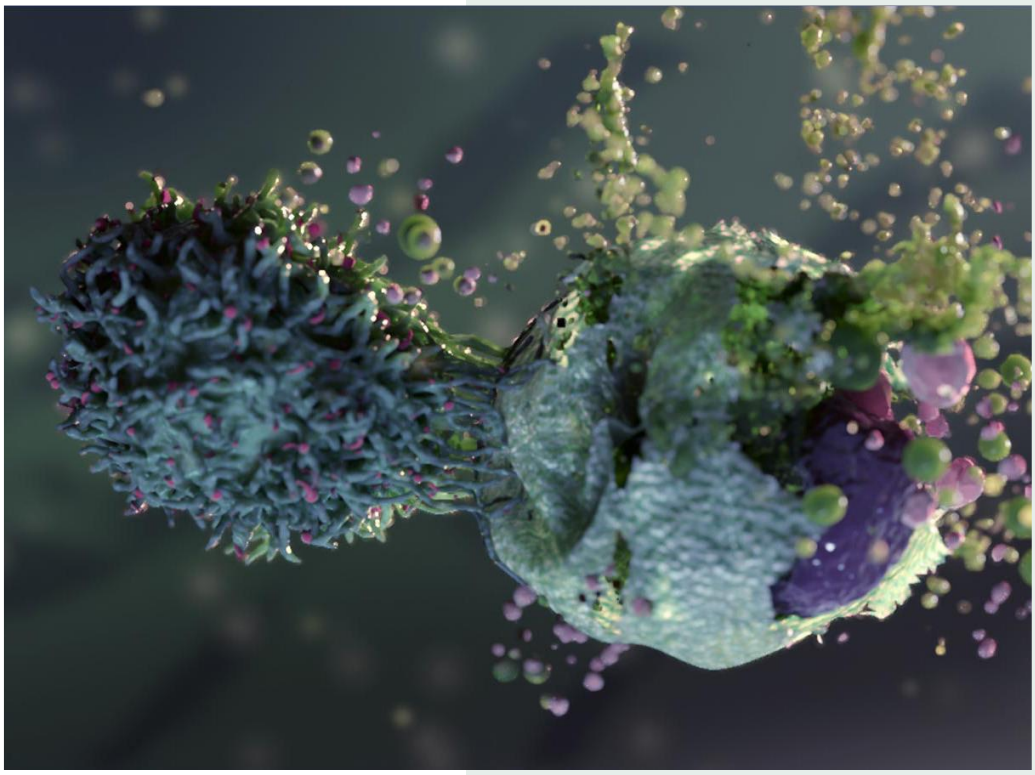
2021

First quarter report

Ultimovacs ASA



ultimovacs

First Quarter 2021

Operational

- In the **INITIUM** trial, 40 patients have been enrolled as per the reporting date as compared to 24 patients reported in the previous quarterly report. INITIUM is a randomized, multi-center Phase II trial evaluating UV1 in combination with ipilimumab and nivolumab as first-line treatment for patients with metastatic malignant melanoma.
- In the **NIPU** trial, 29 patients have been enrolled as per the reporting date compared to 18 patients reported in the previous quarterly report. NIPU is a randomized, multi-center Phase II trial in which UV1 is being investigated in combination with ipilimumab and nivolumab as a second-line treatment in mesothelioma.
- As a natural consequence of the COVID-19 pandemic, the activation of hospitals is progressing slower than initially planned in both the INITIUM and NIPU trials. The Company continues to implement activities to minimize the impact on patient recruitment. The effect of the pandemic on the biotech industry and the general ability to conduct clinical trials is still uncertain and dependent on the speed of return to a more normal situation.
- Ultimovacs provided details on the **DOVACC** trial in January 2021. Ultimovacs will participate in this randomized Phase II collaboration study, together with the Nordic Society of Gynaecological Oncology – Clinical Trial Unit (NSGO-CTU), the European Network of Gynaecological Oncological Trial Groups (ENGOT) and AstraZeneca, to evaluate Ultimovacs' proprietary universal cancer vaccine, UV1, in combination with AstraZeneca's durvalumab and olaparib in patients with relapsed ovarian cancer. The trial will include 184 patients in approximately 10 European countries at more than 40 sites. *(Announced in Q4-20 report)*
- Preparations are ongoing for the initiation of the **DOVACC** and **FOCUS** trials, with the first patients expected to be included in both trials around mid-year 2021.
- On 18 February 2021, Ultimovacs started clinical evaluation of the novel TET-Platform, with the treatment of the first patient in the Phase I **TENDU** study investigating a prostate cancer-specific therapeutic vaccine. The first cohort of three patients has been enrolled as per the reporting date.
- On 28 April 2021, Ultimovacs announced that an abstract on the Company's Phase I trial evaluating its universal cancer vaccine, UV1, in combination with the checkpoint inhibitor pembrolizumab in patients with metastatic malignant melanoma has been accepted for a poster presentation at the American Society of Clinical Oncology (ASCO) 2021 Annual Meeting to be held virtually from 4 to 8 June, 2021. *(post period event)*

Financial

- Total operating expenses amounted to MNOK 31.2 in Q1-21.
- Cash flow from operations was MNOK -29.5 in Q1-21. Total cash and cash equivalents were reduced by MNOK 28.2 during Q1-21 and amounted to MNOK 409.3 as per 31 March 2021.
- On 5 March 2021, 29,750 options, granted under Ultimovacs' option program, were exercised at a strike price of NOK 31.25 per share. Subsequently, the Company's share capital was increased in 11 March with NOK 2,975 by issuing 29,750 new shares, each share of par value NOK 0.10.
- On the basis of the approval by the General Meeting on 15 April 2021, the Board of Directors has resolved to issue share options, as part of the long-term incentive program, to all employees in the Company. A total of 600,000 options for shares in the Company have been distributed amongst the employees. The number of options granted corresponds to 1.87% of the outstanding number of shares in the Company. Following the award of the new share options, a total of 1,900,685 share options have been granted, corresponding to 5.94% of the outstanding number of shares in the Company. *(post period event)*

Key financials

NOK (000) Unaudited	Q1-21	Q1-20	FY20
Total revenues	**-**	**-**	**-**
Total operating expenses	31 215	31 259	124 146
Operating profit (loss)	**(31 215)**	**(31 259)**	**(124 146)**
Profit (loss) for the period	**(33 798)**	**(30 337)**	**(120 552)**
Diluted and undiluted earnings / (loss) per share (NOK)	(1.1)	(1.1)	(4.0)
Net increase / (decrease) in cash and cash equivalents	(28 213)	(31 479)	42 058
Cash and cash equivalents at end of period	**409 288**	**367 686**	**440 925**

CEO's corner

Executing on a Large-scale Clinical Program with Increasing Momentum

Ultimovacs kicked off 2021 as a mid-stage clinical development company, evaluating our lead program UV1 extensively across 4 Phase II clinical trials, in more than 500 patients, multiple cancer indications and with multiple partnerships with pharmaceutical and academic leaders. In January of this year, we announced further details on the DOVACC study, which will evaluate our proprietary universal cancer vaccine, UV1, in combination with AstraZeneca's durvalumab (PD-L1 inhibitor) and olaparib (PARP inhibitor) in patients with relapsed ovarian cancer. The trial is conducted in close collaboration with the Nordic Society of Gynaecological Oncology – Clinical Trial Unit, the European Network of Gynaecological Oncological Trial Groups and AstraZeneca.

We continue to actively recruit patients in the INITIUM and NIPU trials, with preparations underway for the start of enrollment for the FOCUS and DOVACC studies. Even though COVID-19 continues to place additional demands on hospital capacity and patient access, we are enrolling patients into the Phase II studies; 40 patients have been enrolled in our INITIUM trial, compared to 24 at the time of our last quarterly report, and 29 patients have been enrolled in the NIPU trial, compared to 18 as last reported. We are proud of this progression. Even during a global pandemic, we continue to activate new clinical sites, enabling cancer patient access to novel treatment options that could potentially transform their standard of care. As many countries ramp up national COVID-19 vaccination programs, we look forward to seeing enrollment rates increase. In addition, we expect to enroll the first patients in the FOCUS trial in head-and-neck cancer and in the DOVACC trial, around mid-year. We continue to see excitement within the clinical community and larger biotech industry for working with Ultimovacs as clinical studies of UV1 demonstrate the potential broad applicability of stimulating immune responses against a widely distributed tumor antigen.

Beyond UV1, we announced in February that Ultimovacs has initiated the clinical evaluation of our novel Tetanus-Epitope Targeting (TET)-platform in the Phase I TENDU study, investigating a prostate cancer-specific therapeutic vaccine. As of this reporting date, the first cohort of 3 patients has already been enrolled. The TET-platform could lead to the development of multiple therapeutic cancer vaccines, each of which may strengthen and increase T cell responses to cancer cells by targeting antigens that are specific to one cancer type or common to many. By combining cancer antigens and the vaccine adjuvant in one molecule, the unique TET-platform could generate vaccine candidates with a beneficial safety and administration profile. The TENDU first-in-human study will provide information that we can apply for the further development of our proprietary platform.

As we are progressing through the second quarter, we are looking forward to presenting a poster on our fourth and final Phase I study that evaluated UV1 at two different GM-CSF dose levels in combination with pembrolizumab in patients with metastatic malignant melanoma. The poster will be presented at the American Society of Clinical Oncology (ASCO) 2021 Annual Meeting, to be held virtually from June 4 to June 8. We will announce more details when the conference publishes the abstracts on May 19th, and as the date of the conference nears.

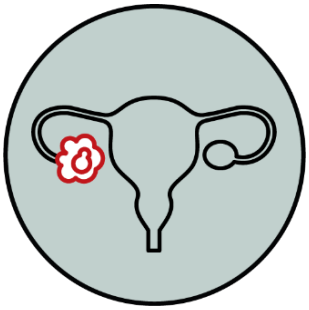
Looking back on the first quarter of 2021, we are excited to maintain our momentum and to have reached important accomplishments that should result in building further value for our shareholders. We look forward to continuing and accelerating our progress for the benefit of cancer patients.

Carlos de Sousa, Chief Executive Officer

Key Operational Highlights Q1 2021

Clinical trial update

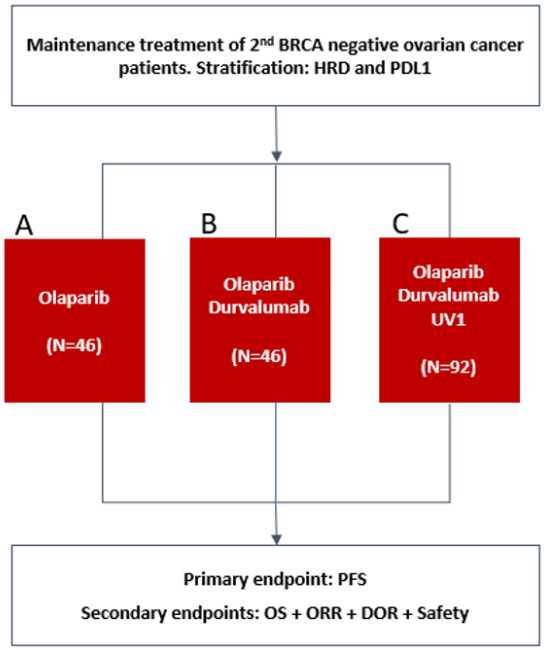
The DOVACC trial *(announced earlier in Q4-20 report)*



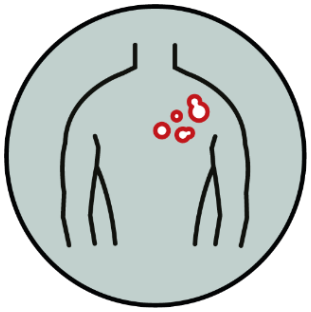
On 11 January 2021, Ultimovacs announced that the Company will be participating in the randomized Phase II DOVACC collaboration trial with the Nordic Society of Gynaecological Oncology – Clinical Trial Unit (NSGO-CTU), the European Network of Gynaecological Oncological Trial Groups (ENGOT) and AstraZeneca, to evaluate Ultimovacs' proprietary universal cancer vaccine, UV1, in combination with AstraZeneca's durvalumab and olaparib in patients with relapsed ovarian cancer.

DOVACC (**D**urvalumab **O**laparib **VACC**ine) is a multi-center, multinational, randomized Phase II clinical trial sponsored by the NSGO, the leading gynaecological oncology research society in the Nordic and Baltic regions. The trial is designed to evaluate Ultimovacs' proprietary UV1 cancer vaccine in combination with AstraZeneca's durvalumab, a PD-L1 checkpoint inhibitor and its PARP inhibitor, olaparib, the maintenance therapy for BRCA-mutated, advanced ovarian cancer. The trial will be conducted at more than 40 hospitals in as many as 10 European countries. The Company expects to treat the first patient around mid-year 2021. Topline data on the primary endpoint is expected in 2023.

The second-line maintenance study will enroll patients with high-grade BRCA-negative ovarian cancer after partial or complete response following the second round of chemotherapy. The study includes three arms treating a total of 184 patients. The first arm will enroll 46 patients receiving the PARP inhibitor olaparib. The 46 patients enrolled in the second arm will receive olaparib and the checkpoint inhibitor durvalumab. The third arm will include 92 patients that will receive Ultimovacs' UV1 vaccine in combination with both AstraZeneca drugs. The primary endpoint is progression-free survival (PFS) in the treatment arm with PARP inhibitor olaparib monotherapy, versus PFS in the triple combination treatment arm. Under the terms of the collaboration, Ultimovacs will provide its UV1 vaccine and AstraZeneca will provide the PD-L1 and PARP inhibitors for the study.



The INITIUM trial



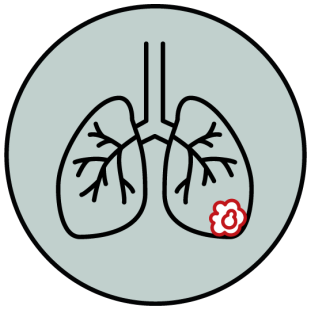
The first INITIUM patient was treated at the Oslo University Hospital in June 2020. As per reporting date, 40 patients have been enrolled, as compared to 24 patients reported in the previous quarterly report. In total, approximately 40 sites are planned to be opened for this trial.

INITIUM is an Ultimovacs-sponsored randomized Phase II trial for first-line treatment of patients with metastatic malignant melanoma. Patients will be administered UV1 in combination with ipilimumab (CTLA-4 checkpoint inhibitor) and nivolumab (PD-1 checkpoint inhibitor). The trial will be run in the US and Europe, including Norway. In total, 154 patients will be enrolled, 77 patients will receive nivolumab and ipilimumab and the other 77 patients will receive nivolumab, ipilimumab and UV1. Planned readout of the primary endpoint of progression-free survival is H2-2022. Dr. Karl Lewis, University of Colorado Hospital, has been appointed as International Coordinating Investigator of the INITIUM trial.

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

Sargramostim (Leukine) is used as a vaccine adjuvant for UV1 in Ultimovacs clinical studies. Ultimovacs purchases Leukine from the US manufacturer and distributes it to hospitals together with UV1. During Q1-21, Ultimovacs was informed by the Leukine manufacturer that one batch of Leukine used in the ongoing INITIUM and NIPU clinical studies had an “out of specification” analysis result during stability testing. The results were evaluated by all relevant regulatory authorities, and continued use of Leukine in the ongoing clinical studies was approved. There has been no significant impact on the conduct of the clinical trials.

The NIPU trial



The first patient in the NIPU trial was treated at the Oslo University Hospital (OUS) in June 2020 and a total of 29 patients have been enrolled as of this reporting date compared to 18 patients reported in the previous quarterly report. The study is planned to be conducted at seven hospitals in five countries (Norway, Sweden, Denmark, Spain and Australia).

NIPU is a randomized, multi-center Phase II trial in which the universal cancer vaccine, UV1, will be evaluated in combination with the checkpoint inhibitors ipilimumab and nivolumab as second-line treatment in mesothelioma. Oslo University Hospital is the sponsor of the NIPU study. Bristol-Myers Squibb and Ultimovacs have entered into agreements with OUS to support the preparations and execution of the trial. A total of 118 patients will be included in the NIPU study. Half of the patients will be treated with the combination of UV1, ipilimumab (CTLA-4 checkpoint inhibitor) and nivolumab (PD-1 checkpoint inhibitor), whereas the other half will receive nivolumab and ipilimumab only.

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

MPM is a rare malignant tumor originating from the cells lining the mesothelial surface in the lungs. MPM is the most common type of mesothelioma and is a disease with a high unmet medical need with a median overall survival of approximately 1 year. It is a fatal form of thoracic cancer that is diagnosed in more than 30,000 people globally, every year. MPM also results in the death of over 25,000 people per year. Most patients are treated with palliative chemotherapy. Patients with disease progression after first-line therapy have few therapeutic options. Asbestos exposure is closely linked to the development of the disease. It may take 10 - 50 years for symptoms of mesothelioma to manifest after initial asbestos exposure. Even though the use of asbestos is largely banned today, new incidences of mesothelioma will continue to be a medical challenge for decades.

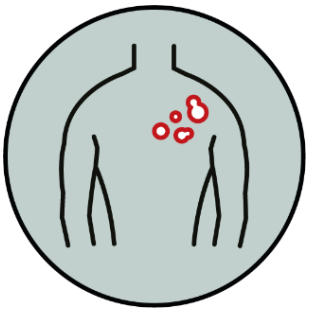
The FOCUS trial

The FOCUS trial (**F**irst-line metastatic **O**r recurrent HNSCC/**C**heckpoint inhibitor **U**V1 **S**tudy) is an investigator-sponsored, randomized Phase II clinical trial that will recruit patients with recurrent or metastatic PD-L1 positive head and neck squamous cell carcinoma. The trial will be conducted at 10 sites across Germany and led by principal investigator Prof. Mascha Binder, M.D., Medical Director and Head of the Immunological Tumor Group at University Medicine Halle, Germany, who is a renowned oncology clinician and researcher specializing in the analysis of immuno-oncology treatments and their interaction with tumor tissues.

The trial will evaluate the addition of UV1 to a standard of care treatment with PD-1 checkpoint inhibitor pembrolizumab as compared to pembrolizumab monotherapy. A total of 75 patients indicated for treatment with pembrolizumab will be enrolled in the FOCUS study, randomized 2-to-1 so that 50 patients will receive UV1 and pembrolizumab and 25 patients will receive pembrolizumab alone. The primary endpoint of the study is the progression-free survival rate at 6 months. The Company expects to treat the first patient around mid-year 2021. Top line data on the primary endpoint is expected in 2023.

“Head and neck cancer” is the term used to describe a number of different malignant tumors that develop in or around the throat, larynx, nose, sinuses, and mouth. Globally, head and neck cancer accounts for 650,000 new cases of cancer and 330,000 deaths annually on average. In 2018, it was the seventh most common cancer worldwide with 890,000 new cases documented and 450,000 dying from the disease. The usual age at diagnosis is between 55 and 65 years old, and the average 5-year survival following diagnosis in the developed world is 42-64%.

Ongoing Phase I trial in malignant melanoma



This US-based Phase I clinical trial is evaluating the Company's lead candidate, UV1, in combination with the PD-1 checkpoint inhibitor, pembrolizumab, as a first-line treatment in patients with metastatic malignant melanoma. All twenty of the initially planned patients were successfully enrolled by September 2019. A group of ten additional patients was included to investigate an increased dosage of the adjuvant GM-CSF. Enrollment of these ten patients in the second cohort was completed in August 2020.

As per the cut-off date of September 30, 2020, all patients in the first cohort reached at least 12-months of follow-up post treatment with UV1 and pembrolizumab. At the one-year landmark, the overall survival (OS) rate was 85%. Median Progression-Free Survival (mPFS) was not reached at 12 months, indicating that more than half of the participating patients did not demonstrate disease progression.

The Phase I trial in malignant melanoma is evaluating the safety, tolerability and initial signs of clinical response in patients treated with UV1 in combination with pembrolizumab. The 20 patients in the first cohort had no prior treatment history and received a 37.5 µg GM-CSF adjuvant dose per UV1 vaccination, combined to strengthen the ability of UV1 to stimulate the immune system. The 10 patients in the second cohort have received the standard 75 µg GM-CSF adjuvant dose per UV1 vaccination.

To date, no unexpected safety issues related to UV1 have been observed in this trial.

During the fourth quarter of 2021, two-year of follow-up data from the first cohort and one-year data from the second cohort will be reported.

Follow-up trials

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

Completed Phase I trials in follow-up

	Overall Survival (OS)[1]					Median OS	mPFS[2]
Clinical trial[4]	Year 1	Year 2	Year 3	Year 4	Year 5	(months)	(months)
Prostate (n=22)	95 %	86 %	73 %	55 %	50 %	61.8	n.a.[3]
NSCLC (n=18)	72 %	50 %	44 %	39 %	33 %	28.2	10.7
Malignant Melanoma (n=12)	75 %	75 %	67 %	50 %	50 %	Will be > 54 months	6.7

1. Note that some patients have received other treatments upon progression and this is likely to affect survival
2. Median Progression-Free Survival
3. PFS (Progression-Free Survival) not possible to measure in the prostate cancer trial. Instead, patients are followed on PSA measurements. As of today, 8 patients have normalized PSA levels. (For definition of PSA, please see Glossary at the end of this report)
4. Prostate: (EudraCT No. 2012-002411-26) NSCLC: (EudraCT No. 2012-001852-20) MM: (EudraCT No. 2013-005582-39)

The TET-platform and the TENDU clinical trial

In addition to its universal vaccine, UV1, Ultimovacs is developing novel vaccine products based on the patent-protected Tetanus-Epitope Targeting (TET)-platform. The TET-platform offers a promising approach to strengthen and increase T cell responses against cancer-specific peptides by combining antigens and the vaccine adjuvant in the same molecule, allowing for a beneficial safety profile and simplifying administration. The platform generates new, first-in-class cancer vaccine candidates that harness the pre-existing antibody response against tetanus resulting from standard tetanus vaccination. These vaccine candidates can be tailored to many types of cancer as well as infectious diseases.

Ultimovacs has started a Phase I trial to test the TET technology in patients, with the main objective to assess the safety of the TET technology. In this first study, named **TENDU**, the TET technology is applied together with prostate-cancer-specific antigens. The first patient was treated in February 2021, representing the start of clinical evaluation for the Company's (TET)-platform. The first cohort of three patients has been enrolled as per the reporting date. The TENDU trial is conducted at Oslo University Hospital, and in total 9-12 patients will be enrolled in the trial. This Phase I trial will provide valuable safety and immune activation data that will support the further development of new vaccine solutions based on the TET technology.

Pending confirmation of the safety of the TET technology and results from ongoing and further preclinical development of the TET platform, the Company’s ambition is to identify new cancer vaccine candidates to move into clinical development. Ultimovacs is currently performing preclinical studies on the TET technology to develop an improved core molecule for future vaccines. Furthermore, Ultimovacs is in the process of developing an improved manufacturing process based on the new core molecule which will enable new vaccine candidates to move into clinical development. The TENDU project provides an opportunity to do early testing of the safety and immune activation of the TET technology while Ultimovacs continues to optimize the core TET molecule and production process. The outcome of all these activities will support the decision of which drug candidates to move into clinical development in the future.

Publications and presentations

On 28 January 2021, the lead investigator of the Company's NIPU Phase II clinical trial, Åslaug Helland from Oslo University Hospital, presented a poster with an overview of the NIPU trial at the 2020 World Conference on Lung Cancer in Singapore.

On 10 April 2021, Ultimovacs presented the INITIUM Study Design as a Trial-in-Progress Poster at AACR Annual Meeting 2021, held virtually from April 9 to April 14, 2021. The poster, titled, "Nivolumab and ipilimumab +/- UV1 vaccine as 1st line treatment in patients with malignant melanoma (INITIUM-trial)", gives details on the INITIUM study, a randomized, open label study investigating the efficacy and safety of UV1 vaccination in combination with nivolumab and ipilimumab as first line treatment in histologically confirmed unresectable metastatic melanoma patients. *(post period event)*

On 28 April 2021, Ultimovacs announced that an abstract on the Company's Phase I trial evaluating its universal cancer vaccine, UV1, in combination with the checkpoint inhibitor pembrolizumab in patients with metastatic malignant melanoma has been accepted for a poster presentation at the American Society of Clinical Oncology (ASCO) 2021 Annual Meeting to be held virtually Friday, June 4, 2021 through Tuesday, June 8, 2021. The abstract, titled "A Phase I Clinical Trial Investigating the Telomerase Vaccine UV1 in Combination with Pembrolizumab in Patients with Advanced Melanoma", will provide an overview of the open-label, single-arm study investigating the safety and tolerability for the UV1/pembrolizumab combination. *(post period event)*

Organization and board

On 15 April 2021, Ultimovacs ASA held its annual general meeting. All the matters on the agenda were approved. After the annual general meeting, the composition of the Board of Directors and the Nomination Committee remains unchanged. *(post period event)*

Background

Ultimovacs (the 'Company') is a pharmaceutical company developing novel immunotherapies against cancer. The Company was established in 2011 and is listed on the Oslo Stock Exchange. The Company's proprietary technology is based on preclinical and clinical research on immunotherapies conducted at the Oslo University Hospital. Ultimovacs is located at the Oslo Cancer Cluster Innovation Park in Oslo, Norway, and is an active member of Oslo Cancer Cluster. Ultimovacs is advancing a broad clinical development program with clinical trials in Europe, Australia and the USA.

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

UV1 is being developed as a therapeutic cancer vaccine and a platform for other immuno-oncology drugs which require an ongoing T cell response for their mode of action. Longer-term, it would be attractive to investigate the use of a vaccine like UV1 in early-stage tumors.

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

Ultimovacs has an extensive development program with four phase II studies in four different indications including more than 500 patients:

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

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

Outlook

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

The fully enrolled Phase I study in malignant melanoma, evaluating UV1 in combination with pembrolizumab, is expected to provide valuable information regarding UV1's safety and GM-CSF safety and dosing. During Q3 2021, all patients in cohort 1 will have 2 years of observation time and all patients in cohort 2 will have 1 year of observation time. The data will be reported during Q4 2021 and patients will continue to be followed for safety and efficacy.

As of the first half of 2021, UV1 will be investigated in four randomized Phase II trials in four different cancer types, with Ultimovacs sponsoring of one of the trials. The four Phase II clinical trials will enroll more than 500 patients in total, representing a strong potential platform for Ultimovacs to move toward a possible registration of the universal cancer vaccine, UV1. The main study objectives are efficacy and safety data on the combination therapies. The INITIUM and NIPU trials have expected readouts for their primary endpoints during the second half of 2022. The DOVACC and FOCUS trials have expected readouts of the primary endpoints during 2023. The Company is actively monitoring the COVID-19 pandemic regarding patient enrollment in its Phase II clinical trials and continues to implement activities to minimize the impact.

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

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

Risks and uncertainties

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

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

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

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

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

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

Financial review

Financial results

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

Payroll and payroll related expenses increased in Q1-21 (MNOK 12.2) compared to the same period in 2020 (MNOK 10.0), mainly due to higher share-option costs this quarter and two additional full-time employees in this period compared to Q1-20.

Other operating expenses primarily comprise R&D related expenses. These expenses, including IP and external R&D expenses, offset by government grants, amounted to MNOK 16.0 in Q1-21, and MNOK 18.1 in Q1-20.

During Q1-21, the Company has converted MNOK 50 into EUR in order to minimize future currency fluctuation risk. In addition, the Company has entered into EUR currency future contracts of MNOK 100 at a spot rate of NOK 10.18. These future-contracts are planned to be swapped on a monthly basis until the EUR-funds are needed. Total loss related to the EUR contracts amounted to MNOK 1.6 in Q1-21, booked in financial expenses.

Total loss for the Q1-21 period amounted to MNOK 33.8, compared to MNOK 30.3 in Q1-20.

Financial position

Total assets per 31 March 2021 were MNOK 494.0, a decrease of MNOK 35.7 from 31 December 2020 primarily as a result of negative operational cashflow.

Total liabilities as of 31 March 2021 amounted to MNOK 38.7, of which MNOK 13.0 non-current. MNOK 0.9 in other current liabilities are related to the fair value of EUR future contracts.

Total equity equaled MNOK 455.3 as of 31 March 2021. In March, 29,750 options, granted under Ultimovacs' option program, were exercised at a strike price of NOK 31.25 per share. Following the exercise of the share options, the Company's Board of Directors, pursuant to an authorization granted by the Company's Annual General Meeting on 23 April 2020, decided to increase the Company's share capital with NOK 2,975 by issuing 29,750 new shares, each with a par value of NOK 0.10. Subsequent to the transaction, the Company's share capital was increased to NOK 3,200,326.1 divided into 32,003,261 shares, each with a nominal value of NOK 0.10 and each giving one vote at the Company's general meeting. The capital increase resulted in gross proceeds of MNOK 0.9. Further, total equity has since year-end 2020 been decreased by the period's operating loss and currency translation amounting to MNOK 2.5 in Q1-21, and in addition been increased by the recognition of share-based payments/stock options of MNOK 2.3.

On the basis of the approval by the General Meeting on 15 April 2021, the Board of Directors has resolved to issue share options, as part of the long-term incentive program, to all employees in the Company. A total of 600,000 options for shares in the Company have been distributed amongst the employees. The number of options granted corresponds to 1.87% of the outstanding number of shares in the Company. Following the award of the new share options, a total of 1,900,685 share options have

been granted, corresponding to 5.94% of the outstanding number of shares in the Company. *(post period event)*

Cash flow

The total net decrease in cash and cash equivalents in Q1-21 was MNOK 28.2, which is primarily related to net negative cash-flow from operations amounting to MNOK 29.5. Total cash and cash equivalents was MNOK 409.3 per 31 March 2021.

Key financials

NOK (000) Unaudited	Q1-21	Q1-20	FY20
Total revenues	**-**	**-**	**-**
Total operating expenses	31 215	31 259	124 146
Operating profit (loss)	**(31 215)**	**(31 259)**	**(124 146)**
Profit (loss) for the period	**(33 798)**	**(30 337)**	**(120 552)**
Diluted and undiluted earnings / (loss) per share (NOK)	(1.1)	(1.1)	(4.0)
Net increase / (decrease) in cash and cash equivalents	(28 213)	(31 479)	42 058
Cash and cash equivalents at end of period	**409 288**	**367 686**	**440 925**

The Board of Directors and CEO of Ultimovacs ASA

Oslo, 10 May 2021

Jónas Einarsson
Chairman of the Board

(Sign.)

Kari Grønås
Board member

(Sign.)

Eva S. Dugstad
Board member

(Sign.)

Henrik Schüssler
Board member

(Sign.)

Ketil Fjerdingen
Board member

(Sign.)

Leiv Askvig
Board member

(Sign.)

Aitana Peire
Board member

(Sign.)

Haakon Stenrød
Board member

(Sign.)

Carlos de Sousa
CEO

(Sign.)

Interim condensed consolidated statement of comprehensive income

NOK (000) Unaudited	Note	Q1-21	Q1-20	FY20
Other operating income		-	-	-
Total revenues		-	-	-
Payroll and payroll related expenses	3, 5	12 203	10 015	50 989
Depreciation and amortization		750	586	2 720
Other operating expenses	4, 5	18 263	20 658	70 438
Total operating expenses		**31 215**	**31 259**	**124 146**
Operating profit (loss)		**(31 215)**	**(31 259)**	**(124 146)**
Financial income		969	1 519	5 209
Financial expenses		3 551	597	1 616
Net financial items		**(2 582)**	**922**	**3 594**
Profit (loss) before tax		**(33 798)**	**(30 337)**	**(120 552)**
Income tax		-	-	-
Profit (loss) for the period		**(33 798)**	**(30 337)**	**(120 552)**
Other comprehensive income (loss) - Currency translation		(2 487)	4 430	4 590
Total comprehensive income (loss) for the period		**(36 284)**	**(25 907)**	**(115 962)**
Diluted and undiluted earnings/(loss) pr share (NOK)	6	(1.1)	(1.1)	(4.0)

Interim condensed consolidated statement of financial position

NOK (000) Unaudited	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS				
Goodwill		11 295	11 749	11 795
Licenses		54 829	57 033	57 258
Patents		7 105	2 778	7 293
Property, plant and equipment		276	614	377
Right to use asset	11	3 189	3 785	3 630
Total non-current assets		**76 694**	**75 959**	**80 354**
Receivables and prepayments	7	8 038	9 649	8 438
Bank deposits		409 288	367 686	440 925
Current assets		**417 326**	**377 334**	**449 363**
TOTAL ASSETS		**494 020**	**453 293**	**529 717**
EQUITY				
Share capital		3 200	2 786	3 197
Share premium		810 140	656 692	809 214
Total paid-in equity		**813 341**	**659 478**	**812 411**
Accumulated losses		(373 397)	(249 384)	(339 599)
Other equity		11 064	2 838	8 762
Translation differences		4 319	6 645	6 806
TOTAL EQUITY	6, 9	**455 328**	**419 578**	**488 380**
LIABILITIES				
Lease liability	11	1 686	2 406	2 075
Deferred tax		11 295	11 749	11 795
Non-current liabilities		**12 981**	**14 154**	**13 870**
Accounts payable		8 323	10 483	8 611
Lease liability	11	1 657	1 500	1 707
Other current liabilities		15 731	7 578	17 149
Current liabilities	8	**25 711**	**19 561**	**27 467**
TOTAL LIABILITIES		**38 692**	**33 716**	**41 337**
TOTAL EQUITY AND LIABILITIES		**494 020**	**453 293**	**529 717**

Interim condensed consolidated statement of changes in equity

NOK (000) Unaudited	Share Capital	Share Premium	Accum. losses	Other equity	Transl. differenc.	Total equity
Balance at 1 Jan 2020	**2 786**	**656 692**	**(219 047)**	**1 985**	**2 216**	**444 633**
Loss for the period	-	-	(30 337)	-	-	(30 337)
Issue of ordinary shares	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	852	-	852
Translation differences			-	-	4 430	4 430
Balance at 31 Mar 2020	**2 786**	**656 692**	**(249 384)**	**2 838**	**6 645**	**419 578**
Balance at 1 Jan 2021	**3 197**	**809 214**	**(339 599)**	**8 762**	**6 806**	**488 380**
Loss for the period	-	-	(33 798)	-	-	(33 798)
Issue of ordinary shares	3	927	-	-	-	930
Share issue costs	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	2 302	-	2 302
Translation differences	-	-	-	-	(2 487)	(2 487)
Balance at 31 Mar 2021	**3 200**	**810 140**	**(373 397)**	**11 064**	**4 319**	**455 328**

Interim condensed consolidated statement of cash flow

NOK (000) Unaudited	Q1-21	Q1-20	FY20
Loss before tax	**(33 798)**	**(30 337)**	**(120 552)**
Non-cash adjustments			
Depreciation and amortization	750	586	2 720
Interest received incl. investing activities	(850)	(1 500)	(4 545)
Net foreign exchange differences	3 366	515	747
Other finance expense	55	63	236
Share option expenses	2 302	852	6 777
Working capital adjustments:			
Changes in prepayments and other receivables	400	(1 644)	(433)
Changes in payables and other current liabilities	(1 707)	(870)	6 828
Net cash flow from operating activities	**(29 481)**	**(32 336)**	**(108 223)**
Purchase of property, plant and equipment	-	(182)	(282)
Patent milestone payment	-	-	(5 000)
Interest received	850	1 500	4 545
Net cash flow used in investing activities	**850**	**1 318**	**(736)**
Proceeds from issuance of equity	930	-	160 000
Share issue cost	-	-	(7 067)
Interest paid	-	-	-
Payment of lease liability	(512)	(461)	(1 916)
Net cash flow from financing activities	**418**	**(461)**	**151 017**
Net change in cash and cash equivalents	(28 213)	(31 479)	42 058
Effect of change in exchange rate	(3 424)	(443)	(739)
Cash and cash equivalents at beginning of period	**440 925**	**399 607**	**399 607**
Cash and cash equivalents at end of period	**409 288**	**367 686**	**440 925**

Notes

1. General information

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

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

2. Basis for preparations and accounting principles

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

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

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

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

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

These interim financial statements were approved for issue by the Board of Directors on 10 May 2021.

3. Personnel expenses

Personnel expenses

NOK (000)	Q1-21	Q1-20	FY20
Salaries and bonuses	9 311	7 670	34 612
Social security tax	642	966	9 299
Pension expenses	640	493	2 020
Share-based compensation	2 302	852	6 777
Other personnel expenses	108	32	430
Government grants	(800)	1	(2 150)
Total personnel expenses	**12 203**	**10 015**	**50 989**
Number of FTEs at end of period	21	19	19

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

4. Operating expenses

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

Operating expenses

NOK (000)	Q1-21	Q1-20	FY20
External R&D expenses	17 654	17 687	64 660
Clinical studies	7 613	14 818	47 680
Manufacturing costs	4 540	1 888	5 710
Other R&D expenses	5 501	982	11 270
IP expenses	559	402	2 949
Rent, office and infrastructure	984	618	2 786
Accounting, audit, legal, consulting	801	895	3 978
Other operating expenses	466	1 056	2 802
Government grants	(2 200)	0	(6 738)
Total other operating expenses	**18 263**	**20 658**	**70 438**

5. Government grants

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

Government grants

NOK (000)	Q1-21	Q1-20	FY20
Skattefunn from The Research Council of Norway	-	-	4 750
Eurostars	-	(2)	2 015
Innovation Norway	3 000	-	-
Other grants	-	-	2 123
Total government grants	**3 000**	**(2)**	**8 888**

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

6. Earnings per share

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

Earnings per share

NOK (000)	Q1-21	Q1-20	FY20
Loss for the period	(33 798)	(30 337)	(120 552)
Average number of shares during the period ('000)	31 983	27 860	30 260
Earnings/loss per share (NOK)	**(1.1)**	**(1.1)**	**(4.0)**

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

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

7. Current assets

Receivables and prepayments

NOK (000)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Government grants	4 750	5 434	6 941
Prepayments	1 157	832	748
Other receivables	2 131	3 383	749
Total receivables and prepayments	**8 038**	**9 649**	**8 438**

8. Current liabilities

Current liabilities

NOK (000)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Accounts payable	8 323	10 483	8 611
Public duties payable	5 135	1 644	7 253
Lease liability	1 657	1 500	1 707
Financial instruments	873	-	-
Other current liabilities	9 723	5 934	9 896
Total current liabilities	**25 711**	**19 561**	**27 467**

9. Shareholder information

The share capital as of 31 March 2021 was NOK 3,200,326.1, with 32,003,261 ordinary shares, all with equal voting rights and a nominal value of NOK 0.1 per share. Ultimovacs ASA has approximately 3,900 shareholders as of 31 March 2021 and the 20 largest shareholders as of this date are listed below:

Share register as per 31 March 2021

Shareholder	# of shares	Share-%
Gjelsten Holding AS	6 171 866	19.3 %
Canica AS	2 535 163	7.9 %
Inven2 AS	1 835 492	5.7 %
Watrium AS	1 740 575	5.4 %
Radiumhospitalets Forskningsstiftelse	1 498 913	4.7 %
Langøya Invest AS	1 349 006	4.2 %
Folketrygdfondet	1 190 000	3.7 %
Helene Sundt AS	882 132	2.8 %
CGS Holding AS	882 132	2.8 %
Sundt AS	719 650	2.2 %
Danske Invest Norge Vekst	690 000	2.2 %
Stavanger Forvaltning AS	589 000	1.8 %
Verdipapirfondet KLP Aksjenorge	580 840	1.8 %
Brow n Brothers Harriman (Lux.) SCA	524 817	1.6 %
Verdipapirfondet Nordea Avkastning	523 988	1.6 %
Prieta AS	522 113	1.6 %
JPMorgan Chase Bank, N.A., London	439 137	1.4 %
SEB Prime Solutions Sissener Canopus	400 000	1.2 %
Sw edbank AB	347 545	1.1 %
Verdipapirfondet Nordea Kapital	283 471	0.9 %
20 Largest shareholders	**23 705 840**	***74.1%***
Other shareholders	8 297 421	*25.9%*
Total	**32 003 261**	***100.0%***

On 20 January 2021, FIL Limited ('FIL') announced that the number of shares and right to shares in Ultimovacs ASA that were attributable to FIL had crossed above the threshold of 5% in Ultimovacs ASA due to purchase of shares. FIL is a privately-owned group comprising of two divisions, Fidelity International and Eight Roads.

10. Share-based payments

Share option program

A share option program was introduced in June 2019 and the Board was at the 2019 General Assembly (held 23 April 2020) authorized to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 55,000 (550,000 share options) until the next ordinary General Assembly in 2021.

The share option program is groupwide and includes all employees in the Group. A total of 557,500 options for shares in the Company were distributed amongst the employees in June 2019, and 846,885 options in June 2020. Following the issue of these share options, and the forfeit of 73,950 share options during the year, a total of 1,330,435 options were granted as per 31 March 2021, corresponding to 4.16% of the outstanding number of shares in the Company. Each option gives the right to acquire one share in the Company and is granted without consideration. Pursuant to the vesting schedule, with the exception of the 362,185 options granted to the CEO, 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 (vesting is dependent on the option holder still being employed in the Company).

The options granted to CEO, Carlos de Sousa, will vest with 33.33% one year following the grant date, 33.33% after two years, and the remaining 33.34% on the third anniversary following the grant date (vesting is dependent on the option holder still being employed in the Company).

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

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

Total allocation of options to Management Team

Name	Position	Number of options
Carlos de Sousa	Chief Executive Officer	362 185
Hans Vassgård Eid	Chief Financial Officer	118 500
Jens Egil Torbjørn Bjørheim	Chief Medical Officer	109 000
Audun Tornes	Chief Technology Officer	72 500
Gudrun Trøite	Director Regulatory Affairs and QA	72 500
Ingunn Hagen Westgaard	Head of Research	72 500
Øivind Foss	Head of Clinical Operations	72 500
Ton Berkien	Chief Business Officer	-

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 Option 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.

For valuation purposes, an expected future volatility range of 58% - 69% has been applied for the different tranches of options distributed. 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.

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

Movement of share options

	Number of share options	Weighted average strike
Outstanding at closing balance 31 December 2020	**1 330 435**	**36.28**
Granted	-	-
Exercised	29 750	31.25
Forfeited	-	-
Outstanding at closing balance 31 March 2021	**1 300 685**	**36.27**
Vested at closing balance	109 625	31.25

On 5 March 2021, 29,750 options, granted under Ultimovacs' option program, were exercised at a strike price of NOK 31.25 per share.

On the basis of the approval by the General Meeting on 15 April 2021, the Board of Directors has resolved to issue share options, as part of the long-term incentive program, to all employees in the Company. A total of 600,000 options for shares in the Company have been distributed amongst the employees. The number of options granted corresponds to 1.87% of the outstanding number of shares in the Company. Following the award of the new share options, a total of 1,900,685 share options have been granted, corresponding to 5.94% of the outstanding number of shares in the Company. The Board was at the 2020 General Assembly (held 15 April 2021) authorized to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 320,032.60 until the next ordinary General Assembly in 2022. *(post period event)*

The total IFRS cost recognized for the option program in Q1-21 is MNOK 2.3, including social security accruals of MNOK (1.2).

11. IFRS 16 – rental contracts

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

12. Events after the balance sheet date

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

Glossary

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

Telomerase	Some cells have the ability to reverse telomere shortening by expressing telomerase (hTERT), an enzyme that extends the telomeres of chromosomes. Telomerase is expressed at a high level in over 85% of human tumors. UV1 uses telomerase (hTERT) as an immune therapy target.
Tetanus	Tetanus (Norwegian: "Stivkrampe") is a serious illness contracted through exposure to the spores of the bacterium, Clostridium tetani, which live in soil, saliva, dust, and manure. The bacteria can enter the body through deep cuts, wounds or burns affecting the nervous system. The infection leads to painful muscle contractions, particularly of the jaw and neck muscle, and is commonly known as "lockjaw". Tetanus vaccination protects against the disease.
Checkpoint and PARP inhibitors	
Ipilimumab	CTLA-4 checkpoint inhibitor from BMS (Bristol-Myers Squibb)
Nivolumab	PD-1 checkpoint inhibitor from BMS (Bristol-Myers Squibb)
Pembrolizumab	PD-1 checkpoint inhibitor from Merck
Durvalumab	PD-L1 checkpoint inhibitor from AstraZeneca
Olaparib	PARP inhibitor from AstraZeneca
Clinical trial terms	
CR	Complete response (The disappearance of all signs of cancer in response to treatment. Also called complete remission.)
PR	Partial response (A decrease in the size of a tumor, or in the extent of cancer in the body, in response to treatment. Also called partial remission.)
SD	Stable disease (Cancer that is neither decreasing nor increasing in extent or severity.)
PD	Progressive disease (Cancer that is growing, spreading, or getting worse.)
ORR	Overall response rate = CR + PR
DOR	Duration of response (The length of time that a tumor continues to respond to treatment without the cancer growing or spreading.)
OS	Overall survival (The length of time from either the date of diagnosis or the start of treatment for a disease, such as cancer, that patients diagnosed with the disease are still alive. In a clinical trial, measuring the overall survival is one way to see how well a new treatment works.)
PFS	Progression-free survival (The length of time during and after the treatment of a disease, such as cancer, that a patient lives with the disease but it does not get worse. In a clinical trial, measuring the progression-free survival is one way to see how well a new treatment works.)
mPFS	Median overall survival mean (The length of time during and after the treatment of a disease, such as cancer, that half of the patients in a group of patients diagnosed with the disease are still alive.)
Medical terms	
Intradermal	In order to initiate an immune response, a vaccine must be taken up by antigen presenting cells (dendritic cells). UV1 is administered via the intradermal route, i.e., injection in the dermis, one of the layers of the skin. This layer, underneath the epidermis, is highly vascularized and contains a large number of immune cells, mainly dermal dendritic cells.

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

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About Ultimovacs

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

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

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