug Designation has been granted to UV1 for treatment of stage IIB-IV melanoma (December 2021).

FDA Fast Track Designation has been granted for UV1 as add-on therapy to ipilimumab or pembrolizumab for treatment of unresectable or metastatic melanoma (October 2021)

Mesothelioma

EMA Orphan Drug Designation has been granted to UV1 for treatment of mesothelioma (February 2024)

FDA Fast Track Designation has been granted for UV1 as add-on therapy to ipilimumab and nivolumab for treatment of malignant pleural mesothelioma (February 2024)

FDA Orphan Drug Designation has been granted to UV1 for treatment of mesothelioma (October 2023)

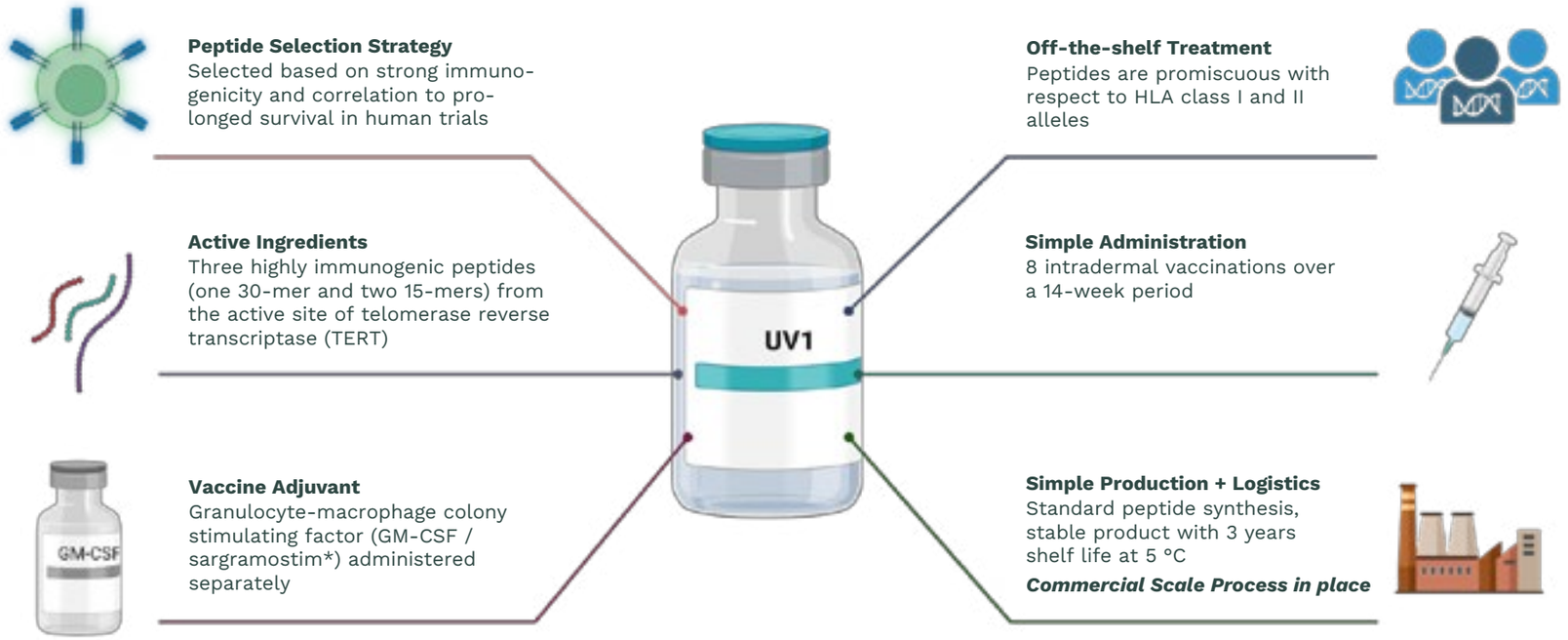
Manufacturing

UV1 as a pharmaceutical product

UV1 is designed as a convenient off-the-shelf product with a long shelf life, easy to use with simple intradermal administration. The use of the vaccine does not require screening of patients or sophisticated hospital infrastructure. These features extend accessibility to community centers and in rural and underserved communities, ensuring broad patient access to therapy.

Ultimovacs is progressing development of chemical manufacturing and control (CMC) of the UV1 product candidate in preparation for Phase III clinical trials and Process Performance Qualification with commercial scale manufacturing processes.

PolyPeptide Group is the contract development and manufacturing organization (CDMO) for the UV1 Active Pharmaceutical Ingredients. Corden Pharma is the CDMO for the manufacture of the UV1 Drug Product (fill and finish). These CDMOs have the required capabilities to manufacture UV1 in a commercial phase.

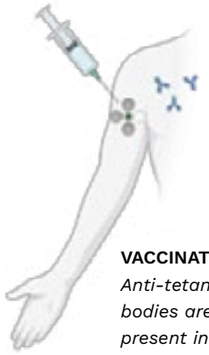


TET vaccine adjuvant technology

TET (Tetanus-Epitope Targeting) is Ultimovacs' patent protected vaccine adjuvant technology. TET ensures targeted delivery of both antigen and adjuvant signals to antigen presenting cells, and is a novel strategy to effectively activate tumor specific T cells.

TET vaccines have the tumor antigen and the adjuvanting signals in one unit. The adjuvanting effect is mediated by the tetanus-derived sequences. TET harness the immune activation function of immune complexes that is formed between the tetanus-derived parts of the vaccine and pre-existing antibodies against tetanus resulting from standard tetanus vaccination. Immune complex formation is known to be an effective way to initiate and amplify an immune response.

In Ultimovacs' TET vaccines, the tetanus sequences and the antigen are linked by use of an innovative conjugation technology. This conjugation technology allows for flexibility to incorporate a variety of antigens, and thereby tailoring vaccines to different types of cancer. The TET vaccine adjuvant technology and the conjugation technology may be basis for new, first-in-class therapeutic cancer vaccines.

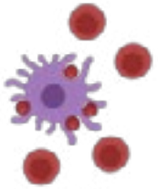


VACCINATION. *Anti-tetanus antibodies are already present in the circulation.*

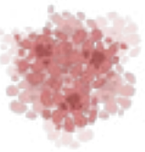
THE ANTIBODIES *bind to the tetanus sequences in the vaccine, forming an immune complex.*

THE IMMUNE COMPLEX *binds to receptors on dendritic cells.*
→ targeting of antigens to dendritic cells immune complexes mediate clustering of receptors on the dendritic cells.
→ adjuvanting effect

RECEPTORS CLUSTERING *promts the dendritic cell to inernalize the imune complex anf mature into an antigen presenting cell.*

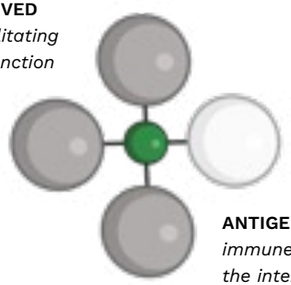


THIS LEADS TO *activation of vaccine specific T cells...*

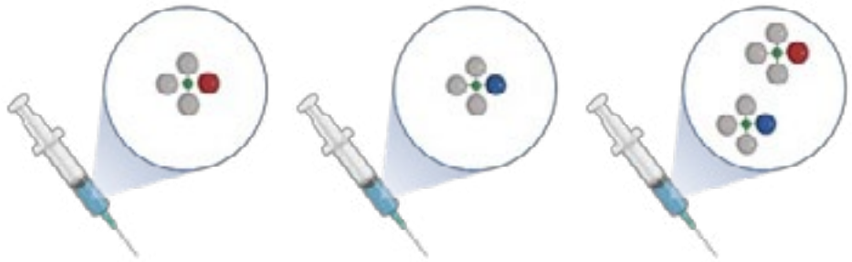


... and killing of the tumor.

TETANUS-DERIVED *sequences facilitating the adjuvant function*



ANTIGEN *that directs the immune response towards the intended goal*



TENDU Phase I trial

The TENDU study was the first Phase I trial exploring the TET technology. In TENDU, TET is used together with prostate-cancer-specific antigens. The trial's objective was to provide safety and immune activation data to support the further development of new vaccine solutions utilizing the TET strategy.

The study was conducted at Oslo University Hospital and enrolled a total of 12 patients between Q1 2021 and Q4 2022. Three different doses of TENDU were investigated: 40mcg (3 patients), 400mcg (3 patients), and 960mcg (6 patients). All patients were followed up for 6 months after their last treatment.

Ultimovacs announced results from the TENDU study in Q4 2023. The trial showed good safety and tolerability across all dose cohorts, meeting the primary endpoint. The data also included observations of immune activation with vaccine specific T cell responses, meeting the secondary endpoint. No dose-limiting toxicities were observed, indicating a potential for increasing the dose of TET based vaccines in future clinical studies. Further results from the study will be presented in a peer-reviewed publication.

Other CMC and preclinical development

Ultimovacs is conducting a series of activities to further develop and explore the potential of TET and the conjugation technology. Preclinical experiments support the TET strategy of targeted delivery of antigens and adjuvant signals to antigen presenting cells.

The combination of exploratory research using Ultimovacs' conjugation technology, significant progress made in the manufacturing process, and the clinical data, provide a valuable basis for potential expansion of Ultimovacs' pipeline.

Ultimovacs' will continue the ongoing TET nonclinical activities. Future development of TET based vaccine candidates will take into consideration the evolution of the therapeutic landscape and medical needs in different tumor types.

Publications

“UV1 telomerase vaccine with ipilimumab and nivolumab as second line treatment for pleural mesothelioma – a phase II randomized trial”

European Journal of Cancer, March 1, 2024

https://www.ejcancer.com/article/S0959-8049(24)00129-1/fulltext

“Clinical Activity of Combined Telomerase Vaccination and Pembrolizumab in Advanced Melanoma: Results from a Phase I Trial”

Clinical Cancer Research, August 15 2023

https://aacrjournals.org/clincancerres/article/29/16/3026/728218/Clinical-Activity-of-Combined-Telomerase

“Durable and dynamic hTERT immune responses following vaccination with the long-peptide cancer vaccine UV1: long-term follow-up of three phase I clinical trials”

Journal for ImmunoTherapy of Cancer, May 25, 2022

https://jitc.bmj.com/content/10/5/e004345.info

“LBA99 – First survival data from the NIPU trial: A randomized, open-label, phase II study evaluating nivolumab and ipilimumab combined with UV1 vaccination as second-line treatment in patients with malignant mesothelioma”

ESMO 2023 / Annals of Oncology, October 21 2023

https://oncologypro.esmo.org/meeting-resources/esmo-congress/first-survival-data-from-the-nipu-trial-a-randomised-open-label-phase-ii-study-evaluating-nivolumab-and-ipilimumab-combined-with-uv1-vaccination

“Therapeutic cancer vaccination against telomerase: clinical developments in melanoma”

Current Opinion in Oncology, March 2023

https://journals.lww.com/co-oncology/fulltext/2023/03000/therapeutic_cancer_vaccination_against_telomerase_.4.aspx

“Telomerase as Target for Therapeutic Cancer Vaccines and Considerations for Optimizing Their Clinical Potential”

Frontiers in Immunology, July 5, 2021

https://www.frontiersin.org/journals/immunology/articles/10.3389/fimmu.2021.682492/full

Intellectual property

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 USA. 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)) and 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).

There are also other mechanisms for protection of pharmaceutical products in addition to patents. Regulatory data exclusivity blocks subsequent drug developers from referencing (comparing to) an innovative drug's data in order to take a shortcut to get marketing authorization. European regulations provide eight years of data exclusivity for innovative drugs, 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 product until the expiry of the data and marketing exclusivity periods. In the USA 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 for PED plan) 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 via PED to SPC protection.

Published patents and patent applications

Patent / patent application [1]	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. [2, 3]	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. [2, 3]	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.	2031	–	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.	Pending national/regional phase in USA, Europe, Japan, China, India, Canada, Korea, Mexico, Australia and Israel.	2040	–	Ultimovacs

1 In the list of published patents and patent applications the ownerships of patents and patent applications 1 and 2 related to the UV1 platform are 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 Leiden University Medical Centre. Patent applications in group 4 and 5 are held by Ultimovacs.

*2 **Europe:** It is likely that SPCs based on both patents granted, from EP10250265.5 and EP16172760.7, could be obtained;*

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

ultimovacs

03 Board of Directors' Report

- Board of Directors Statement
- Board of Directors
- Financial overview
- Environment and governance
- Risks and uncertainties
- Going concern
- Outlook
- Responsibility statement

Board of Directors Statement

The cancer vaccine UV1 is being studied in a wide-ranging clinical program involving different cancers and combinations with other immuno-therapies. Readout from the randomized Phase II clinical trials, which began in 2023, will guide the future development of UV1.

The negative results from the INITIUM trial in March 2024, were unexpected and undoubtedly disappointing. Based on encouraging results from Phase I studies with UV1 and ipilimumab and UV1 and pembrolizumab, melanoma has been considered a lead indication for the UV1 vaccine. The study was statistically powered and thoughtfully designed based on discussions with international experts in the field. The patient enrollment across 40 sites in four countries – during the pandemic – was impressive. The patients took longer to progress in this study than in any comparable trial. These signals gave us reason to be optimistic.

The INITIUM results have important consequences for the company, and for the shareholders. The Board initiated the implementation of cash preservation initiatives immediately to ensure that the available financial resources will sustain the company into 2025.

While the INITIUM trial failed, the company remains committed to the development of the UV1 vaccine in specific therapeutic combinations and indications.

With the NIPU readout in 2023, the first of the Phase II trial readouts, UV1 has showed clinically meaningful data in patients' overall survival in second-line malignant mesothelioma, a hard-to-treat indication. The confirmed objective response rate by the blinded independent central review almost doubled in the patient group who received UV1 vaccination on top of ipilimumab and nivolumab. This milestone is a signal of UV1's ability to provide therapeutic value for cancer patients with extremely limited treatment options. Ultimovacs looks forward to receiving more mature survival data from the NIPU trial.

The upcoming clinical trial readout in the FOCUS trial will be important for determining the path forward for UV1 in the field of cancer vaccines.

Despite the recent challenges, the Ultimovacs team has demonstrated relentless commitment and we highly appreciate their excellent work and persistent dedication in the past year.

Board of Directors

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.

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.

Kari Grønås has served as a Board Member since 2019. Ms. 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 M. Pharm. degree from the University of Oslo.

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.

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. Her previous appointments include Director for Business Development in Radforsk, 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 and Vertus Capital, a specialist capital provider to independent financial advisors.

Mr. Stenrød 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.

Aitana Peire served as a Board Member from 2020 until she resigned from the Ultimovacs Board of Directors on the 13th of December 2023 due to her appointment as Director of Investments at The Johns Hopkins University.

Financial overview

Key financials (1 000)	2023	2022
Total revenues	-	-
Total operating expenses	(215 736)	(183 631)
Operating profit (loss)	**(215 736)**	**(183 631)**
Profit (loss) for the period	**(189 239)**	**(167 792)**
Basic and diluted earnings (loss) per share (NOK per share)	(5.5)	(4.9)
Net change in cash and cash equivalents	(177 640)	(155 426)
Cash and cash equivalents, end of period	**266 559**	**425 309**

Financial results

Ultimovacs does not yet generate revenues, as the Company is in a research and development phase. In FY23, the Company recognized government grants of MNOK 10.2 compared to MNOK 9.5 in FY22, 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 grants received are from Innovation Norway (MNOK 5.1) for the DOVACC project, Forskningsrådet (MNOK 3.1) for the FOCUS project, and MNOK 2.0 from the Skattefunn grant scheme.

Total personnel expenses in FY23 were MNOK 75.1 compared to MNOK 71.5 in FY22. The FY23 increase was primarily due to two more FTEs employed in the company during FY23 compared to FY22, explaining approximately MNOK 5.7 of the difference, along with the general salary increase. This was offset by lower expenses related to the share option program, MNOK 2.0.

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 121.2 in FY23 and MNOK 91.0 in FY22. The primary projects contributing to these expenses in FY23 were the phase II trials INITIUM, NIPU and DOVACC, CMC development (i.e. Chemistry, Manufacturing, and Controls), and development of the TET platform. Total other operating expenses in FY23 was MNOK 137.8 compared to MNOK 109.5 in FY22, where the total increase primarily is derived from the increase in R&D costs.

Net financial income in FY23 of MNOK 26.5 is comprised primarily of MNOK 14.1 in interest from bank, MNOK 1.8 in currency gain from cash in EUR bank account and MNOK 12.7 in currency gain from the EUR currency future contracts.

Total loss in FY23 amounted to MNOK 189.2 compared to a loss of MNOK 167.8 in FY22.

Financial position

Total assets per 31 December 2023 were MNOK 349.0, a decrease of MNOK 160.6 from 31 December 2022, primarily as a consequence of negative operational cashflow.

The book value of Goodwill and Licenses amounted to MNOK 68.2 per 31 December 2023. This value related to the value of the subsidiary Ultimovacs AB in Sweden, has since 31 December 2022 decreased by MNOK 5.6 due to the weakening of NOK against SEK.

Total liabilities as of 31 December 2023 amounted to MNOK 69.6, of which MNOK 13.5 are non-current. 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 fiscal year, the EUR swaps amounted to MEUR 7.3, and MNOK 4.9 of 'Other current liabilities' are related to the fair value of these EUR swap contracts by the end of the year.

Total equity equaled MNOK 279.4 as of 31 December 2023. A capital increase in November 2023 related to the exercise of a total of 9,600 options granted under Ultimovacs' share option program, resulted in gross proceeds of MNOK 0.3. Subsequently, the Company's share capital increased during 2023 by NOK 960 by issuing 9,600 new shares, leading to a total of 34,406,061 shares as per 31 December 2023, each share of par value NOK 0.10.

Further, total equity has, since year-end 2022, been decreased by the period's operating loss and currency translation, amounting to MNOK 184.5, and has in addition been increased by the recognition of share-based payments/stock options of MNOK 14.3.

Cash flow

The total net decrease in cash and cash equivalents in FY23, not including currency effects, was MNOK 177.6, which is primarily related to net negative cash-flow from operations amounting to MNOK 189.8, offset by interest income of MNOK 14.1 and a share issue related to share option exercises, raising net proceeds of MNOK 0.3.

Total cash and cash equivalents per 31 December 2023 amounted to MNOK 266.6.

Allocation of the Parent Company's net result

The Board of Directors proposed that the loss of MNOK 183.7 in Ultimovacs ASA is transferred to accumulated losses.

Environment and governance

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 1.0% in 2023, compared to 1.1% in 2022. No work-related accidents were recorded in Ultimovacs in 2023.

As per 31 December 2023, the Group had 27 employees, 21 in Ultimovacs ASA in Oslo, and 6 in Ultimovacs AB in Uppsala, Sweden. Of the 27 employees, three were part time employees with 20-50% positions. 12 out of the 27 employees were male and 15 were female. The management team is comprised of six men and four women, and the Board of Directors is comprised of five men and two women (three until the 13th of December 2023, as Aitana Peire resigned from the Board on this date).

A total of 25 full time employee equivalents were employed during the financial year of 2023.

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

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 and 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'), included 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 of Ultimovacs are ultimately responsible for the ESG governance in the Company, overseeing the ESG topics and 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 clinical-stage biotechnology 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, unless a potential partnering agreement for UV1 provides early revenues. 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 vaccine candidates and technology platforms are dependent on research and development and may be delayed and/or incur higher costs than currently expected.

Product risk
Ultimovacs' product and technology candidates may not meet the anticipated efficacy requirements or safety standards, resulting in discontinuation of the development.

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 financing risk and foreign exchange risks.

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. The financing risk is higher after the negative results from the INITIUM trial.

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 France 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.

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. Apart from events described under the section 'Subsequent events' below, no significant events have occurred since the end of 2023, and the Board of Directors confirms that the going concern assumption has been satisfied.

Subsequent events

In March 2024, Ultimovacs announced topline results from INITIUM study evaluating UV1 in Patients with Malignant Melanoma. The trial did not meet the primary endpoint of prolonging progression-free survival (PFS), and the evaluation of secondary endpoints did not show a difference in overall survival and objective response rate between the treatment and control arms. The Group has therefore initiated cash preservation initiatives which will be implemented to support that the available financial resources will sustain the company into 2025.

Outlook

Ultimovacs' off-the-shelf therapeutic cancer vaccine UV1 triggers immune responses against telomerase, which is present in 85-90% of all cancer indications in all stages of tumor growth. The nearly universal nature of the target supports a clinical program investigating the potential effect of UV1 vaccination across multiple types of cancer and in combination with different types of cancer treatment.

The cancer vaccine is expected to generate immune responses across the general population (i.e., regardless of HLA type). The vaccine is easy to administer and does not require a sophisticated hospital infrastructure. Ultimovacs has been granted patents in major markets covering UV1 composition of matter and UV1 in combination with anti-CTLA-4 and/or anti-PD(L)-1 checkpoint inhibitors. A commercial-scale manufacturing process has been developed in collaboration with reputable manufacturers.

As of now, UV1 is being investigated in five randomized Phase II trials in five different cancer types in combination with various checkpoint inhibitors, with Ultimovacs sponsoring one of the trials. The five Phase II clinical trials will enroll more than 670 patients in total, representing a potential foundation for Ultimovacs to support a possible registration path of the UV1 vaccine. The main study objectives are efficacy and safety data on combination therapies.

The negative readout of the INITIUM trial in malignant melanoma was very disappointing for Ultimovacs. The NIPU trial in mesothelioma showed a clinically meaningful improvement in overall survival and the company looks forward to receiving more mature survival data from this trial during 2024. During the third quarter of 2024, Ultimovacs expects the readout of the FOCUS trial in head and neck cancer. The data points from NIPU and FOCUS will be important for the further development of UV1.

Ultimovacs will implement cash preservation initiatives, based on updated programs and plans, to extend the financial runway further into 2025.

Besides UV1, Ultimovacs is developing a vaccine technology, TET (Tetanus-Epitope Targeting). TET vaccines harness pre-existing antibody responses against tetanus induced by standard tetanus vaccination. Different pre-clinical and CMC activities are currently on-going. The TET technology may be used in many types of cancer vaccines.

Board of Directors and CEO of Ultimovacs ASA

Oslo, 20 March 2024

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

Responsibility statement

We confirm that the financial statements for the period 1 January to 31 December 2023, to the best of our knowledge, have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, 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, 20 March 2024

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

ultimovacs

04 Governance

- ESG at a glance
- ESG in Ultimovacs
- Corporate Governance Report

ESG at a glance

Goal 3

UN Sustainable Development

Environmental impact

2 tonnes GHG emissions

0.9 tonne waste

52 m³ water

UV1 safety

More than 300 patients have received treatment with UV1 per date with no severe safety concerns reported.

Zero recalls issued

Off-the-shelf

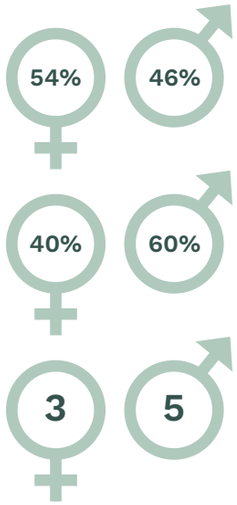
Access to medicines is key to solving many public health issues. UV1 can be administered at hospitals or community centers without sophisticated infrastructure.

None of Ultimovacs' product candidates are currently on the market.

Diversity

26 employees

7 nationalities



Employees

Management team

Board of Directors

(until Dec 13, 2023)

Business ethics

Zero complaints or legal proceedings associated with breach of Code of Conduct

5 randomized Phase II trials enrolling

> 670 patients

in Europe, USA and Australia

ESG governance

Responsibility for Ultimovacs' ESG performance is ultimately held by the Board of Directors. All board members have relevant experience as a public or private company executive. ESG initiatives are managed by the CEO. Head of IR has responsibility for reporting on ESG performance. The Governance framework, Corporate Governance Policy, and Corporate Social Responsibility guidelines are described in the Annual Report. Accounting principles and tax disclosure is covered in the Financial Statement, and executive compensation is described in the Remuneration guidelines and report 2023.

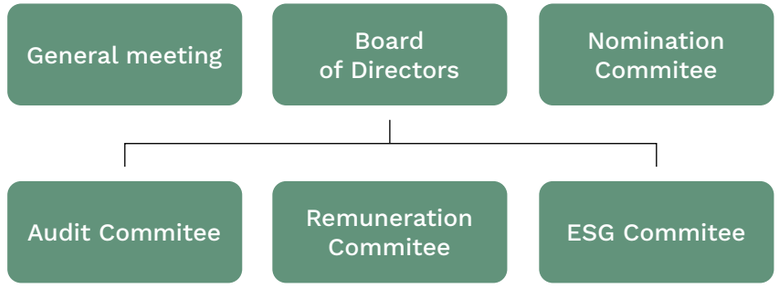
"For Ultimovacs, ESG means building a sustainable business so that we can deliver on our mission: To extend and improve the life of patients, by directing the immune system against the core of cancer. We aim to provide universally accessible solutions for patients.

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.

Despite our small company size, Ultimovacs acknowledges our responsibility for the indirect impact and potential for unintentional ripple effects from our work. Our R&D and manufacturing partners, suppliers, and collaborators, are reputable organizations located in Europe and the US. We are conscious of associating with companies sharing our ethical values and professional standards.

Ultimovacs 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."

Carlos de Sousa,
Chief Executive Officer



People & planet

People

Ultimovacs is proud of our history of attracting and retaining talent with outstanding expertise, track record and grit. During 2023, we had no turnover of staff in the company. 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.

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. Ultimovacs reported zero whistle blower incidents in 2023.

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.

Environment

Ultimovacs is working to reduce the environmental impacts of our operational activities. The energy use, waste, and water consumption are measured as Ultimovacs % of the environmental reporting for the office building. The property managers are committed to improve the environmental footprint.

GHG emissions 2023:

Scope 1
- direct energy use: 0

Scope 2
- estimated indirect energy use (location based): 1.8 tonnes
  - 80% hydropower
- Estimated water consumption: 52 m^3

Scope 3*
- waste generated in operations: 0.9 tonnes, whereof:
  - Bio waste: 0.2 tonnes
  - Hazardous waste 0.003
- Paper + plastic: 0.2 tonnes (recycled)

** Business travel, employee commuting, and emissions created by the company's value chain, have not been quantified at this time. 100% of Ultimovacs' CMC partners hold a Good Manufacturing Practice (GMP) Certificate.*

Biotechnology specific ESG risks

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.

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.

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 2023, there were no quality or safety incidents that led to any market actions or need for reporting to the health authorities. Readouts from two randomized Phase II trials reported similar safety and tolerability profile in the two arms, confirming the good safety profile of the UV1 vaccine.

Compliance

Quality Assurance

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 2023, there were no quality or safety incidents that led to any market actions or need for reporting to the health authorities.

The Transparency Act

The Norwegian Transparency Act (Åpenhetsloven) requires companies to carry out human rights' due diligence in line with the OECD Guidelines for Multinational Enterprises. Ultimovacs has established or initiated the following actions:

I. Accountability in the Board of Directors
II. Guidelines and integrated into internal processes
III. System for handling the obligation to provide information
IV. Supply chain mapping
V. Risk Analysis of the supply chains and other business relationships

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

Furthermore, the Suppliers must comply with the Company's Code of Conduct, including issues relating to upholding Human Rights. Ultimovacs is committed to ensuring respect for the inherent dignity of people and their inalienable rights as a fundamental part of its corporate responsibility and upholding of the UN Guiding Principles on Business and Human Rights.

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 2023, 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 20 April 2023, the Board of Directors was given a general authorization to increase the share capital by NOK 687,929.2 (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 343,964.6 (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 343,964.6 (10% increase in outstanding shares at the time of the General Meeting) to acquire own shares.

These authorizations are valid until the next ordinary General Meeting of the company in 2024, but no longer than 30 June 2024.

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 2023, 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.

Following the resignation of one board member in December 2023, whereby a new board member will be elected at the ordinary General Meeting in 2024, the Board of Directors consists of seven members, of which five men and two women. Six 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 16 times in 2023.

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 2023 quarterly reports and the 2023 Annual Report in 2024. In addition, the Committee met with the auditor along with the financial management in Ultimovacs before the publication of the Annual Report 2023, and before the Q2 2023, Q3 2023 and Q4 2023 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 was 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 2023 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 and formal 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.

05 Financial Statements

Ultimovacs Group

- Financial Statements
- Notes

05 Consolidated Financial Statement

Ultimovacs Group

Consolidated statement of profit and loss and other comprehensive income

(NOK 1 000) EXCEPT PER SHARE DATA	NOTES	2023	2022
Total revenues		**-**	**-**
Payroll and payroll related expenses	3, 4, 15	(75 130)	(71 466)
Depreciation and amortization	9, 14	(2 768)	(2 648)
Other operating expenses	3, 5	(137 837)	(109 517)
Total operating expenses		**(215 736)**	**(183 631)**
Operating profit (loss)		**(215 736)**	**(183 631)**
Financial income	6	29 640	17 375
Financial expenses	6	(3 143)	(1 536)
Net financial items		**26 497**	**15 839**
Profit (loss) before tax		**(189 239)**	**(167 792)**
Income tax expense	7	-	-
Profit (loss) for the year		**(189 239)**	**(167 792)**
Profit (loss) for the year attributable to:			
Non-controlling interest		-	-
Owners of the Company		(189 239)	(167 792)
Total profit (loss) for the year		**(189 239)**	**(167 792)**
Items that subsequently may be reclassified to profit or loss:			
Exchange rate differences on translation of foreign operations		4 724	(1 889)
Total comprehensive income (loss) for the year		**(184 515)**	**(169 681)**
Total comprehensive income (loss) for the year attributable to:			
Non-controlling interest		-	-
Owners of the Company		(184 515)	(169 681)
Total comprehensive income (loss) for the year		**(184 515)**	**(169 681)**
Basic and diluted earnings (loss) per share (NOK per share)	8	(5.5)	(4.9)

Consolidated statement of financial position

(NOK 1 000)	NOTES	2023	2022
ASSETS			
Non-current assets			
Goodwill	9	11 653	10 701
Licenses	9	56 566	51 944
Patents	9	5 030	5 784
Property, plant and equipment	9	114	220
Right of use assets	14	3 561	5 444
Total non-current assets		**76 923**	**74 093**
Current assets			
Receivables and prepayments	3, 10	5 557	10 270
Cash and cash equivalents	11	266 559	425 309
Total current assets		**272 117**	**435 579**
TOTAL ASSETS		**349 039**	**509 672**
EQUITY AND LIABILITIES			
Equity			
Share capital		3 441	3 440
Share premium		1 076 607	1 076 308
Total paid-in equity	12	**1 080 047**	**1 079 747**
Accumulated losses		(861 352)	(672 113)
Other equity		55 009	40 752
Translation differences		5 687	964
TOTAL EQUITY		**279 391**	**449 350**
Non-current liabilities			
Lease liability	14	1 886	3 713
Deferred tax	7	11 653	10 701
Total non-current liabilities		**13 539**	**14 414**
Current liabilities			
Lease liability	14	1 827	1 767
Accounts payable		11 169	7 655
Other current liabilities	15, 16	43 113	36 485
Total current liabilities		**56 109**	**45 907**
TOTAL LIABILITIES		**69 648**	**60 321**
TOTAL EQUITY AND LIABILITIES		**349 039**	**509 672**

Board of Directors and CEO of Ultimovacs ASA

Oslo, 20 March 2024

Sign
Jónas Einarsson
Chair of the Board

Sign
Kari Grønås
Board member

Sign
Eva S. Dugstad
Board member

Sign
Henrik Schüssler
Board member

Sign
Ketil Fjerdingen
Board member

Sign
Leiv Askvig
Board member

Sign
Haakon Stenrød
Board member

Sign
Carlos de Sousa
CEO

Consolidated statement of cash flow

(NOK 1 000)	NOTES	2023	2022
Cash flow from operating activities			
Profit (loss) before tax		**(189 239)**	**(167 792)**
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization	9, 14	2 768	2 648
Interest received including investing activities	6	(14 127)	(8 887)
Net foreign exchange differences	6	(12 750)	(7 176)
Other financial expenses	14	380	105
Share option expenses	15	14 256	20 395
Working capital adjustment:			
Changes in prepayments and other receivables	10	3 629	(1 859)
Changes in payables and other current liabilities	16	5 256	(5 129)
Net cash flow from operating activities		**(189 827)**	**(167 695)**
Cash flow from investing activities			
Purchase of property, plant and equipment	9	(25)	(195)
Interest received	6	14 059	8 887
Net cash flow from investing activities		**14 034**	**8 691**
Cash flow from financing activities			
Proceeds from issuance of equity	12	300	5 484
Interest paid	14	(380)	(105)
Payment of lease liability	14	(1 767)	(1 802)
Net cash flow from financing activities		**(1 847)**	**3 577**
Net change in cash and cash equivalents		(177 640)	(155 426)
Effect of change in exchange rate	6	18 889	6 567
Cash and cash equivalents, beginning of period	11	**425 309**	**574 168**
Cash and cash equivalents, end of period		**266 559**	**425 309**

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 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**
Profit (loss) for the year				**-**	(189 239)			**(189 239)**
Other comprehensive income (loss)				**-**			4 724	**4 724**
Issue of share capital	12	1	299	**300**				**300**
Share-issue costs	12			**-**				**-**
Recognition of share-based payments	15			**-**		14 256		**14 256**
Balance as of 31 December 2023		**3 441**	**1 076 607**	**1 080 047**	**(861 352)**	**55 009**	**5 687**	**279 391**

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 20 March 2024.

Note 2: Accounting principles

I. Basis for preparation

The financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU. 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 2023 have been prepared under the going concern assumption. The Group has due to the negative results from its INITIUM phase II trial initiated cash preservation initiatives which will be implemented to support that the available financial resources will sustain the company into 2025.

III. Accounting principles

i. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and 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. Cash flows from share issues are recognized as cash flows from financing activities.

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

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.

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.

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 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.

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.

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 15 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 carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. Acquisition cost includes expenditures that are directly attributable to the acquisition of the individual item. Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the asset. If significant individual parts of the assets have different useful lives, they are recognised and depreciated separately. Depreciation commences when the assets are ready for their intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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)	2023	2022
Skattefunn	2 047	4 750
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	-	594
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	3 088	4 194
Innovation Norway	5 073	-
Total grants	**10 207**	**9 538**

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)	2023	2022
Payroll and payroll related expenses	1 544	1 822
Other operating expenses	8 663	7 717
Total costs deducted	**10 207**	**9 538**

Grants receivable as per 31 December are detailed as follows:

GRANTS RECEIVABLES (NOK 1 000)	2023	2022
Skattefunn	2 047	4 750
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	-	198
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	952	42
Total grants receivables	**2 998**	**4 990**

Skattefunn:
The Skattefunn R&D tax incentive scheme is a government program designed to stimulate research and development in Norwegian. Two Skattefunn projects are ongoing, where one will report in 2024 and one in 2025.

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. In 2020, Innovation Norway granted Ultimovacs up to MNOK 10 to support the execution of the Phase II DOVACC study. The project was concluded in December 2023, where the total grant from Innovation Norway amounted to MNOK 8.1.

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)	2023	2022
Salaries and holiday pay	43 514	38 215
Social security tax	8 787	9 142
Social security tax related to options	6 104	2 016
Pension expenses	3 586	2 818
Share-based compensation	14 256	20 395
Other personnel expenses	427	702
Government grants	(1 544)	(1 822)
Total payroll and payroll related expenses	**75 130**	**71 466**
Number of FTEs employed during the financial year	25.0	23.2
Number of FTEs at end of year	25.2	23.2

The Group's Management team consists of the Company's CEO, CFO and the managers of each department, totaling ten employees. The Chief Business Officer and the Head of Regulatory Affair and QA are both employed in Ultimovacs AB.

EXECUTIVE REMUNERATION (NOK 1 000)	2023	2022
Management Team remuneration	35 009	37 599
Short term employee benefits	25 965	24 121
Share option (IFRS cost)	9 044	13 477
Board of Director's remunerations*	2 230	1 855

* Note that the table above shows the accumulated board remuneration for each respective year, which will be paid the following year.

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 2022 or as of 31 December 2023.

Please refer to the Remuneration Report 2023 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 2023, all 21 of Ultimovacs ASA's employees were covered by the pension scheme. A similar pension scheme is in place for the six 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 2.8 and MNOK 3.6 in 2022 and 2023 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 2023 has been in accordance with the Remuneration Guidelines for 2023. Please refer to Remuneration Guidelines 2022 and Remuneration Report 2023 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)	2023	2022
External R&D expenses	123 834	95 175
Clinical studies	70 922	66 772
Manufacturing costs	39 256	19 899
Other R&D expenses	13 656	8 504
Patent related expenses	6 031	3 571
Rent, office and IT	4 874	4 221
Accounting, audit, legal, consulting	6 476	9 246
Other operating expenses	5 284	5 020
Less government grants	(8 663)	(7 717)
Total operating expenses	**137 837**	**109 517**

Total expenses related to R&D, including other operating expenses, payroll and payroll related expenses, less government grants, amounted to MNOK 128.5 in 2022 and MNOK 163.9 in 2023.

SPECIFICATION AUDITOR'S FEE (NOK 1 000)	2023	2022
Statutory audit	392	404
Audit related services	46	40
Tax related services	21	10
Other	18	3
Total auditor's fee	**477**	**456**

VAT is not included in the fees specified above.

Note 6: Financial items

FINANCIAL INCOME (NOK 1 000)	2023	2022
Foreign exchange gains - related to derivatives	12 741	5 053
Foreign exchange gains - related to EUR bank account	1 800	2 087
Foreign exchange gains - other	972	1 329
Interest income	14 127	8 906
Total financial income	**29 640**	**17 375**

FINANCIAL EXPENSES (NOK 1 000)	2023	2022
Foreign exchange losses - related to derivatives	-	-
Foreign exchange losses - related to EUR bank account	-	-
Foreign exchange losses - other	2 761	1 293
Other financial expenses	382	243
Total financial expenses	**3 143**	**1 536**

Note 7: Income tax

TAX EXPENSE BASIS (NOK 1 000)	2023	2022
Profit (loss) before tax	(189 239)	(167 792)
Net non-taxable income	(2 098)	(4 759)
Other items	11 753	18 089
Change in temporary differences	10 901	1 051
Basis for tax calculation	**(168 683)**	**(153 411)**

INCOME TAX EXPENSE (NOK 1 000)	2023	2022
Expected tax expense	(41 555)	(36 821)
Net non-taxable income	(462)	(1 047)
Other items	2 586	3 980
Change in deferred tax assets not recognized	39 431	33 888
Income tax expense	**-**	**-**

The corporate tax rate in Norway was 22% in 2022 and 2023. The corporate tax rate in Sweden was 20.6% in 2022 and 2023, which is the basis of the deferred tax calculation for Ultimovacs AB.

INCOME TAX EXPENSE (NOK 1 000)	2023	2022
Tax losses carried forward	877 801	709 118
Temporary differences - financial instruments	4 886	(1 083)
Temporary differences - leasing liability	153	37
Temporary differences - licenses	(56 566)	(51 944)
Temporary differences - social security on options	18 323	13 488
Temporary differences - PP&E	220	238
Temporary differences and tax loss carry forward	**844 816**	**669 854**
Deferred tax assets - not recognized in statement of financial position	**197 760**	**158 329**
Deferred tax liability per 31 December	**(11 653)**	**(10 701)**

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 2022 was MNOK 669.9, and MNOK 844.8 as per 31 December 2023 (of which MNOK 38.9 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 11.7 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	2023	2022
Profit (loss) for the year (NOK 1000)	(189 239)	(167 792)
Average number of outstanding shares during the year (1 000)	34 398	34 247
EPS - basic and diluted (NOK per share)	**(5.5)**	**(4.9)**

A share option program was introduced in June 2019 and at the ordinary General Assembly held on 20 April 2023, the Board was authorized until the next ordinary General Assembly in 2024 to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 343,964.6. A total of 2,289,285 share options are outstanding as per 31 December 2023, corresponding to 6.65% 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 2023 (NOK 1 000)	OFFICE AND LAB EQUIPM.	PATENTS	LICENSES	GOODWILL	TOTAL
Accumulated cost 1 Jan 2023	**2 344**	**9 000**	**50 401**	**10 383**	**72 127**
Additions	25	-	-	**–**	**25**
Cost at 31 Dec 2023	**2 368**	**9 000**	**50 401**	**10 383**	**72 152**
Accumulated depreciation and amortization at 1 Jan 2023	(2 124)	(3 215)	**–**	**–**	**(5 339)**
Depreciations in the year	(130)	(754)	**–**	**–**	**(885)**
Accumulated depreciation and amortization at 31 Dec 2023	**(2 255)**	**(3 970)**	-	**–**	**(6 224)**
Accumulated currency effects at 1 Jan 2022	**–**	**–**	1 544	318	**1862**
Currency exchange effects in the year	**–**	**–**	4 621	952	**5573**
Carrying value at 31 Dec 2023	**114**	**5 030**	**56 566**	**11 653**	**73 362**

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**
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.

There has 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 2024 where the board will decide on the continued development. 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 2023. 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
The recoverable amount of a cash generating unit is the higher of the cash generating unit's fair value less costs of disposal and its value in use. 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 is thus based on a cost approach, i.e. the replacement cost which reflects the amount that would be required currently to replace the service capacity of these assets. This cost is then the acquisition price plus expensed development costs incurred subsequently to the acquisition. Based on the current condition of the acquired license the recoverable amount is assessed to be significantly higher than the book value of the license. The fair value, however, must be tested for factors which may reduce is value, function etc.

Note 9: Non-current assets (continued)

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.

3. Asset is idle, part of a restructuring or held for disposal: The current phase of the development plan is further pre-clinical development of the TET technology, further CMC development of the TET compound (i.e. to develop a manufacturing process for a lead product candidate based on the TET technology, further development of the general technology platform, and completion of clinical testing of the TENDU prototype vaccine in a phase I trial.

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 concluded 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

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 TET technology platform is independent of UV1. The negative readout of the UV1 INITIUM trial in March 2024 is therefore not directly influencing the value of the TET platform. So far, Ultimovacs has successfully completed preclinical development activities related to this platform, as well as successful CMC development (manufacturing) for the core technology enabling upscaling and improved flexibility of products based on the TET platform. Ultimovacs has also completed the TENDU Phase I trial testing as an early vaccine solution within prostate cancer based on the TET platform. The TENDU trial met its primary and secondary endpoints as reported in December 2023. The board will make a separate evaluation of the further development of the TET platform later in 2024 and this evaluation is not directly influenced by the UV1 results. This 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. 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)	2023	2022
Government grants receivables (ref note 3)	2 998	4 990
Prepayments	1 463	2 916
Fair value of currency contracts	-	1 083
Other receivables	1 096	1 280
Total other receivables	**5 557**	**10 270**

Note 11: Cash and cash equivalents

CASH AND CASH EQUIVALENTS (NOK 1 000)	2023	2022
Employee withholding tax	1 697	1 818
Cash at bank	264 862	423 491
Cash and cash equivalents	**266 559**	**425 309**

As of 31 December 2023, cash and cash equivalents amounted to MNOK 266.6, of which MNOK 2.4 (MEUR 0.2) on an EUR account and MNOK 3.5 (MSEK 3.4) 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 2023 was NOK 3,440,606.1, with 34,406,061 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 6,000 shareholders as of 31 December 2023, 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 2022 and 2023 as follows:

CHANGES TO SHARE CAPITAL	SHARE CAPITAL NUMBER OF SHARES	SHARE CAPITAL (NOK)
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**
Issuance of ordinary shares	9 600	960
31 December 2023	**34 406 061**	**3 440 606.1**

In November 2023, a total of 9,600 options, granted under Ultimovacs' option program, were exercised. Subsequently, the Company's share capital was increased by NOK 960 by issuing 9,600 new shares, each share of par value NOK 0.10.

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.

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

THE 20 MAIN SHAREHOLDERS AS OF 31 DECEMBER 2023	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 %
Radforsk Investeringsstiftelse	1 519 263	4.4 %
Langøya Invest AS	1 396 006	4.1 %
Inven2 AS	1 372 163	4.0 %
Helene Sundt AS	965 802	2.8 %
CGS Holding AS	882 132	2.6 %
Sundt AS	803 321	2.3 %
Stavanger Forvaltning AS	583 416	1.7 %
Danske Invest Norge Vekst	563 525	1.6 %
Prieta AS	533 988	1.6 %
Verdipapirfondet Nordea Avkastning	414 990	1.2 %
Myrlid AS	400 000	1.2 %
Folketrygdfondet	343 465	1.0 %
SEB Prime Solutions Sissener Canopus	300 000	0.9 %
Wiarom AS	250 000	0.7 %
Gade, Leif Johan	240 000	0.7 %
Verdipapirfondet Nordea Kapital	233 090	0.7 %
Jakob Hatteland Holding AS	211 110	0.6 %
20 Largest shareholders	**21 994 669**	**63.9%**
Other shareholders	12 411 392	36.1%
Total	**34 406 061**	**100.0%**

As of 31 December 2023, five members of the Management team in the Group held a total of 164,654 ordinary shares in Ultimovacs.

NUMBER OF SHARES HELD BY MANAGEMENT AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2023	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	15 406
Hans Vassgård Eid - through Snøtind AS	CFO	57 200
Audun Tornes - through Aeolus AS	CTO	87 500
Antonius Berkien - through nominee account	CBO	1 088
Anne Worsøe - through Waverly AS	Head of IR	3 460
Ketil Fjerdingen - through Langøya Invest AS	Board member	1 396 006
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 Management and the Board of Directors		**1 696 100**

As of 31 December 2023, Carlos de Sousa and closely related parties hold in total 23,056 shares in Ultimovacs ASA.

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 MANAGEMENT AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2022	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	14 906
Hans Vassgård Eid - through Snøtind AS	CFO	57 200
Audun Tornes - through Aeolus AS	CTO	87 500
Anne Worsøe - through Waverly AS	Head of IR	3 460
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 Management and the Board of Directors		**1 687 512**

As of 31 December 2022, Carlos de Sousa and closely related parties hold in total 21,556 shares in Ultimovacs ASA.

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 2.9 in 2022 and MNOK 2.8 in 2023 respectively (incl. VAT). As per 31 December 2023, Ultimovacs had no outstanding payables to Inven2 AS.

Note 14: Leases and commitments

RIGHT-OF-USE ASSETS 2023 (NOK 1 000)	CARS	OFFICE	TOTAL
Right-of-use assets as per 1 January 2023	1 270	4 174	**5 444**
Depreciation costs during the year	(492)	(1 391)	**(1 883)**
Extension options exercised / additions	-	-	**-**
Balance sheet value as per 31 December 2023	**778**	**2 783**	**3 561**

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**

LEASE LIABILITIES (NOK 1 000)	2023	2022
Lease liability as per 1 January	**5 481**	**2 084**
Additions	-	5 199
Cash payments for the principal portion of the lease liability	(1 767)	(1 802)
Cash payments for the interest portion of the lease liability	(380)	(105)
Interest expense on lease liabilities	380	105
Lease liability as per 31 December	**3 713**	**5 481**
Current	1 827	1 767
Non-current	1 886	3 713

LEASE EXPENSES (NOK 1 000)	2023	2022
Depreciation expense of right-of-use assets	1 883	1 705
Interest expense on lease liabilities	380	105
Expense relating to short-term leases (incl. in Other operating expenses)	1 242	1 018
Expense relating to low-value assets (incl. in Other operating expenses)	11	11
Total amount recognized in profit or loss	**3 516**	**2 839**

The right-of-use assets comprise a rental agreement for office premises in Oslo with 2 years left of the rental contract as of 31 December 2023, and four car-leasing contracts. The weighted average discount rate applied is 8.3% as per 31 December 2023.

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 2.8 in FY22 and MNOK 3.5 in FY23.

NON-DISCOUNTED LEASE LIABILITIES EXPIRING WITHIN THE FOLLOWING PERIODS FROM THE BALANCE SHEET DATE (NOK 1 000)	2023	2022
Within 1 year	2 058	2 147
1 to 2 years	1 862	2 058
2 to 3 years	112	1 862
3 to 4 years	-	112
4 to 5 years	-	-
Over 5 years	-	-
Sum	**4 032**	**6 179**

Note 15: Share based payment

Share option program
The equity-settled share option program which was introduced in June 2019 is groupwide and includes all employees in the Group. At the Annual General Meeting held on 20 April 2023, the Board was authorized to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 343,964.6. The authorization is valid until the next ordinary General Meeting in 2024.

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, with the exception that 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 was NOK 31.25 for the options granted in 2019, NOK 39.15 for the options granted in 2020, NOK 61.99 for the options granted in 2021, NOK 83.46 for the options granted in 2022 and NOK 128.61 for the options granted in 2023.

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 FY 2022 in accordance with IFRS 2.

After the distribution of 160,000 new options on 21 April 2023, and the exercise of 9,600 shares during 2023, a total of 2,289,285 share options are granted per 31 December 2023, corresponding to 6.65% of the outstanding number of shares in the Company.

MOVEMENTS OF OPTIONS DURING 2023	NUMBER OF INSTRUMENTS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at 1 January	**2 138 885**	**54.55**
Granted during the year	160 000	128.61
Terminated during the year	-	-
Exercised during the year*	(9 600)	31.25
Expired during the year	-	-
Outstanding at 31 December	**2 289 285**	**59.82**
Vested options during the year	618 427	53.29

* The weighted average market price for the options exercised in 2023 was NOK 93.20.

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

* The weighted average market price for the options exercised in 2022 was NOK 90.28.

OUTSTANDING INSTRUMENTS OVERVIEW AT YEAR END	2023	2022
Number of instruments	2 289 285	2 138 885
Weighted Average Exercise Price (NOK)	59.82	54.55
Vested/Exercisable instruments as of 31 December	1 469 281	860 454
Weighted Average Exercise Price on vested instruments (NOK)	46.10	40.76
Weighted Average remaining contractual life (years)	4.13	4.96

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 2022 and 2023 have been calculated using a Black Scholes model with the following assumptions:

FAIR VALUE PRICING ASSUMPTIONS	2023	2022
Instrument	Option	Option
Quantity as of 31 December	160 000	480 000
Contractual life*	7.00	7.00
Exercise price*	128.61	83.46
Share price*	130.00	81.60
Expected lifetime*	3.25	3.25
Volatility*	58.21%	59.60%
Interest rate*	3.290%	2.2451%
Dividend*	-	-
Fair value per instrument*	56.02	34.46
Vesting conditions	Service condition	

*Weighted average parameters at grant of instrument

Note 15: Share based payment (continued)

The total IFRS cost recognized for the option program was MNOK 20.4 in FY22 and MNOK 14.3 in FY23. The total social security provision recognized was MNOK 2.0 in FY22 and MNOK 6.1 in FY23. The total social security provision as per 31 December 2023 was MNOK 21.0.

NUMBER OF OPTIONS HELD BY MANAGEMENT TEAM	POSITION	2023	2022
Carlos de Sousa	Chief Executive Officer	425 535	416 035
Hans Vassgård Eid	Chief Financial Officer	234 000	224 500
Jens Egil Torbjørn Bjørheim	Chief Medical Officer	224 500	215 000
Audun Tornes	Chief Technology Officer	147 000	137 500
Gudrun Trøite	Head of Project Coordination	106 314	96 814
Ingunn Hagen Westgaard	Head of Research	120 895	111 395
Øivind Foss	Head of Clinical Operations	114 000	104 500
Ton Berkien	Chief Business Officer	115 500	106 000
Anne Worsøe	Head of IR and Communication	32 000	22 500
Orla Mc Callion	Head of Regulatory Affairs and QA	47 500	38 000
Total allocated share options to Management Team		**1 567 244**	**1 472 244**

Note 16: - Other current liabilities

OTHER CURRENT LIABILITIES (NOK 1 000)	2023	2022
Public duties payable	4 914	3 698
Public duties payable related to options	21 008	14 904
Holiday pay payable	4 534	3 913
Financial instruments	4 886	-
Other accrued expenses	7 772	13 970
Sum	**43 113**	**36 485**

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 AND LIABILITIES (NOK 1 000)	2023 CARRYING VALUE	2023 FAIR VALUE	2022 CARRYING VALUE	2022 FAIR VALUE
Foreign exchange forward contracts	(4 886)	(4 886)	1 083	1 083
Total financial assets and liabilities	**(4 886)**	**(4 886)**	**1 083**	**1 083**

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.

Financial risks

The most significant financial risks for the Group are financing risks, 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.

Financing risk
Adequate sources of funding may not be available when needed or may not be available on favorable terms. The Group'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 results and cash flow, and the Board of Directors works continuously to secure the business operation's need for financing. Following the negative readout from the INITIUM trial, the financing risk is higher.

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 2023 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	2023	2022
EUR	+10%	24 854	25 215
	-10%	(24 854)	(25 215)
GBP	+10%	915	629
	-10%	(915)	(629)
USD	+10%	280	1 334
	-10%	(280)	(1 334)
SEK	+10%	2 203	1 764
	-10%	(2 203)	(1 764)

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	2023	2022
Bank deposits	+2%	6 800	9 717
	-2%	(6 800)	(9 717)
	+5%	16 999	24 293
	-5%	(16 999)	(24 293)

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 2023. The Group has however due to the negative results from its INITIUM phase II trial initiated cash preservation initiatives which will be implemented to support that the available financial resources will sustain the company into 2025. The Board of Directors and Management closely monitor 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

In March 2024, Ultimovacs announced topline results from INITIUM study evaluating UV1 in Patients with Malignant Melanoma. The trial did not meet the primary endpoint of prolonging progression-free survival (PFS), and th evaluation of secondary endpoints did not show a difference in overall survival and objective response rate between the treatment and control arms. The Group has therefore initiated cash preservation initiatives which will be implemented to support that the available financial resources will sustain the company into 2025.

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05 Financial Statement

Ultimovacs ASA

Statement of profit and loss and other comprehensive income
Ultimovacs ASA

(NOK 1 000) EXCEPT PER SHARE DATA	NOTES	2023	2022
Total revenues		**-**	**-**
Payroll and payroll related expenses	3, 4, 15	(61 232)	(60 132)
Depreciation and amortization	9, 14	(2 768)	(2 648)
Other operating expenses	3, 5	(146 152)	(114 182)
Total operating expenses		**(210 152)**	**(176 962)**
Operating profit (loss)		**(210 152)**	**(176 962)**
Financial income	6	29 572	17 365
Financial expenses	6	(3 141)	(1 530)
Net financial items		**26 431**	**15 836**
Profit (loss) before tax		**(183 721)**	**(161 126)**
Income tax expense	7	-	-
Profit (loss) for the year		**(183 721)**	**(161 126)**
Items that subsequently may be reclassified to profit or loss:			
Other comprehensive income (loss) for the year		-	-
Total comprehensive income (loss) for the year		**(183 721)**	**(161 126)**
Basic and diluted earnings (loss) per share (NOK per share)	8	(5.3)	(4.7)

Statement of financial position Ultimovacs ASA

(NOK 1 000)	NOTES	2023	2022
ASSETS			
Non-current assets			
Investment in subsidiary	13, 18	85 512	85 512
Patents	9	5 030	5 784
Property, plant and equipment	9	114	220
Right of use assets	14	3 561	5 444
Total non-current assets		**94 216**	**96 960**
Current assets			
Receivables and prepayments	3, 10	5 097	9 424
Cash and cash equivalents	11	263 059	420 365
Total current assets		**268 157**	**429 788**
TOTAL ASSETS		**362 373**	**526 748**
EQUITY AND LIABILITIES			
Equity			
Share capital		3 441	3 440
Share premium		1 076 607	1 076 308
Total paid-in equity	12	**1 080 047**	**1 079 747**
Accumulated losses		(819 922)	(636 201)
Other equity		49 247	37 494
TOTAL EQUITY		**309 373**	**481 041**
Non-current liabilities			
Lease liability	14	1 886	3 713
Total non-current liabilities		**1 886**	**3 713**
Current liabilities			
Lease liability	14	1 827	1 767
Accounts payable		10 671	6 545
Other current liabilities	15, 16	38 615	33 681
Total current liabilities		**51 114**	**41 994**
TOTAL LIABILITIES		**53 000**	**45 707**
TOTAL EQUITY AND LIABILITIES		**362 373**	**526 748**

Board of Directors and CEO of Ultimovacs ASA

Oslo, 20 March 2024

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
Haakon Stenrød Board member		**Carlos de Sousa** CEO

Statement of cash flow Ultimovacs ASA

(NOK 1 000)	NOTES	2023	2022
Cash flow from operating activities			
Profit (loss) before tax		(183 721)	(161 126)
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization	9, 14	2 768	2 648
Interest received including investing activities	6	(14 059)	(8 887)
Net foreign exchange differences	6	(12 752)	(7 182)
Other financial expenses	14	380	105
Share option expenses	15	11 753	18 089
Working capital adjustment:			
Changes in prepayments and other receivables	10	3 243	(1 561)
Changes in payables and other current liabilities	16	4 174	(6 103)
Net cash flows from operating activities		**(188 214)**	**(164 018)**
Cash flow from investing activities			
Purchase of property, plant and equipment	9	(25)	(195)
Shareholder contribution to subsidiary	18	-	(8 000)
Interest received	6	14 059	8 887
Net cash flow from investing activities		**14 034**	**691**
Cash flow from financing activities			
Proceeds from issuance of equity	12	300	5 484
Interest paid	14	(380)	(105)
Payment of lease liability	14	(1 767)	(1 802)
Net cash flow from financing activities		**(1 847)**	**3 577**
Net change in cash and cash equivalents		(176 027)	(159 749)
Effect of change in exchange rate	6	18 721	6 858
Cash and cash equivalents, beginning of period	11	**420 365**	**573 255**
Cash and cash equivalents, end of period		**263 059**	**420 365**

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 2021		**3 422**	**1 070 841**	**1 074 263**	**(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**
Profit (loss) for the year					(183 721)		**(183 721)**
Other comprehensive income (loss)							**-**
Issue of share capital	12	1	299	**300**			**300**
Share-issue costs	12						**-**
Recognition of share-based payments	15					11 753	**11 753**
Balance as of 31 December 2023		**3 441**	**1 076 607**	**1 080 047**	**(819 922)**	**49 247**	**309 373**

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 20 March 2024.

Note 2: Accounting principles

I. Basis for preparation

The financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU. 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 2023 have been prepared under the going concern assumption. The Company has due to the negative results from its INITIUM phase II trial initiated cash preservation initiatives which will be implemented to support that the available financial resources will sustain the company into 2025.

III. Accounting principles

i. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and 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. Cash flows from share issues are recognized as cash flows from financing activities.

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.

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.

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.

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 15 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 carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. Acquisition cost includes expenditures that are directly attributable to the acquisition of the individual item. Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the asset. If significant individual parts of the assets have different useful lives, they are recognised and depreciated separately. Depreciation commences when the assets are ready for their intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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.

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)	2023	2022
Skattefunn	2 047	4 750
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	-	594
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	3 088	4 194
Innovation Norway	5 073	-
Total grants	**10 207**	**9 538**

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)	2023	2022
Payroll and payroll related expenses	1 544	1 822
Other operating expenses	8 663	7 717
Total costs deducted	**10 207**	**9 538**

Grants receivable as per 31 December are detailed as follows:

GRANTS RECEIVABLES (NOK 1 000)	2023	2022
Skattefunn	2 047	4 750
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	-	198
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	952	42
Total grants receivables	**2 998**	**4 990**

Skattefunn:
The Skattefunn R&D tax incentive scheme is a government program designed to stimulate research and development in Norwegian. Two Skattefunn-projects are ongoing, where one will report in 2024 and one in 2025.

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. In 2020, Innovation Norway granted Ultimovacs up to MNOK 10 to support the execution of the Phase II DOVACC study. The project was concluded in December 2023, where the total grant from Innovation Norway amounted to MNOK 8.1.

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)	2023	2022
Salaries and holiday pay	37 045	32 773
Social security tax	6 593	7 230
Social security tax related to options	4 835	1 479
Pension expenses	2 167	1 686
Share-based compensation	11 753	18 089
Other personnel expenses	383	697
Government grants	(1 544)	(1 822)
Total payroll and payroll related expenses	**61 232**	**60 132**
Number of FTEs employed during the financial year	20.0	19.0
Number of FTEs at end of year	21.0	20.0

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. The amount in the table below is for the eight employees in Ultimovacs ASA.

EXECUTIVE REMUNERATION (NOK 1 000)	2023	2022
Management Team remuneration	28 208	31 434
Short term employee benefits	20 972	19 594
Share option (IFRS cost)	7 235	11 840
Board of Director's remunerations*	2 230	1 855

* Note that the table above shows the accumulated board remuneration for each respective year, which will be paid the following year.

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 2022 or as of 31 December 2023.

Please refer to the Remuneration Report 2023 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 2023, all twenty-one 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 1.7 and MNOK 2.2 in 2022 and 2023 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 Company 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 Company with respect to termination of their employment.

Other benefits received
There is no bonus scheme in the Company, 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 2023 has been in accordance with the Remuneration Guidelines for 2023. Please refer to Remuneration Guidelines 2023 and Remuneration Report 2023, 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)	2023	2022
External R&D expenses	127 011	95 057
Clinical studies	70 710	64 864
Manufacturing costs	39 256	19 899
Other R&D expenses	17 045	10 293
Patent related expenses	5 609	2 728
Rent, office and IT	4 260	3 743
Accounting, audit, legal, consulting	13 318	15 773
Other operating expenses	4 617	4 597
Less government grants	(8 663)	(7 717)
Total operating expenses	**146 152**	**114 182**

Total expenses related to R&D, including other operating expenses, payroll and payroll related expenses, less government grants, amounted to MNOK 121.0 in 2022 and MNOK 158.6 in 2023.

SPECIFICATION AUDITOR'S FEE (NOK 1 000)	2023	2022
Statutory audit	392	404
Audit related services	46	40
Tax related services	21	10
Other	18	3
Total auditor's fee	**477**	**456**

VAT is not included in the fees specified above.

Note 6: Financial items

FINANCIAL INCOME (NOK 1 000)	2023	2022
Foreign exchange gains - related to derivatives	12 741	5 053
Foreign exchange gains - related to EUR bank account	1 800	2 087
Foreign exchange gains - other	972	1 329
Interest income	14 059	8 897
Total financial income	**29 572**	**17 365**

FINANCIAL EXPENSES (NOK 1 000)	2023	2022
Foreign exchange losses - related to derivatives	-	-
Foreign exchange losses - related to EUR bank account	-	-
Foreign exchange losses - other	2 761	1 286
Other financial expenses	380	243
Total financial expenses	**3 141**	**1 530**

Note 7: Income tax

TAX EXPENSE BASIS (NOK 1 000)	2023	2022
Profit (loss) before tax	(183 721)	(161 126)
Net non-taxable income	(2 098)	(4 760)
Other items	11 753	18 089
Change in temporary differences	10 901	1 051
Basis for tax calculation	**(163 165)**	**(146 746)**

INCOME TAX EXPENSE (NOK 1 000)	2023	2022
Expected tax expense	(40 419)	(35 448)
Net non-taxable income	(462)	(1 047)
Other items	2 586	3 980
Change in deferred tax assets not recognized	38 294	32 515
Effect from changes in tax rate	-	-
Income tax expense	**-**	**-**

The corporate tax rate in Norway was 22% in 2022 and 2023.

DEFERRED TAX ASSETS (NOK 1 000)	2023	2022
Tax losses carried forward	838 919	675 754
Temporary differences - financial instruments	4 886	(1 083)
Temporary differences - leasing liability	153	37
Temporary differences - social security on options	18 323	13 488
Temporary differences - PP&E	220	238
Temporary differences and tax loss carry forward	**862 500**	**688 435**
Deferred tax assets - not recognized in statement of financial position	**189 750**	**151 456**
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 2022 was MNOK 688.4, and MNOK 862.5 as per 31 December 2023.

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 Company 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 Company 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	2023	2022
Profit (loss) for the year (NOK 1 000)	(183 721)	(161 126)
Average number of outstanding shares during the year (1 000)	34 398	34 247
EPS - basic and diluted (NOK per share)	**(5.3)**	**(4.7)**

A share option program was introduced in June 2019 and at the ordinary General Assembly held on 20 April 2023, the Board was authorized until the next ordinary General Assembly in 2024 to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 343,964.6. A total of 2,289,285 share options are outstanding as per 31 December 2023, corresponding to 6.65% 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 2023 (NOK 1 000)	OFFICE AND LAB EQUIPM.	PATENTS	TOTAL
Accumulated cost as of 1 January 2023	**2 344**	**9 000**	**11 344**
Additions	25	-	**25**
Cost as of 31 December 2023	**2 368**	**9 000**	**11 368**
Accumulated depreciation and amortization as of 1 January 2023	(2 124)	(3 215)	**(5 339)**
Depreciations in the year	(130)	(754)	**(885)**
Accumulated depreciation and amortization as of 31 December 2023	**(2 255)**	**(3 970)**	**(6 224)**
Carrying value as of 31 December 2023	**114**	**5 030**	**5 144**

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**
Economic Life	3 years	15 years	
Depreciation method	linear	linear	

Patents
In 2015, the Company acquired all rights to the patents and technology from Inven2 AS, which is one of the Company'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 Company 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)	2023	2022
Government grants receivables (ref note 3)	2 998	4 990
Prepayments	1 463	2 916
Fair value of currency contracts	-	1 083
Other receivables	636	435
Total other receivables	**5 097**	**9 424**

Note 11: Cash and cash equivalents

CASH AND CASH EQUIVALENTS (NOK 1 000)	2023	2022
Employee withholding tax	1 697	1 818
Cash at bank	261 362	418 547
Cash and cash equivalents	**263 059**	**420 365**

As of 31 December 2023, cash and cash equivalents amounted to MNOK 263.1, of which MNOK 2.4 (MEUR 0.2) on an EUR account.

Note 12: Share capital, shareholder information and dividend

The share capital as of 31 December 2023 was NOK 3,440,606.1, with 34,406,061 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 6,000 shareholders as of 31 December 2023, 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 2022 and 2023 as follows:

CHANGES TO SHARE CAPITAL	SHARE CAPITAL NUMBER OF SHARES	SHARE CAPITAL (NOK)
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**
Issuance of ordinary shares	9 600	960
31 December 2023	**34 406 061**	**3 440 606.1**

In November 2023, a total of 9,600 options, granted under Ultimovacs' option program, were exercised. Subsequently, the Company's share capital was increased by NOK 960 by issuing 9,600 new shares, each share of par value NOK 0.10.

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.

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

THE 20 MAIN SHAREHOLDERS AS OF 31 DECEMBER 2023	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 %
Radforsk Investeringsstiftelse	1 519 263	4.4 %
Langøya Invest AS	1 396 006	4.1 %
Inven2 AS	1 372 163	4.0 %
Helene Sundt AS	965 802	2.8 %
CGS Holding AS	882 132	2.6 %
Sundt AS	803 321	2.3 %
Stavanger Forvaltning AS	583 416	1.7 %
Danske Invest Norge Vekst	563 525	1.6 %
Prieta AS	533 988	1.6 %
Verdipapirfondet Nordea Avkastning	414 990	1.2 %
Myrlid AS	400 000	1.2 %
Folketrygdfondet	343 465	1.0 %
SEB Prime Solutions Sissener Canopus	300 000	0.9 %
Wiarom AS	250 000	0.7 %
Gade, Leif Johan	240 000	0.7 %
Verdipapirfondet Nordea Kapital	233 090	0.7 %
Jakob Hatteland Holding AS	211 110	0.6 %
20 Largest shareholders	**21 994 669**	**63.9%**
Other shareholders	12 411 392	36.1%
Total	**34 406 061**	**100.0%**

As of 31 December 2023, five members of the Management team in the Company held a total of 164,654 ordinary shares in Ultimovacs.

NUMBER OF SHARES HELD BY MANAGEMENT AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2023	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	15 406
Hans Vassgård Eid - through Snøtind AS	CFO	57 200
Audun Tornes - through Aeolus AS	CTO	87 500
Antonius Berkien - through nominee account	CBO	1 088
Anne Worsøe - through Waverly AS	Head of IR	3 460
Ketil Fjerdingen - through Langøya Invest AS	Board member	1 396 006
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 Management and the Board of Directors		**1 696 100**

As of 31 December 2023, Carlos de Sousa and closely related parties hold in total 23,056 shares in Ultimovacs ASA.

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 Company held a total of 163,066 ordinary shares in Ultimovacs.

NUMBER OF SHARES HELD BY MANAGEMENT AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2022	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	14 906
Hans Vassgård Eid - through Snøtind AS	CFO	57 200
Audun Tornes - through Aeolus AS	CTO	87 500
Anne Worsøe - through Waverly AS	Head of IR	3 460
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 Management and the Board of Directors		**1 687 512**

As of 31 December 2022, Carlos de Sousa and closely related parties hold in total 21,556 shares in Ultimovacs ASA.

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 2.9 in 2022 and MNOK 2.8 in 2023 respectively (incl. VAT). As per 31 December 2023, 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 2022, Ultimovacs ASA contributed with a total of MNOK 8.0 in unconditional shareholder contributions to Ultimovacs AB, and MNOK 0.0 in 2023.

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 2023, MNOK 12.1 was invoiced from Ultimovacs AB to Ultimovacs ASA, and MNOK 9.9 in 2022.

Note 14: Leases and commitments

RIGHT-OF-USE ASSETS 2023 (NOK 1 000)	CARS	OFFICE	TOTAL
Right-of-use assets as per 1 January 2023	1 270	4 174	**5 444**
Depreciation costs during the year	(492)	(1 391)	**(1 883)**
Extension options exercised / additions	-	-	**-**
Balance sheet value as per 31 December 2023	**778**	**2 783**	**3 561**

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**

LEASE LIABILITIES (NOK 1 000)	2023	2022
Lease liability as per 1 January	**5 481**	**2 084**
Additions	-	5 199
Cash payments for the principal portion of the lease liability	(1 767)	(1 802)
Cash payments for the interest portion of the lease liability	(380)	(105)
Interest expense on lease liabilities	380	105
Lease liability as per 31 December	**3 713**	**5 481**
Current	1 827	1 767
Non-current	1 886	3 713

LEASE EXPENSES (NOK 1 000)	2023	2022
Depreciation expense of right-of-use assets	1 883	1 705
Interest expense on lease liabilities	380	105
Expense relating to short-term leases (incl. in Other operating expenses)	679	642
Expense relating to low-value assets (incl. in Other operating expenses)	11	11
Total amount recognized in profit or loss	**2 953**	**2 463**

The right-of-use assets comprise a rental agreement for office premises in Oslo with 2 years left of the rental contract as of 31 December 2023, and four car-leasing contracts. The weighted average discount rate applied is 8.3% as per 31 December 2023.

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 2.5 in FY22 and MNOK 3.0 in FY23.

NON-DISCOUNTED LEASE LIABILITIES EXPIRING WITHIN THE FOLLOWING PERIODS FROM THE BALANCE SHEET DATE (NOK 1 000)	2023	2022
Within 1 year	2 058	2 147
1 to 2 years	1 862	2 058
2 to 3 years	112	1 862
3 to 4 years	-	112
4 to 5 years	-	-
Over 5 years	-	-
Sum	**4 032**	**6 179**

Note 15: Share based payment

Share option program
The equity-settled share option program which was introduced in June 2019 is groupwide and includes all employees in the Group. At the Annual General Meeting held on 20 April 2023, the Board was authorized to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 343,964.6. The authorization is valid until the next ordinary General Meeting in 2024.

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, with the exception that 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 was NOK 31.25 for the options granted in 2019, NOK 39.15 for the options granted in 2020, NOK 61.99 for the options granted in 2021, NOK 83.46 for the options granted in 2022 and NOK 128.61 for the options granted in 2023.

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 FY 2022 in accordance with IFRS 2.

After the distribution of 160,000 new options on 21 April 2023, and the exercise of 9,600 shares during 2023, a total of 2,289,285 share options are granted per 31 December 2023, corresponding to 6.65% of the outstanding number of shares in the Company.

MOVEMENTS OF OPTIONS DURING 2023	NUMBER OF INSTRUMENTS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at 1 January	**2 138 885**	**54.55**
Granted during the year	160 000	128.61
Terminated during the year	-	-
Exercised during the year*	(9 600)	31.25
Expired during the year	-	-
Outstanding at 31 December	**2 289 285**	**59.82**
Vested options during the year	618 427	53.29

* The weighted average market price for the options exercised in 2023 was NOK 93.20.

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

* The weighted average market price for the options exercised in 2022 was NOK 90.28.

OUTSTANDING INSTRUMENTS OVERVIEW AT YEAR END	2023	2022
Number of instruments	2 289 285	2 138 885
Weighted Average Exercise Price (NOK)	59.82	54.55
Vested/Exercisable instruments as of 31 December	1 469 281	860 454
Weighted Average Exercise Price on vested instruments (NOK)	46.10	40.76
Weighted Average remaining contractual life (years)	4.13	4.96

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 2022 and 2023 have been calculated using a Black Scholes model with the following assumptions:

FAIR VALUE PRICING ASSUMPTIONS	2023	2022
Instrument	Option	Option
Quantity as of 31 December	160 000	480 000
Contractual life*	7.00	7.00
Exercise price*	128.61	83.46
Share price*	130.00	81.60
Expected lifetime*	3.25	3.25
Volatility*	58.21%	59.60%
Interest rate*	3.290%	2.2451%
Dividend*	-	-
Fair value per instrument*	56.02	34.46
Vesting conditions		Service condition

*Weighted average parameters at grant of instrument

The total IFRS cost recognized for the option program was MNOK 18.1 in FY22 and MNOK 11.8 in FY23. The total social security provision recognized was MNOK 2.0 in FY22 and MNOK 4.8 in FY23. The total social security provision as per 31 December 2023 was MNOK 18.3.

Note 15: Share based payment (continued)

NUMBER OF OPTIONS HELD BY MANAGEMENT TEAM	POSITION	2023	2022
Carlos de Sousa	Chief Executive Officer	425 535	416 035
Hans Vassgård Eid	Chief Financial Officer	234 000	224 500
Jens Egil Torbjørn Bjørheim	Chief Medical Officer	224 500	215 000
Audun Tornes	Chief Technology Officer	147 000	137 500
Gudrun Trøite	Head of Project Coordination	106 314	96 814
Ingunn Hagen Westgaard	Head of Research	120 895	111 395
Øivind Foss	Head of Clinical Operations	114 000	104 500
Ton Berkien (employed in Ultimovacs AB)	Chief Business Officer	115 500	106 000
Anne Worsøe	Head of IR and Communication	32 000	22 500
Orla Mc Callion (employed in Ultimovacs AB)	Head of Regulatory Affairs and QA	47 500	38 000
Total allocated share options to Management Team		**1 567 244**	**1 472 244**

Note 16: Other current liabilities

OTHER CURRENT LIABILITIES (NOK 1 000)	2023	2022
Public duties payable	3 846	4 310
Public duties payable related to options	18 323	13 488
Holiday pay payable	3 636	3 301
Financial instruments	4 886	-
Other accrued expenses	7 925	12 582
Sum	**38 615**	**33 681**

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 AND LIABILITIES (NOK 1 000)	2023 CARRYING VALUE	2023 FAIR VALUE	2022 CARRYING VALUE	2022 FAIR VALUE
Foreign exchange forward contracts	(4 886)	(4 886)	1 083	1 083
Total financial assets and liabilities	**(4 886)**	**(4 886)**	**1 083**	**1 083**

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.

Financial risk
The most significant financial risks for the Company are financing risk, 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.

Financing risk
Adequate sources of funding may not be available when needed or may not be available on favorable terms. The Company's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those

factors may affect its efforts to arrange additional financing on satisfactory terms. The Group monitors the liquidity risk through monthly rolling consolidated forecasts for results and cash flow, and the Board of Directors works continuously to secure the business operation's need for financing. Following the negative readout from the INITIUM trial, the financing risk is higher.

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 Company's operating activities, primarily expenses in USD, EUR, SEK and GBP. During 2023 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	2023	2022
EUR	+10%	24 848	25 198
	-10%	(24 848)	(25 198)
GBP	+10%	906	572
	-10%	(906)	(572)
USD	+10%	266	1 317
	-10%	(266)	(1 317)
SEK	+10%	2 051	1 402
	-10%	(2 051)	(1 402)

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	2023	2022
Bank deposits	+2%	6 762	9 646
	-2%	(6 762)	(9 646)
	+5%	16 905	24 115
	-5%	(16 905)	(24 115)

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 2023. The Company has however due to the negative results from its INITIUM phase II trial initiated cash preservation initiatives which will be implemented to support that the available financial resources will sustain the company into 2025. The Board of Directors and Management closely monitor 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 2023, Ultimovacs AS has contributed with a total of MNOK 32.5 in unconditional shareholder contributions to Ultimovacs AB.

The impairment test performed as of 31 December 2023 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)	2023	2022
Investment in subsidiary as at 01 January	**85 512**	**77 512**
Unconditional shareholder contribution to Ultimovacs AB	-	8 000
Investment in subsidiary as at 31 December	**85 512**	**85 512**

Note 19: Events after the balance sheet date

In March 2024, Ultimovacs announced topline results from INITIUM study evaluating UV1 in Patients with Malignant Melanoma. The trial did not meet the primary endpoint of prolonging progression-free survival (PFS), and the evaluation of secondary endpoints did not show a difference in overall survival and objective response rate between the treatment and control arms. The Group has therefore initiated cash preservation initiatives which will be implemented to support that the available financial resources will sustain the company into 2025.

Statsautoriserte revisorer
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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 2023, the 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 material accounting policy information.

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 2023 and their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group 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 nine 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 2023. 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 the 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.

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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 and the statement on corporate social responsibility contain the information required by applicable 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 contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

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

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continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves 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-2023-12-31-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

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Engagements (ISAE) 3000 – “Assurance engagements other than audits or reviews of historical financial information”. The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in 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, 20 March 2024
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.*
Universal target	*A cancer target relevant across individual tumors within the same patient, across patients with the same tumor type, and across patients with different tumor types.*
Shared antigen	*An antigen (target for the immune system) relevant across different patients with the same tumor type.*
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.*
HLA	*Human leukocyte antigens (HLA) are molecules on the surface of cells that present peptide antigens to T cells allowing them to distinguish healthy cells from cancerous or infected cells.*
Immune response	*The activity of the immune system against foreign substances (antigens).*
Investigational New Drug (IND)	*The United States Food and Drug Administration's Investigational New Drug (IND) program is the means by which a pharmaceutical company obtains permission to start human clinical trials and to ship an experimental drug across state lines (usually to clinical investigators) before a marketing application for the drug has been approved. Similar procedures are followed in the European Union, Japan, and Canada.*
CTLA-4	*A protein found on T cells (a type of immune cell) that helps balance a normal immune response. The balance is needed to avoid collateral damage to 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.)*
mOS	*Median overall survival means (The length of time during and after the treatment of a disease, such as cancer, that half of the patients in a group of patients diagnosed with the disease are still alive.)*
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	*The development of malignant growths at a distance from a primary site of cancer.*
Metastatic 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.*

OUR MISSION

To extend and improve the life of patients by directing the immune system against the core of cancer

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