
Annual
Report
2021
ultimovacs

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Ultimovacs at a Glance

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

UN Sustainable development goals

TECHNOLOGY

UV1 - Universal cancer vaccine

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

TET - Technology platform

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

PIPELINE

Phase I:

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

Phase II:

- Five studies, combination with four CPIs, 650 patients to be enrolled, 100 hospitals, 15 countries
- Malignant melanoma, mesothelioma, ovarian cancer, head and neck cancer, non-small cell lung cancer
- Readouts expected from H1 2023

Discovery/Pre-clinical

Phase I:

- TENDU - prostate cancer

OTHER HIGHLIGHTS

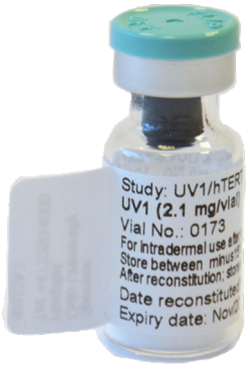
- 25 employees from 7 nationalities
- Offices in Norway & Sweden
- Listed on the Oslo Stock Exchange (OSE: ULTI)
- Total cash year-end 2021: MNOK 547
- Financial runway to first part of 2024
- Debt free
- Market cap year-end 2021: BNOK 3.9

About Ultimovacs

Ultimovacs is a pharmaceutical company developing novel immunotherapies against cancer. The Company was established in 2011 and is listed on the Oslo Stock Exchange.

Ultimovacs' ("the Company") proprietary technology is based on preclinical and clinical research on immunotherapies conducted at the Oslo University Hospital. Ultimovacs is advancing a broad clinical development program with clinical trials in Europe, Australia and the U.S.

The Company's lead product candidate is UV1, a next generation peptide-based vaccine inducing a specific T cell response against the universal cancer antigen telomerase (hTERT), expressed at a high level in 85-90% of human tumors. The vaccine's mode of action is to make the immune system produce CD4 T cells (i.e., T helper cells) that recognize cancer cells expressing telomerase. UV1 may potentially be applied universally across cancer types, in different stages of disease and in combination with different cancer treatments. The vaccine is easy to use and does not require sophisticated infrastructure in hospitals. UV1 is manufactured as an off-the-shelf product with a long shelf life. UV1 is being developed as a therapeutic cancer vaccine and a platform for other immuno-oncology drugs which require an ongoing T cell response for their mode of action. Longer-term, it would be attractive to investigate the use of a vaccine like UV1 in early-stage, adjuvant and neo-adjuvant tumors.



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

Ultimovacs has an extensive development program for UV1 with five phase II studies in five different indications including more than 650 patients:

- **INITIUM (154 patients):** Ultimovacs sponsored trial in malignant melanoma in which UV1 is combined with nivolumab and ipilimumab.
- **NIPU (118 patients):** trial in mesothelioma, UV1 in combination with nivolumab and ipilimumab. Oslo University Hospital is the sponsor of the NIPU study. Bristol-Myers Squibb and Ultimovacs have entered into agreements with OUS 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. AstraZeneca is also a collaborative partner of the investigator in this trial. UV1 is tested in combination with AstraZeneca's durvalumab and olaparib (PARP inhibitor) in patients with relapsed ovarian cancer.
- **FOCUS (75 patients):** trial in collaboration with the Immunological Tumor Group at University Medicine Halle, Germany, where UV1 will be given in combination with pembrolizumab in head and neck cancer patients.
- **LUNGVAC (138 patients):** trial in non-small cell lung cancer where UV1 will be investigated in combination with pembrolizumab. Drammen Hospital is the sponsor of the study.

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

CEO Statement: 2021 - a year to remember

2021 has been described as 'a year to forget' for the biotechnology industry. The world was exhausted from the pandemic. The financial market was challenging. For the Ultimovacs team, despite working from our home offices most of the time, 2021 was a year to remember.

Ultimovacs' mission is to extend and improve the life of patients by directing the immune system against the core of cancer. 2021 was the year we celebrated the 10-year anniversary for our company. Our lead product, UV1, is based on decades of immunotherapy research and strong scientific results from Oslo University Hospital, led by our Chief Scientific Officer, Gustav Gaudernack.

Our Phase I study (internally referred to as "UV1 - 103") of UV1 in combination with pembrolizumab, continued to report encouraging data. In May 2021, we shared with clinical and research colleagues at the annual meeting of the prestigious American Society of Clinical Oncology (ASCO) that the combination of UV1 with pembrolizumab provided a 57% objective response rate, 18.9 months median progression-free survival, and 30% complete response rate. We reinforced those findings in August with similarly data from the second cohort of patients in the trial, and in October we announced that 80% of the patients from the first cohort in that trial were still alive two years after their treatment, a significant survival rate for patients whose options are limited. Most recently, another patient's tumors have now disappeared - having previously shrunk following UV1 treatment - allowing reclassification from 'partial response' to 'complete response'. That improvement moves the complete response rate in the trial to 33%.

In response to our submission of that data and other information to drug regulators in the USA, Ultimovacs received dual FDA Fast Track designations for UV1 as add-on therapy to pembrolizumab or ipilimumab for the treatment of malignant melanoma. These designations enable us to work more closely with the FDA and they send an encouraging signal to physicians and patients involved in the ongoing INITIUM trial. Ultimovacs also received an FDA orphan drug designation for UV1 in metastatic melanoma, underlining the need for new treatments in this disease.

With the first patients recruited into the DOVACC and FOCUS studies in ovarian cancer and head-and-neck cancer, respectively, the company had four active Phase II trials of UV1. Recruitment into our established Phase II trials, INITIUM and NIPU, is progressing well despite the challenges of the pandemic. We expect to deliver topline data from these studies in the first half of 2023.

In October 2021, we announced a fifth Phase II clinical trial – LUNGVAC – to test the safety and effectiveness of UV1 combined with pembrolizumab in non-small cell lung cancer (NSCLC). NSCLC is one of the most prevalent cancers around the globe responsible for over 130,000 deaths per year in the US alone.

In 2022, we expect to complete the safety testing in the first Phase I trial, in prostate cancer, of our technology platform Tetanus-Epitope-Targeting (TET). TET is an integral part of Ultimovacs' cancer vaccine strategy in immuno-oncology, providing Ultimovacs with an innovative vaccine adjuvant technology tailored for use across a range of diseases.

In a challenging financial climate for the biotechnology industry, Ultimovacs raised NOK 270 million (gross) through an oversubscribed private placement to new and existing shareholders. This new financing extends our runway to the first part of 2024 and will enable the company to take its clinical development programs forward, including the initiation of our UV1 Phase II trial in lung cancer, the continuation of our other UV1 trials and further development of the TET adjuvant technology platform.

Ultimovacs continues to extend the boundaries of medicine in immuno-oncology, to provide treatments to an increasing number of patients who currently have limited therapeutic options. Our talented team based in Norway and Sweden now numbers 25 individuals from 7 nationalities. We will continue to perform novel research, explore new opportunities for the TET technology platform, prepare for Phase III and commercialization of UV1, and work continuously with the regulatory authorities. Our extensive Phase II clinical program across five cancer indications with severe unmet needs will enroll more than 650 patients at 100 clinics in 15 countries.

I am impressed by and proud of the ambitions, commitment, and professionalism in the Ultimovacs team, establishing a reputation as a leading and active player in immuno-oncology. 10 years of innovation and dedication have brought us here. We plan to continue to deliver and I look forward to another year of progress in our multiple projects.

Carlos de Sousa, Chief Executive Officer

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DIRECTORS' REPORT

Board of Director's overview of 2021

For Ultimovacs, 2021 was a year in which the company has been able to rise above the challenges facing the biotechnology industry. The company has worked closely with its clinical collaborators to minimize the continuing impact of the COVID-19 pandemic and ensure the smooth conduct of clinical trials. We raised additional capital to help fund an expanded development program, including the addition of a new cancer indication and the development of the TET technology platform. Our continued clinical progression paved the way for a share issue in Q4 2021, when Ultimovacs raised a further NOK 270 million (gross) to fund new and existing clinical development programs.

As the Covid-19 pandemic begins to resolve, Ultimovacs continues to work closely with clinical centers to help identify and enroll patients. We are highly grateful to our employees and to our clinical collaborators for all their efforts to reduce the impact of Covid-related disruption on the ongoing trials with the UV1 vaccine and the initiation of the clinical program of the TET platform.

Those efforts have left Ultimovacs well-positioned to benefit from the rising importance of immuno-oncology in treating patients with cancer. The clinical success of the class of immuno-oncology drugs known as checkpoint inhibitors has led to an increased recognition that the human immune response, if appropriately stimulated and modulated, can provide a potent means of combatting many forms of cancer. Several checkpoint inhibitors have been approved as cancer treatments by drug regulators and others are waiting in the wings. In 2021, the leading checkpoint inhibitor, pembrolizumab, became the world's second biggest selling drug.

Ultimovacs' lead product, the universal cancer vaccine, UV1, complements the action of checkpoint inhibitors. While checkpoint inhibitors act to prevent tumors closing off the immune response, UV1 directs the immune system to a specific cancer-associated target – telomerase – that is present at elevated levels in multiple cancer types at all stages of tumor life.

All of Ultimovacs' Phase II studies are designed to provide a treatment that complements the new standard of care in oncology. Each trial is designed to demonstrate how the addition of UV1 might improve the effectiveness of checkpoint inhibitors. The expansion of Ultimovacs' clinical program in 2020 and 2021 means that UV1 is now being tested in clinical trials in combinations with four out of the five top-selling checkpoint inhibitors approved by drug regulators. The expansion is encouraged by the support from the clinical community and their collaborating industry partners, and the expectation is that UV1, as an add on-therapy, can improve and extend the lives of cancer patients with unmet needs.

Our two most advanced clinical studies, INITIUM for patients with malignant melanoma and NIPU for patients with mesothelioma, test the safety and effectiveness of UV1 combined with nivolumab and ipilimumab. The Europe-wide DOVACC trial for ovarian cancer patients puts UV1 in combination with a fourth checkpoint inhibitor, durvalumab, as well as the PARP-inhibitor olaparib. The FOCUS trial, which enrolled its first patient in head-and-neck cancer in 2021, combines UV1 with pembrolizumab. The company's newly announced LUNGVAC trial for patients with non-small cell lung cancer, which is expected to recruit its first patients in the first half of 2022, will combine UV1 with pembrolizumab.

Reflecting the expansion of the company's clinical program, Ultimovacs strengthened its senior management team with two additional appointments in 2021: we welcomed Orla Mc Callion as Head of Regulatory Affairs & QA and Anne Worsøe as Head of Investor Relations & Communication.

The immuno-oncology treatment landscape continues to evolve, and Ultimovacs carefully considers its strategic and clinical positioning with this in mind. Running multiple clinical studies in different types of cancer using combinations with distinct checkpoint inhibitors helps defray the company's clinical and business development risks. Clinical success or failure in one trial does not read through directly to other trials, given the different checkpoint inhibitors and variety of cancer biology involved.

The initiation of LUNGVAC brings a new dimension to Ultimovacs: LUNGVAC is the fifth Phase II trial of UV1 and the unmet need in non-small cell lung cancer is very large – the disease is the cause of 130,000 deaths per year in the US.

The company expects initial topline readouts from its Phase II program in H1 2023, when we anticipate the first data from INITIUM and NIPU. Meanwhile, the impressive response rates and high survival rates we are seeing from long-term follow-up studies in our Phase I trial in metastatic melanoma continue to provide great encouragement.

Equally encouraging is the progress of the TENDU Phase I dose-escalation trial of Ultimovacs' TET technology which began in February 2021. In TENDU, TET incorporates antigens specific for prostate cancer. The trial has progressed to the highest antigen dose without any safety concerns and we look forward to the read-outs starting in 2022.

The extensive clinical development program is designed to demonstrate the clinical utility of UV1 to both drug regulators and to potential partners. Looking ahead, Ultimovacs will systematically prepare for the initiation of Phase III trials following the read-outs of the UV1 Phase II trials. In parallel we continue to consider a possible global commercial partnership which may increase UV1's potential and value, and bring it out to patients globally in a wide range of indications.

Board of Directors

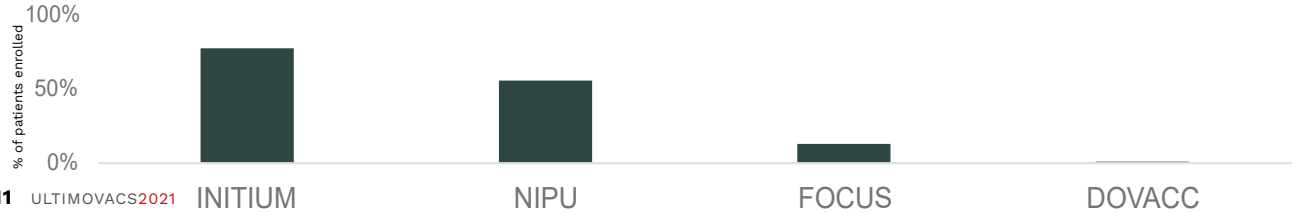
Highlights

Key highlights of the year 2021

- Ultimovacs provided details about 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.
- In 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 two cohorts of three patients each has been enrolled as per the Q2 2021 reporting date.
- In the fully enrolled US-based **Phase I trial (UV1 103)** in malignant melanoma, positive topline results from the first (20 patients) and second (10 patients) cohorts were announced in May 2021 and August 2021. The results showed strong safety and efficacy data after one year; 57% objective response, 30% complete response (further improved to 33% in March 2022), 87% overall survival and median progression-free survival (mPFS) not reached. In October 2021, overall survival rate after two years from the first cohort of 20 patients was announced to be 80%, and mPFS for these patients was 18.9 months.
- In October 2021, Ultimovacs announced a new Phase II clinical trial, **LUNGVAC**, investigating UV1 in combination with pembrolizumab in non-small cell lung cancer (NSCLC). The LUNGVAC trial will be a multi-center, randomized, open-label trial sponsored by Drammen Hospital, a leading oncology research center in Norway. The trial will enroll approximately 138 patients and will be conducted at 8-10 clinical centers in Norway.
- A **private placement** of new shares to fund the LUNGVAC trial and other R&D activities was successfully completed in October 2021, raising gross proceeds of MNOK 270.
- In October 2021, Ultimovacs received **Fast Track designation** from the U.S. FDA for UV1 in combination with checkpoint inhibitors in the treatment of unresectable or metastatic melanoma, either as add-on therapy to pembrolizumab or as add-on therapy to ipilimumab.
- In December 2021, Ultimovacs received **Orphan Drug designation** from the U.S. FDA in the treatment of malignant melanoma.

Clinical trial enrollment update

- **INITIUM trial:** 102 patients have been enrolled as per 31 December 2021, up from 18 as of the 2020 annual report. 120 patients have been enrolled as of the Q4 2021 reporting date.
- **NIPU trial:** 58 patients have been enrolled as per 31 December 2021, up from 9 as of the 2020 annual report. 66 patients have been enrolled as of the Q4 2021 reporting date.
- **FOCUS trial:** 9 patients have been enrolled as per 31 December 2021, and 10 patients as of the Q4 2021 reporting date. The first patient was enrolled in August 2021.
- **DOVACC trial:** 1 patient has been enrolled as per 31 December 2021, and 2 patients as of the Q4 2021 reporting date. The first patient was enrolled in December 2021.
- **TENDU trial:** 6 patients have been enrolled as per 31 December 2021, and also as of the Q4 2021 reporting date. The first patient was enrolled in February 2021. No safety concerns emerged in the first two dose level cohorts, allowing the enrollment of patients in the third, final dose cohort.



Clinical trial overview

Phase II trials overview

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

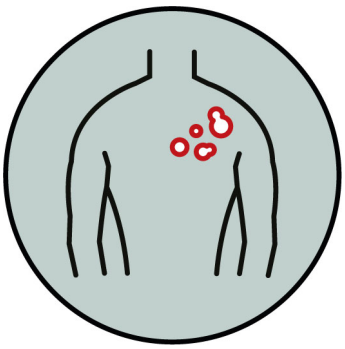
Ultimovacs has an extensive development program with five phase II studies in five different indications including more than 650 patients. Two phase II studies, INITIUM in malignant melanoma and NIPU in mesothelioma, commenced in 2020. The FOCUS trial in head and neck cancer and DOVACC in ovarian cancer started patient recruitment in the last quarter 2021, and LUNGVAC is expected to commence its patient enrollment in H1-22.

Trial name	Indication	Clinical trial information*	Status	Countries present	Contributors
INITIUM	**First line metastatic malignant melanoma**	UV1 + ipilimumab & nivolumab 154 patients	Recruiting patients	USA, Norway, Belgium, UK	
NIPU	**Second line mesothelioma**	UV1 + ipilimumab & nivolumab 118 patients	Recruiting patients	Norway, Spain, Australia, Denmark, Sweden	Bristol-Myers Squibb[1], Oslo University Hospital
DOVACC	**Second line maintenance ovarian cancer**	UV1 + durvalumab & olaparib 184 patients	Recruiting patients	Norway, Sweden, Denmark, Finland, Belgium, Netherlands, Germany, Austria, Lithuania, Estonia, Greece	NSGO, ENGOT, AstraZeneca[1]
FOCUS	**First line head and neck cancer**	UV1 + pembrolizumab 75 patients	Recruiting patients	Germany	Martin-Luther University Halle
LUNGVAC	**First line non-small cell lung cancer**	UV1 + pembrolizumab 138 patients	Not yet recruiting (H1-2022)	Norway	VESTRE VIKEN

* The control arm in the trial will receive standard-of-care treatment (the above-mentioned medication excluding UV1)

[1] Supply agreements with BMS and AZ

INITIUM



The trial
The INITIUM trial is a Ultimovacs-sponsored randomized phase II trial in metastatic malignant melanoma where UV1 is given in combination with the CTLA-4 checkpoint inhibitor ipilimumab and the PD-1 checkpoint inhibitor nivolumab. A total of 39 hospitals are participating in this trial being run in the US and Europe, including Norway. In total, 154 patients will be enrolled, half receiving nivolumab and ipilimumab and the other half receiving nivolumab, ipilimumab and UV1. The readout of the primary endpoint of progression-free survival is expected in H1-2023. The first INITIUM patient was treated at the Oslo University Hospital in June 2020 and 102 patients have been enrolled as per 31 December 2021reporting date, up from 18 as of the 2020 annual report. 120 patients have been enrolled as of the Q4 2021 reporting date.

Labcorp Drug Development is the CRO (Contract Research Organization) for the trial. The Independent Data Monitoring Committee for the INITIUM trial is established to monitor patient safety in the study. The committee has the following members: Jeffrey Weber (NYU Langone Health, NY, USA), James Larkin (Royal Marsden, London, England), Caroline Robert (Gustave Roussy Cancer Campus, Grand Paris, France) and Anna Torrång (SDS Life science, Danderyd, Sweden). Dr. Karl Lewis, University of Colorado Hospital (U.S.), is the International Coordinating Investigator of the INITIUM trial.

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

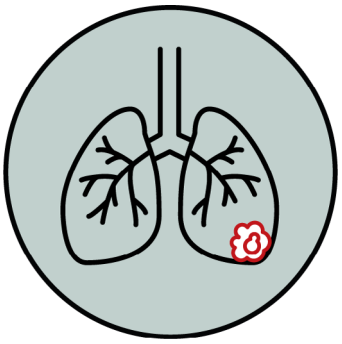
Nivolumab is a human IgG4 monoclonal antibody that blocks PD-1. It works as a checkpoint inhibitor, blocking a signal that prevents activation of T cells from attacking the cancer.

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

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

World-wide, more than 130,000 new cases of melanoma are diagnosed every year and it is estimated that close to 50,000 persons die from metastatic melanoma every year. There is a large unmet medical need for improved treatment of melanoma. There is a good theoretical rationale for combining a universal cancer vaccine with PD-1 and CTLA-4 blockade that will work to open the tumor and strengthening the immune response.

NIPU



The trial
NIPU is a randomized, multi-center Phase II trial in which the universal cancer vaccine, UV1, will be evaluated in combination with the checkpoint inhibitors ("CPI") ipilimumab and nivolumab as second-line treatment in mesothelioma. Oslo University Hospital (OUS) is the sponsor of the NIPU study. Bristol-Myers Squibb and Ultimovacs have entered into agreements with OUS to support the execution of the trial. The first patient in the NIPU trial was treated at the Oslo University Hospital in June 2020 and a total of 58 patients have been enrolled as per 31 December 2021, up from 9 as of the 2020 annual report. 66 patients have been enrolled as of the Q4 2021 reporting date.

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 study is being conducted at seven hospitals in five countries: Norway, Sweden, Denmark, Spain and Australia.

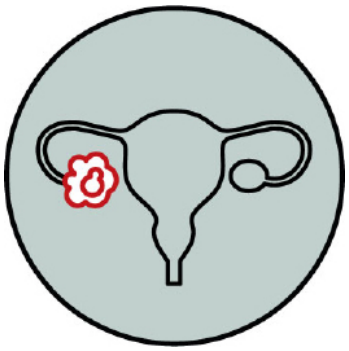
The objective of the study is to achieve a clinically meaningful progression-free survival (PFS) benefit in patients with malignant pleural mesothelioma ("MPM") after progression on first-line standard platinum doublet chemotherapy. The readout of the primary endpoint of progression-free survival is expected in H1-2023.

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

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

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

DOVACC



The Trial
On 11 January 2021, Ultimovacs announced that the Company will be participating in the randomized Phase II DOVACC (**D**urvalumab **O**laparib **VACC**ine) 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. The first patient was enrolled in December 2021 and 2 patients have been enrolled as of the Q4 2021 reporting date.

DOVACC 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 UV1 cancer vaccine in combination with AstraZeneca's durvalumab, a PD-L1 checkpoint inhibitor, and its PARP inhibitor, olaparib, as maintenance therapy for advanced ovarian cancer patients. The trial will be conducted at more than 40 hospitals in approximately 10 European countries. Top line data on the primary endpoint has been expected in 2023. It is too early to discern a clear trend in the timeline of patient recruitment. Ultimovacs will review the guidance and expects to give an update with the Q4 2022 report.

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

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

Ovarian cancer
Ovarian cancer is the eighth most common cause of death from cancer in women worldwide. In 2018, there were nearly 300,000 new cases diagnosed and around 185,000 deaths. Most women are diagnosed with advanced (Stage III or IV) ovarian cancer and have a five-year survival rate of approximately 30%. For newly diagnosed advanced ovarian cancer, the primary aim of treatment is to delay the disease progression for as long as possible and maintain the patient's quality of life with the intent of achieving complete remission or cure.

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

Durvalumab is a human monoclonal antibody that binds to PD-L1 and blocks the interaction of PD-L1 with PD-1 and CD80, countering the tumor's immune-evading tactics and releasing the inhibition of immune responses. Durvalumab is approved for unresectable, stage III NSCLC in 53 countries including the US, Japan, and across the EU, based on the Phase III PACIFIC trial.

FOCUS

The trial
The FOCUS trial (**F**irst-line metastatic **O**r recurrent HNSCC/**C**heckpoint inhibitor **U**V1 **S**tudy) is an investigator-sponsored, randomized Phase II clinical trial that will recruit patients with recurrent or metastatic PD-L1 positive head and neck squamous cell carcinoma. The trial will be conducted at 10 sites across Germany and led by principal investigator 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.

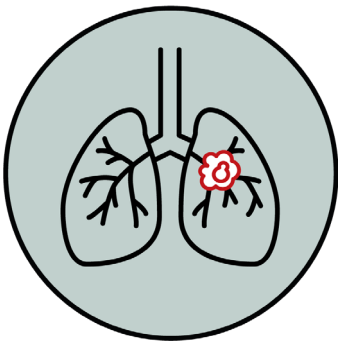
The trial will evaluate the addition of UV1 to a standard of care treatment with the PD-1 checkpoint inhibitor pembrolizumab as compared to pembrolizumab monotherapy. A total of 75 patients indicated for treatment with pembrolizumab will be enrolled in the FOCUS study, randomized 2-to-1 so that 50 patients will receive UV1 and pembrolizumab and 25 patients will receive pembrolizumab alone. Top line data on the primary endpoint has been expected in 2023. The first patient in the FOCUS trial was treated in August 2021. Nine patients have been enrolled as per 31 December 2021, and ten patients as of the Q4 2021 reporting date. It is too early to discern a clear trend in the timeline of patient recruitment. Ultimovacs will review the guidance and expects to give an update with the Q4 2022 report.

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

Head and neck cancer
“Head and neck cancer” is the term used to describe a number of different malignant tumors that develop in or around the throat, larynx, nose, sinuses, and mouth. Globally, head and neck cancer accounts for 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%.

LUNGVAC

The trial



On October 26, 2021, Ultimovacs announced a new Phase II clinical trial, LUNGVAC, investigating the company's universal cancer vaccine, UV1, in combination with pembrolizumab in the treatment of non-small cell lung cancer (NSCLC). The first patient is planned to be treated in H1-22, with topline readout expected by the end of 2024. Ultimovacs will review the guidance and expects to give an update with the Q4 2022 report.

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

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

The combination drug

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

Non-small cell lung cancer

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

Phase I trials overview

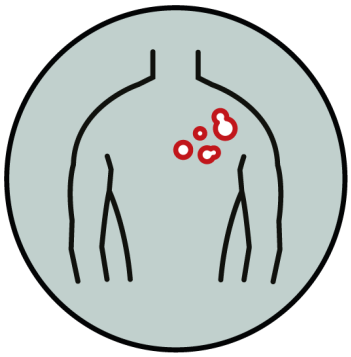
Treatment in three Phase I studies have been completed and patients are currently followed up for survival, immune response and new anti-cancer treatment. The completed trials show clinical outcomes that Ultimovacs sees as a strong basis for the further clinical development of UV1, both with respect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

One phase I study based in the USA in malignant melanoma is fully recruited and currently ongoing.

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

	Indication	Clinical trial information	Status	Phase I	Patient recruitment period	Follow up period
UV1	**First line metastatic malignant melanoma**	UV1 + pembrolizumab 30 patients	In follow - up	USA	2018-2020	5 years (2025)
	Metastatic malignant melanoma	UV1 + ipilimumab 12 patients	In follow - up	Norway	2015	10 year (2025)
	Non-small cell lung cancer	UV1 monotherapy 18 patients	In follow - up	Norway	2013-2015	10 year (2025)
	Prostate cancer	UV1 monotherapy 22 patients	In follow - up	Norway	2013-2014	10 year (2024)
TET	**TENDU - Prostate cancer**	TENDU - Dose finding trial, 9-12 patients	Recruiting patients	Norway	Ongoing (Start in 2021)	

UV1 103 - Phase I trial in Malignant Melanoma



This US-based Phase I clinical trial is evaluating the Company's lead candidate, UV1, in combination with PD-1 checkpoint inhibitor, pembrolizumab, as a first-line treatment in patients with metastatic malignant melanoma in 30 patients. UV1 - 103 is evaluating the safety, tolerability and initial signs of clinical response in patients treated with UV1 in combination with pembrolizumab. Pembrolizumab improves the ability of immune cells to kill tumor cells and is a current standard-of-care therapy for malignant melanoma.

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. A group of ten additional patients was included to investigate an increased dosage of the adjuvant GM-CSF, and this second cohort received the standard 75 µg GM-CSF adjuvant dose per UV1 vaccination.

All of the initially 20 planned patients were successfully enrolled by September 2019, and enrollment the second cohort of the ten additional patients with the increased dosage GM-CSF was completed in August 2020.

The combined response rates for the 30 patients in cohort 1 and cohort 2 are:
- Objective response rate (ORR): 57%
- Complete response rate (CR): 33%*

Median Progression Free Survival (mPFS):
- Cohort 1: 18.9 months
- Cohort 2: not reached at 12 months
- Cohort 1+2 combined: not reached at 12 months

Overall Survival (OS):
- Cohort 1 after 12 months: 85%
- Cohort 2 after 12 months: 90%
- Cohort 1+2 combined after 12 months: 87%
- Cohort 1 after 24 months: 80%

UV1 has demonstrated a good safety profile. No unexpected safety issues related to UV1 have been observed in this trial. Two key data readouts from the UV1 - 103 trial are expected in 2022: During Q3-22, 24-month survival data on the second cohort will be announced, and during Q4-22, 36-month survival data on the first cohort will be announced.

*In March 2022, one patient with partial response in cohort 2 was converted to a complete response. While the objective response rate remains the same (57%), the complete response rate is now 33% (previously reported to be 30%) for cohort 1 + 2 combined.

Completed trials in follow-up phase

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

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

- **Non-small cell lung cancer (NSCLC, 18 patients):** In this lung cancer study, stage 3b/4 NSCLC patients were enrolled, who had previously been treated with palliative radiotherapy and/or at least two courses of chemotherapy. These patients were not to be in progression, confirmed by CT, at least 4 weeks prior to UV1 treatment.

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

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

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

When combining UV1 with ipilimumab, a CTLA-4 checkpoint inhibitor, 91% of malignant melanoma patients developed an immune response. The responses appeared earlier, required fewer vaccinations, and were stronger and more long lasting compared to vaccination with UV1 alone. These data are compatible with a mechanism of action where blocking CTLA-4 checkpoints induce additional expansion of UV1 specific CD-4 T cells induced by UV1 vaccination.

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

CLINICAL TRIAL	OVERALL SURVIVAL (OS)[1]					MEDIAN OS (MONTHS)	mPFS[2] (MONTHS)
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5		
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 more than 60 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. 201300558239)

The TET-platform and the TENDU phase I trial

The TET-Platform
In addition to its universal vaccine, UV1, Ultimovacs is developing novel vaccine products based on the patent-protected Tetanus-Epitope Targeting (TET)-platform. The novel 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.

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

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

The TENDU trial
In 2021, Ultimovacs started the TENDU trial, its first Phase I trial to test the TET technology in patients with the main objective to assess the safety of the TET technology. In TENDU, the TET technology incorporates prostate-cancer-specific antigens. The first patient was treated in February 2021. Enrollment of the first cohort (three patients dosed at 40 mcg) was completed during the second quarter in 2021, and of the second cohort (three patients dosed at 400 mcg) was completed in February 2022. The Drug Safety Monitoring Board (DSMB), a group of experts set up to monitor patient safety during a clinical trial, found no safety concerns related to the first two dose cohorts. The conclusion from the DSMB enables the dose escalation study to proceed with enrollment of patients in the third and last dose cohort (960 mcg).

The TENDU trial is being conducted at Oslo University Hospital and will enroll 9-12 patients in total. 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.

Operational overview

Manufacturing

Ultimovacs is progressing further development of chemical manufacturing and control (CMC) of the UV1 product in preparation for phase III clinical trials. The PolyPeptide Group has been established as manufacturing partner for the UV1 active pharmaceutical ingredients (API) for the current phase II clinical trials, for late-stage clinical trials and commercial production. The Corden Pharma group continues as manufacturer of the UV1 fill and finish Drug Product.

Regulatory designations

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

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

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

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

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 remained unchanged.

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

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

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

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 the 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.

- On 11 May 2021, a **paper was published in Frontiers in Immunology** outlining the positive long-term Overall Survival data from the Phase I trial evaluating UV1 in combination with ipilimumab in patients with metastatic malignant melanoma. As published in the journal, in addition to the achievement of the primary endpoints of safety and tolerability, 50% of the patients were still alive at the data cut-off, supporting the combination of the Company's proprietary UV1 vaccine with ipilimumab, a CTLA-4 checkpoint inhibitor and standard-of-care treatment, in this late-stage patient population.

- On 19 May 2021, Ultimovacs announced clinical data on the Company's Phase I trial evaluating UV1 in combination with the checkpoint inhibitor pembrolizumab in patients with metastatic malignant melanoma, which was presented as a poster **presentation at the American Society of Clinical Oncology (ASCO) 2021 Annual Meeting**, June 4-8, 2021. The abstract, titled "A Phase I Clinical Trial Investigating the Telomerase Vaccine UV1 in Combination with Pembrolizumab in Patients with Advanced Melanoma", provided an overview of the open-label, single-arm study investigating the safety and tolerability for the UV1/pembrolizumab combination.

- On 1 June 2021, the **peer-reviewed article on the ongoing NIPU Phase II trial**: "NIPU: a randomized, open-label, phase II study evaluating nivolumab and ipilimumab combined with UV1 vaccination as second line treatment in patients with malignant mesothelioma" was published. The article in **The Journal of Translational Medicine** outlines the mechanistic rationale for the use of the combination of UV1 with two checkpoint inhibitors, ipilimumab and nivolumab.

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

- On 12 November 2021, Ultimovacs' presented the poster "The Synthetic Long Peptide Cancer Vaccine UV1 in Combination with Ipilimumab Induces a CD4+ Th1 Anti-hTERT Immune Response and an Inflammatory Tumor Microenvironment in Patients with Melanoma" at the **Society For Immunotherapy of Cancer's 36th Annual Meeting (SITC 2021)** in Washington DC, USA. The data presented are from an early Ultimovacs Phase I/IIa study of UV1 with the checkpoint inhibitor ipilimumab in twelve patients with melanoma (NCT02275416). They show that the drug combination induces a T cell immune response in 91% of patients, and that the response can persist as long as 5 years (the end of the study period). The UV1-ipilimumab combination induces T cells that are polyfunctional and produce multiple effector cytokines such as interferon-gamma and TNF-alpha essential for a robust anti-tumor response. Tumor biopsies revealed an influx of tumor-infiltrating lymphocytes in patients who responded well to treatment. The finding is a positive early signal in a broader R&D program aimed at documenting the mechanistic effects of UV1.

Intellectual Property rights

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

PATENT / PATENT APPLICATION	PRIORITY DATE	STATUS	AREA COVERED	GEOGRAPHIC AREA	EXPIRY DATE (UNEXTENDED)	EXPIRY DATE (EXTENDED)	ASSIGNEE
1 EP10250265.5	16 Feb 2010	Granted/ pending	UV1 composition of matter, the nucleic acid sequences coding for the vaccine peptides, as well as use of the vaccine for treatment of cancer.	Patent granted in EPO, USA, Japan, Russia, South-Korea, India, China and Hong Kong. Divisional applications are filed.	2031	Up until 15 February 2036 via a Supplementary Protection Certificate (SPC) in Europe or via Patent Term Extension (PTE) in the USA. [1, 2]	Ultimovacs
2 EP16172760.7	2 June 2016	Pending	UV1 in combination with an immune checkpoint inhibitor of a certain definition, including combined treatment with UV1 and ipilimumab.	Filing in US, Europe, Japan, Australia, and Canada.	2037	-	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, EPO 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.	PCT filed	2040	-	Ultimovacs

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

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

The ownerships of the abovementioned patents and patent applications 1 and 2 related to the UV1 platform are held by Ultimovacs. Patents and patent applications in group 3 and 4 are related to the TET platform. Patents in group 3 are licensed from Leiden University Medical Centre. Patent applications in group 4 are held by Ultimovacs. Ultimovacs is continuously working to obtain and maintain patent protection for the company's technologies and platforms. This will in due time include seeking to obtain patent term extensions such as Supplementary Protection Certificates (SPCs) in Europe and Patent Term Extension (PTE) in the 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.

Financial overview

Financial results

Ultimovacs does not yet generate revenues, as the Company is in a research and development phase. In FY21, the company received government grants of MNOK 14.6 compared to MNOK 8.9 in FY20, 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 increase in public grants is due to the start-up and progression of the phase II DOVACC and FOCUS trials, where grants are received from Innovation Norway and the Norwegian Research Council to support these trials.

Total personnel expenses in FY21 were MNOK 61.9 compared to MNOK 51.0 in FY20, primarily due to higher expenses of MNOK 9.3 related to the share-based compensation option program. There were approximately 2.5 more FTEs employed in the company during FY21 compared to FY20. The increase in costs of these new FTEs in FY21 corresponded largely to the severance pay to the previous CEO and sign on fee to the new CEO in FY20, resulting in total personnel expenses, excluding costs related to the share-based compensation, being approximately at the same level these two years.

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 88.2 in FY21 and MNOK 60.9 in FY20. The primary projects contributing to these expenses in FY21 were the phase II trials INITIUM and DOVACC, CMC development (i.e. Chemistry, Manufacturing, and Controls) and development of the TET platform. Total other operating expenses in FY21 was MNOK 99.2 compared to MNOK 70.4 in FY20, where the total increase primarily is derived from the increase in R&D costs.

As R&D costs are paid primarily in USD and EUR, both agio gains and agio losses were higher in FY21 compared to FY21 due to the significant volatility of the Norwegian Krone compared to USD and EUR. As a currency hedging arrangement, the Company has during FY21 converted MNOK 50 to EUR and entered into currency swap agreements of MNOK 150, contributing to the significant agio gains and losses, amounting to MNOK 10.3 and MNOK 13.9 respectively. Interest rates on funds in bank deposits amounted to MNOK 3.1 in FY21. Net financial items amounted to MNOK (0.9) in FY21 compared to MNOK 3.6 in FY20.

Total loss in FY21 amounted to MNOK 164.7 compared to a loss of MNOK 120.6 in FY20.

KEY FINANCIALS (1 000)	2021	2020
Total revenues	-	-
Total operating expenses	163 832	124 146
Operating profit (loss)	**(163 832)**	**(124 146)**
Profit (loss) for the period	**(164 722)**	**(120 552)**
Basic and diluted earnings (loss) per share (NOK per share)	(5.1)	(4.0)
Net change in cash and cash equivalents	137 106	42 058
Cash and cash equivalents, end of period	**574 168**	**440 925**

Financial position

Total assets per 31 December 2021 were MNOK 655.5, an increase of MNOK 125.8 from 31 December 2020 primarily as a result of an increase in bank deposits from the share issue in October 2021 and a reduction due to the FY21 negative operational cashflow.

The book value of Goodwill and Licenses related to the value of the subsidiary Ultimovacs AB in Sweden, has since 31 December 2020 decreased by MNOK 4.5 due to the strengthening of NOK against SEK.

Total liabilities as of 31 December 2021 amounted to MNOK 62.4, of which MNOK 11.5 non-current.

Total equity equaled MNOK 593.2 as of 31 December 2021. On 26 October 2021, Ultimovacs successfully carried out a private placement of 2,160,000 new shares at a subscription price of NOK 125 per share, raising gross proceeds of NOK 270 million. The net proceeds of the private placement, amounting to MNOK 259.0, will be used for (i) financing of the LUNGVAC Phase II trial evaluating UV1 in non-small cell lung cancer, (ii) bringing the UV1 platform into Phase III readiness, (iii) further development of the Tetanus-Epitope-Targeting ("TET") technology platform, and (iv) general corporate purposes. Following registration of the new share capital pertaining to the Private Placement, the Company will have a share capital of NOK 3,422,176.10 divided into 34,221,761 shares, each with a par value of NOK 0.10.

Further, total equity has since year-end 2020 decreased by the period's operating loss and currency translation amounting to MNOK 168.7. In addition, equity has increased also by the recognition of share-based payments/stock options of MNOK 11.6 and due to the exercise of employee stock options, resulting in share capital increase of 8,825 shares and equity increase of MNOK 2.9.

Cash flow

Total increase in cash and cash equivalents in FY21 was MNOK 137.1, mainly a result of the net capital increase of MNOK 259.0 when issuing new shares in connection with the private placement, partly offset by the negative cash flow from operating activities of MNOK 125.8.

Total cash and cash equivalents per 31 December 2021 amount to MNOK 574.2.

Allocation of the Parent Company's net result

The Board of Directors proposed that the loss of MNOK 151.1 in Ultimovacs ASA is transferred to accumulated losses.

Working environment

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

Absence due to sickness was 0.1% in 2021, down from 0.2% in 2020. No work-related accidents were recorded in Ultimovacs in 2021.

As per 31 December 2021, the Group had 25 employees, 20 in Ultimovacs ASA in Oslo, and 5 in Ultimovacs AB in Uppsala, Sweden. Of the 25 employees, three were part time employees with a 50% position. 12 out of the 25 employees were male and 13 were female. The management team comprise six men and four women, and the Board of Directors comprise five men and three women.

A total of 21.3 full time employee equivalents were employed during the financial year of 2021.

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 ASA 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 considers that the 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 2021) 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 integrated part of the Directors' Report. The full Corporate Governance Policy is available on the company's website at www.ultimovacs.com/investors/governance

Corporate Social Responsibility (CSR)

Ultimovacs 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 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 a separate section in this annual report and constitutes an integrated part of the Directors' Report. The full Corporate Social Responsibility policy is available on the company's website at www.ultimovacs.com/investors/governance

Risks and uncertainties

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

Operational risks

Research and development up to approved registration is subject to considerable risk and is a capital-intensive process. The Company's 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.

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

Competitive environment
Competitive cancer treatments and new/alternative therapies, either within immune-oncology or within the broader space of oncology, may affect the Group's ability to commence and complete clinical trials, as well as the opportunity to apply for marketing authorization, and may influence future sales if marketing authorization is obtained. Competing pharmaceuticals can capture market shares or reach the market faster than Ultimovacs. If competing projects have a better product profile (e.g. better efficacy and/or less side effects), the future value of Ultimovacs' product offerings may be lower than expected. The amount and magnitude of clinical trials within different oncology areas in which the Group operates may influence the access to patients for clinical trials.

Financial risks

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

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

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

Operational currency exposure is constantly monitored and assessed. The Group has during 2021 converted cash to EUR and entered into EUR swaps to mitigate the foreign exchange risk and to get a better predictability regarding future costs.

Financing
Adequate sources of funding may not be available when needed or may not be available on favorable terms. The Company's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. The Group monitors the liquidity risk through monthly rolling consolidated forecasts for result and cash flow, and the Board of Directors works continuously to secure the business operation's need for financing.

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

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

COVID-19 pandemic related risks

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

Although Ultimovacs remain optimistic regarding progress in the Company's broad clinical program, the effect of the pandemic on the biotech industry and the conduct of clinical trials remains uncertain. Its lasting impact depends on the speed and extent of a return to a more normal situation. Ultimovacs will continue to provide enrollment updates in each quarterly report. Ultimovacs provided an update on guidance regarding topline data readouts for its clinical trials in February 2022. Please refer to the "Subsequent events" section for more information.

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. There have occurred no significant events since the end of 2021, and the Board of Directors confirms that the going concern assumption has been satisfied.

Subsequent events

In February 2022, as part of the Q4 2021 reporting, Ultimovacs provided an update on guidance regarding topline data readouts for its Phase II clinical trials. Despite earlier and current pandemic-related challenges, the levels of patient enrollment have been increasing in both INITIUM and NIPU. The updated guidance is that both INITIUM and NIPU will have readouts during the first half of 2023, rather than during the second half of 2022 as indicated in the early guidance given in 2019 before either study started.

The DOVACC and FOCUS trials are still in their early stages of hospitals/clinical site activation, and the start-up phase of both has taken somewhat longer than originally planned. Ultimovacs has guided that the readouts of topline results are expected to take place in 2023 and have done so since the trials began. In the LUNGVAC trial, Ultimovacs expects the first patient to be enrolled during the first half of 2022 with topline results expected by the end of 2024. Once each of the three trials DOVACC, FOCUS and LUNGVAC has progressed sufficiently to provide a reliable trajectory beyond initiation, Ultimovacs will review guidance and expects to give an update with the Q4 2022 report.

On May 19, 2021, Ultimovacs announced a 60% Objective Response Rate (30% complete responses plus 30% partial responses) in the first cohort of 20 patients in the UV1 103 study. During the year, one partial responder was changed to stable disease, resulting in a 57% objective response rate. In March 2022, one partial responder in this cohort was changed to complete response. The ORR remains the same, however, complete response rate is now 35% for this cohort, and 33% (previously 30%) for cohort 1 and 2 combined.

The COVID-19 pandemic had no significant implications to the Annual Report 2021.

There are no other significant subsequent events.

Outlook

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

As of now, UV1 will be investigated in five randomized Phase II trials in five different cancer types, with Ultimovacs sponsoring one of the trials. The five Phase II clinical trials will enroll more than 650 patients in total, representing a strong potential platform for Ultimovacs to move toward a possible registration of the universal cancer vaccine, UV1. The main study objectives are efficacy and safety data on combination therapies.

Readouts of the primary endpoints of the INITIUM and NIPU trials are expected during the first half of 2023. Further, Ultimovacs has guided that the readouts of topline results in the DOVACC and FOCUS trials are expected to take place in 2023 and have done so since the trials began. In the LUNGVAC trial, Ultimovacs expects the first patient to be enrolled during the first half of 2022 with topline results expected by the end of 2024. Once each of the three trials DOVACC, FOCUS and LUNGVAC has progressed sufficiently to provide a reliable trajectory beyond initiation, Ultimovacs will review guidance and expects to give an update with the Q4 2022 report. The Company will continue to actively monitor the impact of the COVID-19 pandemic on patient enrollment for its Phase II clinical trials and continues to implement activities to minimize the impact. With current funding, plans and expectations, Ultimovacs has an estimated financial runway to the first part of 2024.

Ultimovacs continues to pursue strategic collaborations with cancer institutions and pharmaceutical companies to document the effect and safety of UV1 in a range of cancer types and in combination with different cancer treatments. Ultimovacs makes clinical development choices based on the universal nature of UV1 as a cancer vaccine. UV1 can potentially play a role across most cancer types, in most patients, in different stages of cancer and in combination with many cancer treatments. Positive results from ongoing randomized clinical trials reinforce the significant development potential of UV1.

Ultimovacs is also seeking to broaden its pipeline of drug candidates. Its R&D activities are currently focused on the development of new first-in-class cancer vaccine solutions building on Ultimovacs' base technology, the 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, Ultimovacs' ambition is to apply the TET technology in identifying new cancer vaccine program candidates to move into clinical development.

Board of Directors and CEO of Ultimovacs ASA

Oslo, 24 March 2022

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

Responsibility statement from the Board of Directors and CEO

We confirm that the financial statements for the period 1 January to 31 December 2021, to the best of our knowledge, have been prepared in accordance with IFRS and 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, 24 March 2022

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

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- Corporate Governance Report
- The Board of Directors

CORPORATE SOCIAL RESPONSIBILITY ('CSR') – GUIDELINES

Introduction
Ultimovacs (Ultimovacs ASA and its affiliates, the "Company") 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. Please visit our website for the full version of the CSR guidelines, which were approved by the Board of Directors on 4 December 2019.

Ultimovacs' business goal directly addresses one of UN's sustainable development goals

Ultimovacs' 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.

In 2015, UN launched its seventeen Sustainable Development Goals. Ultimovacs supports this initiative and the defined goals. Goal #3 is 'Good Health and Well-Being'. If Ultimovacs reaches its fundamental business goal, numerous patients and their families will benefit from new cancer treatments developed by Ultimovacs. This will directly and significantly contribute to UN's Sustainable Development Goal #3.

Social responsibilities
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. We have identified the following CSR focus areas;

a) Patient safety/R&D safety
b) Employee environment
c) Human rights
d) Environment
e) Supply Chain Management / Suppliers
f) Anti-Corruption
g) Open, transparent and clear communication

Ethical Guidelines
Ultimovacs' Ethical Guidelines are defined as part of our Corporate Governance Policy and is the basis of Ultimovacs' business conduct and our employees' code of conduct.

The Company will maintain a high ethical standard in its business concept and relations with customers, suppliers and employees. The following ethical guidelines shall be practiced in the Company, and shall apply to all employees of the Company:

1) Personal conduct
2) Conflict of Interests
3) Confidential Information
4) Influence
5) Competition

Responsibility and Review
Ultimovacs' management team is responsible for the implementation of this CSR policy and will make the necessary resources available to realize our corporate responsibilities. All employees are responsible for adopting and implementing the Company's policy on CSR.

This CSR Policy shall be regularly reviewed and any amendment shall be approved by the Board of Directors.

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 2021. 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 directors' report or in a document that is referred to in the directors' report.

There has been no non-conformance with the recommendations referred to below for the financial year of 2021 with the exception of 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. 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 a sound corporate governance. 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

The Company's business activity as set out in Section 4 of the Articles of Association is to develop, produce and sell medicine 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 is a pharmaceutical 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 need and advance cancer care.

In addition to the contents in this report, the Articles of Association, the Corporate governance policy and the Corporate Social Responsibility Guidelines give information regarding 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 15 April 2021, the Board of Directors was given a general authorization to increase the share capital by NOK 640,065.20 (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 320,032.60 in relation to the share-based incentive program (share options) for the employees, and to increase the share capital by NOK 320,032.60 (20% increase in outstanding shares at the time of the General Meeting) to acquire treasury shares.

These authorizations are valid until the next ordinary General meeting of the company in 2022, but no longer than 30 June 2022.

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 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 chairman 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. The majority of the Nomination Committee should be independent of the Board and the executive management team. No more than one Board Member should serve on the Nomination Committee and only if such Board Member is not a candidate for re-election to the Board. 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.

The Nomination committee as per 31 December 2021 consists of:

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

All three members are independent of the board and the executive management team. 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 management and external advisers. Shareholders should be given the opportunity to propose Board member candidates to the Nomination Committee.

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

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

The Board of Directors consists of eight members, of which five men and three women. In addition, there is one deputy board member. Seven of the regular board members are regarded as fully independent of the company. 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 14 times in 2021.

Compensation Committee
The Company does not have a separate compensation committee. However, the Board of Directors will take 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.

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 then consisting of board members Leiv Askvig and Kristin L. A. Wilhelmsen, both with prior relevant financial and accounting experience. In November 2020, Kristin L. A. Wilhelmsen left the board, and Haakon Stenrød, a new board member, replaced her in the audit committee.

The members shall be and are independent of the Company's senior management.

The committee met the financial management before the publication of all quarterly reports and the annual report in 2021. In addition, the committee met with the auditor along with the financial management in Ultimovacs before the publication of the Annual Report 2021, and before the Q2-21 and Q4-21 report. The audit committee will continue to meet with Ultimovacs' financial management and, at least twice a year, also the Company's audit partner before publication of quarterly and full year results.

Although the Company does not have a separate Ethics Committee, the members of the Audit committee have been involved in the drafting and review of the Corporate Social Responsibility Guidelines which were approved by the Board of Directors on 4 December 2019.

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 control 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 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 other tasks for the Company than exercising their role as Board Members. Work in sub-committees may be compensated in addition to the remuneration received for Board membership.

The Remuneration Report 2021 shall provide information regarding the Board's remuneration.

12) Remuneration of the executive management
The Board decides the salary and other compensation to the CEO within any legal boundaries set out in the annual statement 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 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. Main objectives of the share value based incentive scheme are to align interests of shareholders and management/employees (value creation and risk taking) and ensure competitive compensation for management/employees and motivation to stay (retention). The remuneration guidelines are available on the company website. Remuneration details to the executive management 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 and CFO 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:

a) 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;
b) 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;
c) 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
d) 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 to a satisfactory degree also carries out a control function.

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

The Board of Directors

Jònas Einarsson has been the Chairman 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 holds a bachelor degree in Business Administration from BI Norwegian Business School and attended the Advanced Management course at Harvard Business School.

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

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

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

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

The Board of Directors

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

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

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

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

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

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

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

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

Financial Statements - Ultimovacs Group

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Contents - Consolidated Financial Statement

Consolidated statement of profit and loss and other comprehensive income

(NOK 1 000) EXCEPT PER SHARE DATA	NOTES	2021	2020
Total revenues		**-**	**-**
Payroll and payroll related expenses	3, 4, 15	(61 916)	(50 989)
Depreciation and amortization	9, 14	(2 703)	(2 720)
Other operating expenses	3, 5	(99 213)	(70 438)
Total operating expenses		**(163 832)**	**(124 146)**
Operating profit (loss)		**(163 832)**	**(124 146)**
Financial income	6	13 383	5 209
Financial expenses	6	(14 272)	(1 616)
Net financial items		**(890)**	**3 594**
Profit (loss) before tax		**(164 722)**	**(120 552)**
Income tax expense	7	-	-
Profit (loss) for the year		**(164 722)**	**(120 552)**
Items that subsequently may be reclassified to profit or loss:			
Exchange rate differences on translation of foreign operations		(3 953)	4 590
Total comprehensive income (loss) for the year		**(168 676)**	**(115 962)**
Basic and diluted earnings (loss) per share (NOK per share)	8	(5.1)	(4.0)

Consolidated statement of financial position

(NOK 1 000)	NOTES	2021	2020
ASSETS			
Non-current assets			
Goodwill	9	11 031	11 795
Licenses	9	53 549	57 258
Patents	9	6 539	7 293
Property, plant and equipment	9	212	377
Right of use assets	14	1 951	3 630
Total non-current assets		**73 282**	**80 354**
Current assets			
Receivables and prepayments	3, 10	8 087	8 438
Cash and cash equivalents	11	574 168	440 925
Total current assets		**582 255**	**449 363**
TOTAL ASSETS		**655 537**	**529 717**
EQUITY AND LIABILITIES			
Equity			
Share capital		3 422	3 197
Share premium		1 070 841	809 214
Total paid-in equity		**1 074 264**	**812 411**
Accumulated losses		(504 321)	(339 599)
Other equity		20 358	8 762
Translation differences		2 853	6 806
TOTAL EQUITY	12	**593 152**	**488 380**
Non-current liabilities			
Lease liability	14	457	2 075
Deferred tax	7	11 031	11 795
Total non-current liabilities		**11 488**	**13 870**
Current liabilities			
Lease liability	14	1 628	1 707
Accounts payable		22 555	8 611
Other current liabilities	15, 16	26 714	17 149
Total current liabilities		**50 897**	**27 467**
TOTAL LIABILITIES		**62 384**	**41 337**
TOTAL EQUITY AND LIABILITIES		**655 537**	**529 717**

Board of Directors and CEO of Ultimovacs ASA

Oslo, 24 March 2022

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

Consolidated statement of cash flow

(NOK 1 000)	NOTES	2021	2020
Cash flow from operating activities			
Profit (loss) before tax		**(164 722)**	**(120 552)**
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization	9, 14	2 703	2 720
Interest received including investing activities	6	(3 062)	(4 545)
Net foreign exchange differences	6	3 619	747
Other financial expenses	14	179	236
Share option expenses	15	11 595	6 777
Working capital adjustment:			
Changes in prepayments and other receivables	10	351	(433)
Changes in payables and other current liabilities	16	23 509	6 828
Net cash flow from operating activities		**(125 828)**	**(108 223)**
Cash flow from investing activities			
Purchase of property, plant and equipment	9	(85)	(282)
Patent milestone payments	13	-	(5 000)
Interest received	6	3 062	4 545
Net cash flow from investing activities		**2 977**	**(736)**
Cash flow from financing activities			
Proceeds from issuance of equity	12	272 864	160 000
Share issue cost	12	(11 012)	(7 067)
Interest paid	14	(179)	(236)
Payment of lease liability	14	(1 716)	(1 680)
Net cash flow from financing activities		**259 957**	**151 017**
Net change in cash and cash equivalents	11	137 106	42 058
Effect of change in exchange rate	6	(3 863)	(739)
Cash and cash equivalents, beginning of period	11	**440 925**	**399 607**
Cash and cash equivalents, end of period		**574 168**	**440 925**

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 2019		**2 786**	**656 692**	**659 478**	**(219 047)**	**1 985**	**2 216**	**444 633**
Profit (loss) for the year				**-**	(120 552)			**(120 552)**
Other comprehensive income (loss)				**-**			4 590	**4 590**
Issue of share capital	12	411	159 589	**160 000**				**160 000**
Share-issue costs	12		(7 067)	**(7 067)**				**(7 067)**
Recognition of share-based payments	15			**-**		6 777		**6 777**
Balance as of 31 December 2020		**3 197**	**809 214**	**812 411**	**(339 599)**	**8 762**	**6 806**	**488 380**
Profit (loss) for the year				**-**	(164 722)			**(164 722)**
Other comprehensive income (loss)				**-**			(3 953)	**(3 953)**
Issue of share capital	12	225	272 640	**272 864**				**272 864**
Share-issue costs	12		(11 012)	**(11 012)**				**(11 012)**
Recognition of share-based payments	15			**-**		11 595		**11 595**
Balance as of 31 December 2021		**3 422**	**1 070 841**	**1 074 264**	**(504 321)**	**20 358**	**2 853**	**593 152**

Note 1: General information

Ultimovacs ASA (the Company or Ultimovacs) and its subsidiary (together the Group) is a pharmaceutical 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 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 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 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 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 24 March 2022.

Note 2: Accounting principles

I. Basis for preparation

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

The Group uses derivative financial instruments to hedge its risks associated with foreign exchange rates. Derivatives are initially and subsequently measured at fair value. The financial statements have been prepared on the historical cost basis. 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 2021 have been prepared under the going concern assumption.

III. Accounting principles

i. Cash and cash equivalents

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

ii. Cash Flow statement

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

Note 2: Accounting principles (continued)

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

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.

- Subsequent measurement
The measurement of financial liabilities depends on their classification.

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

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

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

Note 2: Accounting principles (continued)

iv. Current vs non-current classification

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

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

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

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

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

v. Foreign currencies

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

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

Note 2: Accounting principles (continued)

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

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

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

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

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

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

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

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

Note 2: Accounting principles (continued)

x. Earnings per share

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

No dilutive effect has been recognized as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Group is currently loss-making, an increase in the average number of shares would have anti-dilutive effects. As the Group has currently no issuable potential ordinary shares and basic and diluted earnings per share is the same.

xi. Government grants

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

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

xii. IFRS 16 Leases

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

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases Under IAS 17:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied recognition exemptions to leases that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option.
- Applied the low value lease exemption not to recognize right-of-use assets at the date of initial application.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as of January 1, 2019. 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.

Note 2: Accounting principles (continued)

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 20 years for patents. An adjustment is made for any impairment. Intangible items acquired in a business combination must be recognized as assets separately from goodwill if they meet the definition of an asset, are either separable or arise from contractual or other legal rights, and their fair value can be measured reliably.

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

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

Note 2: Accounting principles (continued)

xvi. Tax

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

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

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

xvii. Segments

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

IV. Significant estimates and judgements

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

- Share-based payments

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

- Taxes

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

Note 3: Government grants

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

GRANTS RECOGNIZED (NOK 1 000)	2021	2020
Skattefunn	4 750	4 750
Eurostars	786	2 015
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	802	739
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	5 241	1 383
Innovation Norway	3 000	-
Total grants	**14 578**	**8 888**

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)	2021	2020
Payroll and payroll related expenses	2 472	2 150
Other operating expenses	12 106	6 738
Total costs deducted	**14 578**	**8 888**

Grants receivable as per 31 December are detailed as follows:

GRANTS RECEIVABLES (NOK 1 000)	2021	2020
Skattefunn	4 750	4 750
Eurostars	-	450
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	267	358
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	296	1 383
Total grants receivables	**5 314**	**6 941**

Skattefunn:
The Skattefunn R&D tax incentive scheme is a government program designed to stimulate research and development in Norwegian. As of 31 December 2021, three Skattefunn-grants are approved, two of which reports in 2022, and one in 2024.

Eurostars:
Eurostars is a joint program between EUREKA and the European Commission, co-funded from the national budgets of 36 Eurostars Participating States and Partner Countries and by the European Union through Horizon 2020. Eurostars supports international innovative projects led by research and development- performing small- and medium-sized enterprises, and is administered by Forskningsrådet in Norway. Ultimovacs has been awarded financial support for the project “Validation of a novel immune response capturing platform for immunotherapy development and monitoring” from 2018 to 2021.

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

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

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

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

Note 4: Salary and personnel expenses and management remuneration

PAYROLL AND PAYROLL RELATED EXPENSES (NOK 1 000)	2021	2020
Salaries and holiday pay	34 543	34 612
Social security tax	6 686	5 179
Social security tax related to options	8 557	4 121
Pension expenses	2 690	2 020
Share-based compensation	11 595	6 777
Other personnel expenses	318	430
Government grants	(2 472)	(2 150)
Total payroll and payroll related expenses	**61 916**	**50 989**
Number of FTEs employed during the financial year	21.3	18.8
Number of FTEs at end of year	23.5	19.4

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

EXECUTIVE REMUNERATION (NOK 1 000)	2021	2020
Management Team remuneration	30 989	22 760
Board of Director's remunerations	1 915	1 855

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 2020 or as of 31 December 2021.

Please refer to the Remuneration Report 2021 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 2021, all twenty of Ultimovacs ASA's employees were covered by the pension scheme. A similar pension scheme is in place for the five employees in Ultimovacs AB in Sweden.

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

The total pension contributions for all employees recognized as expenses equaled MNOK 2.0 and MNOK 2.7 in 2020 and 2021 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.

On 1 June 2020, Øyvind Kongstun Arnesen resigned his position as CEO in Ultimovacs ASA. Following his resignation, Arnesen received an 18 months severance pay, paid over the course of 18 months. In the same period, Arnesen received all benefits from his employment, with the exception for pension rights, which were not applicable for the last 12 months. During the last six-month period, any income from new employment/engagements, was deducted from the severance pay.

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. Carlos de Sousa received a sign-on-fee of MNOK 0.5 when he commenced his position as CEO in June 2020.

Statement on the executive employee remuneration policy during the previous financial year
The executive compensation for the fiscal year 2021 has been in accordance with the Remuneration Guidelines for 2021. Refer to Remuneration Guidelines 2021 and Remueration Report 2021 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)	2021	2020
External R&D expenses	96 735	64 660
Clinical studies	56 675	47 680
Manufacturing costs	21 455	5 710
Other R&D expenses	18 605	11 270
Patent related expenses	3 540	2 786
Rent, office and IT	3 645	2 949
Accounting, audit, legal, consulting	5 061	3 978
Other operating expenses	2 338	2 802
Less government grants	(12 106)	(6 738)
Total operating expenses	**99 213**	**70 438**

Estimated total expenses related to R&D, including other operating expenses, payroll and payroll related expenses, less government grants, amounted to MNOK 96.9 in 2020 and MNOK 123.1 in 2021.

SPECIFICATION AUDITOR'S FEE (NOK 1 000)	2021	2020
Statutory audit	243	338
Audit related services	61	-
Tax related services	-	4
Other	10	9
Total auditor's fee	**313**	**351**

VAT is not included in the fees specified above.

Note 6: Financial items

FINANCIAL INCOME (NOK 1 000)	2021	2020
Foreign exchange gains - related to derivatives	9 042	-
Foreign exchange gains - related to EUR bank account	849	-
Foreign exchange gains - other	430	629
Interest income	3 062	4 580
Total financial income	**13 383**	**5 209**

FINANCIAL EXPENSES (NOK 1 000)	2021	2020
Foreign exchange losses - related to derivatives	10 520	-
Foreign exchange losses - related to EUR bank account	2 702	-
Foreign exchange losses - other	717	1 376
Other financial expenses	333	240
Total financial expenses	**14 272**	**1 616**

Note 7: Income tax

TAX EXPENSE BASIS (NOK 1 000)	2021	2020
Profit (loss) before tax	(164 722)	(120 552)
Net non-deductible income	(4 750)	(4 793)
Other items*	(116)	(602)
Change in temporary differences	7 248	190
Basis for tax calculation	**(162 340)**	**(125 758)**

INCOME TAX EXPENSE (NOK 1 000)	2021	2020
Expected tax expense	(36 049)	(26 434)
Net non-deductible income	(1 045)	(1 054)
Other items	(26)	(133)
Change in deferred tax assets not recognized	37 119	27 621
Income tax expense	**-**	**-**

* The share issue cost of MNOK 7.1 in 2020 and MNOK 11.0 in 2021 was deducted directly from equity and is included in the basis for tax calculation as the tax-effect is charged directly to equity.

The corporate tax rate in Norway was 22% in 2020 and 2021. The corporate tax rate in Sweden was 21.4% in 2020 and 20.6% in 2021, which is the basis of the deferred tax calculation for Ultimovacs AB.

INCOME TAX EXPENSE (NOK 1 000)	2021	2020
Tax losses carried forward	555 707	393 367
Temporary differences - financial instruments	(759)	-
Temporary differences - leasing liability	134	152
Temporary differences - licenses	(53 549)	(57 258)
Temporary differences - social security on options	12 009	4 031
Temporary differences - PP&E	246	198
Temporary differences and tax loss carry forward	**513 788**	**340 490**
Deferred tax assets - not recognized in statement of financial position	**124 440**	**87 321**
Deferred tax liability per 31 December	**11 031**	**11 795**

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 2020 was MNOK 340.5, and MNOK 513.8 as per 31 December 2021 (of which MNOK 26.7 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 11.0 has been calculated on the excess values utilizing the tax rate in Sweden of 20.6%. See note 9 for more information.

Note that the IFRS costs and social security accruals related to share options were not taken into account in the tax calculation in the 2020 Annual report. The non tax deductible IFRS costs related to the share options have in the overview above been included in “Other items” in 2020, as well as in 2021. The social security accrual for share options have been included in temporary differences in 2020, as well as in 2021. The “temporary differences and tax loss carry forward”, as well as the other items mentioned, therefore differs from the Annual statement 2020 (MNOK 336.5).

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 issuable potential ordinary shares and basic and diluted earnings per share is the same.

The share options issued 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	2021	2020
Profit (loss) for the year (NOK 1000)	(164 722)	(120 552)
Average number of outstanding shares during the year (1 000)	32 373	30 260
EPS - basic and diluted (NOK per share)	**(5.1)**	**(4.0)**

A share option program was introduced in June 2019 and the Board was at the ordinary General Assembly held on 15 April 2021 authorized to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 320,032.60 until the next ordinary General Assembly in 2022. A total of 1,833,585 share options are outstanding as per 31 December 2021, corresponding to 5.36% of the outstanding number of shares in the Company.

See note 15 for more information regarding the option program.

Note 9: Non-current assets

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

NON-CURRENT ASSETS 2020 (NOK 1 000)	OFFICE AND LAB EQUIPM.	PATENTS	LICENSES	GOODWILL	TOTAL
Accumulated cost 1 Jan 2020	1 782	4 000	50 401	10 383	**66 565**
Additions	282	5 000	-	-	**5 282**
Cost at 31 Dec 2020	**2 063**	**9 000**	**50 401**	**10 383**	**71 847**
Accumulated depreciation and amortization at 1 Jan 2020	(1 246)	(1 156)	-	-	**(2 402)**
Depreciations in the year	(440)	(551)	-	-	**(991)**
Accumulated depreciation and amortization at 31 Dec 2020	**(1 686)**	**(1 707)**	-	-	**(3 393)**
Accumulated currency effects at 1 Jan 2020	-	-	2 274	469	**2 743**
Currency exchange effects in the year	-	-	4 583	944	**(5 527)**
Carrying value at 31 Dec 2020	**377**	**7 293**	**57 258**	**11 795**	**76 724**
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.

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 payments will be capitalized in the balance sheet when paid to Inven2, and depreciated linearly until February 2031. The patent period spans over 15 years and expires in 2031.

Licenses and Goodwill

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

Note 9: Non-current assets (continued)

Licenses and Goodwill (continued)
There 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 H1-2023. If Ultimovacs decides not to go further in the development of the TET technology, it would be difficult to justify the value in the balance-sheet, and a substantial part of the booked value is subject for impairment.

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

Ultimovacs has both goodwill and intangibles with indefinite useful lives as of 31 December 2021. 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 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 purchase price amount to acquire the licensed technology. The Goodwill is also tested for impairment annually. To test for impairment, goodwill must be allocated to each of the acquirer's cash-generating units (CGU), or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. The legal entities Ultimovacs ASA and Ultimovacs AB, together the Group, is defined as the CGU subject for impairment testing. The impairment testing of the Licenses and its corresponding goodwill will therefore be performed at Group level.

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

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

The following factors have been assessed when testing for impairment:

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

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

Note 9: Non-current assets (continued)

3. Asset is idle, part of a restructuring or held for disposal: The first phase of the development plan is to develop product candidates of the TET prototype and identify 1-2 clinical trial lead candidate(s). Approximately MNOK 25 has been spent from 2019 until December 2021 on production and consultant costs in order to create product candidates. Several employees in both Norway and Sweden are involved in the project. In October 2021, the Company raised gross MNOK 270 in equity in a private placement, where a certain amount is allocated to further TET-development.

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

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

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

An additional factor which could be an indicator for impairment of the non intangible assets would be if the total market capitalization of the Group was lower than the net asset value in the balance sheet. This does however, not necessarily mean that the asset is overvalued in the statement of financial position, but should be a trigger to test for impairment based on other parameters. Market capitalization for the Group was as per 31 December 2021, MNOK 3,860, significantly higher than the value of the assets being tested for impairment (MNOK 593.2). On the other hand, a market capitalization over the current book value, does not directly indicate that the value is present and no other testing is required, as most of the market value is primarily attributable to UV1. Market capitalization alone cannot therefore be the sole parameter for testing the asset for impairment, but should be additionally be composed of the factors discussed above. Based on the market capitalization as per 31 December 2021, there is no indication that the market values TET lower than the current book value.

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

The preclinical development of TET is planned to be funded until an expected milestone in H1-2023. Then, if certain milestones are reached, additional funding will be needed for the next phase (mainly CMC development/manufacturing processes and clinical development) towards the commencement of a clinical trial. This critical decision point will be important when considering impairment of the intangible assets, as the asset could then be considered partly idle, reducing its value significantly.

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

Note 10: Other receivables

OTHER RECEIVABLES (NOK 1 000)	2021	2020
Government grants receivables (ref note 3)	5 314	6 941
Prepayments	878	748
Fair value of currency contracts	759	-
Other receivables	1 135	749
Total other receivables	**8 087**	**8 438**

Note 11: Cash and cash equivalents

CASH AND CASH EQUIVALENTS (NOK 1 000)	2021	2020
Employee withholding tax	1 855	1 829
Cash at bank	572 313	439 096
Cash and cash equivalents	**574 168**	**440 925**

As of 31 December 2021, cash and cash equivalents amounted to MNOK 574.2, of which MNOK 47.9 (MEUR 4.8) on an EUR account and MNOK 0.9 (MSEK 0.9) 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 2021 was NOK 3,422,176.1, with 34,221,761 ordinary shares with a nominal value of NOK 0.1. All issued shares have equal voting rights and the right to receive dividend. No dividend has been paid in the period. Ultimovacs ASA has approximately 5,000 shareholders as of 31 December 2021, 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 2020 and 2021 as follows:

CHANGES TO SHARE CAPITAL	SHARE CAPITAL NUMBER OF SHARES	SHARE CAPITAL (NOK 1 000)
1 January 2020	**27 860 400**	**2 786 040.0**
Issuance of ordinary shares	4 113 111	411 311.1
31 December 2020	**31 973 511**	**3 197 351.1**
Issuance of ordinary shares	2 248 250	224 825.0
31 December 2021	**34 221 761**	**3 422 176.1**

In a private placement in October 2021, 2,160,000 new shares each with a par value of NOK 0.10 and issued at a subscription price per share of NOK 125.0, resulting in gross proceeds from the share issue of MNOK 270.

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

In a private placement in May 2020, 4,113,111 new shares were issued at a price per share of NOK 38.90, resulting in gross proceeds from the share issue of MNOK 160.

The transaction costs related to the share-issues amounted to MNOK 7.1 in 2020 and NOK 11.0 in 2021, and have been recognized against share premium. For computation of earnings per share and diluted earnings per share see Note 8.

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

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

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

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

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

THE 20 MAIN SHAREHOLDERS AS OF 31 DECEMBER 2020	NUMBER OF SHARES	OWNERSHIP INTEREST
Gjelsten Holding AS	6 171 866	19.3%
Canica AS	2 507 663	7.8%
Inven2 AS	1 866 658	5.8%
Watrium AS	1 740 575	5.4%
Radiumhospitalets Forskningsstiftelse	1 498 913	4.7%
Langøya Invest AS	1 342 006	4.2%
Folketrygdfondet	1 190 000	3.7%
Helene Sundt AS	882 132	2.8%
CGS Holding AS	882 132	2.8%
Sundt AS	692 150	2.2%
Danske Invest Norge Vekst	690 000	2.2%
Stavanger Forvaltning AS	589 000	1.8%
Verdipapirfondet KLP AksjeNorge	585 000	1.8%
Verdipapirfondet Nordea Avkastning	524 817	1.6%
Brown Brothers Harriman (Lux.) SCA (Nominee)	522 113	1.6%
Prieta AS	520 988	1.6%
JP Morgan Chase Bank, N.A., London (Nominee)	439 137	1.4%
SEB Prime Solutions Sissener Canopus	425 000	1.3%
Swedbank AB	384 668	1.2%
Verdipapirfondet Nordea Kapital	283 471	0.9%
20 Largest shareholders	**23 738 289**	**74.2%**
Other shareholders	8 235 222	25.8%
Total	**31 973 511**	**100.0%**

As of 31 December 2020, three members of the Management team in the Group held a total of 149,106 ordinary shares in Ultimovacs.

NUMBER OF SHARES HELD BY CEO AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2020	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	8 406
Ketil Fjerdingen - through Langøya Invest AS	Board member	1 342 006
Leiv Askvig - through Basen Kapital AS	Board member	91 500
Henrik Schussler - through Fireh AS	Board member	19 200
Eva S. Dugstad	Board member	6 400
Kari Grønås - through K OG K AS	Board member	5 040
Håkan Englund - through JDS Invest AB	Deputy Board member	68 650
Total shares held by CEO and Board of Directors		**1 541 202**

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 2.5 in 2020 and MNOK 4.3 in 2021 respectively (incl. VAT). As per 31 December 2021, Ultimovacs had no outstanding payables to Inven2 AS.

Ultimovacs ASA finances running operations and projects in Ultimovacs AB through unconditional shareholder contributions. In 2020, Ultimovacs ASA contributed with a total of MNOK 4.0 in unconditional shareholder contributions to Ultimovacs AB, and MNOK 12.0 in 2021.

Note 14: Liabilities

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

RIGHT-OF-USE ASSETS 2020 (NOK 1 000)	CARS	OFFICE	TOTAL
Right-of-use assets as per 1 January 2020	420	3 103	**3 523**
Depreciation costs during the year	(469)	(1 260)	**(1 729)**
Extension options exercised / additions	1 158	679	**1 835**
Balance sheet value as per 31 December 2020	**1 109**	**2 520**	**3 630**

LEASE LIABILITIES (NOK 1 000)	2021	2020
Lease liability as per 1 January	**3 782**	**3 626**
Additions	19	1 835
Cash payments for the principal portion of the lease liability	(1 716)	(1 680)
Cash payments for the interest portion of the lease liability	(179)	(236)
Interest expense on lease liabilities	179	236
Lease liability as per 31 December	**2 084**	**3 782**
Current	1 628	1 707
Non-current	457	2 075

LEASE EXPENSES (NOK 1 000)	2021	2020
Depreciation expense of right-of-use assets	1 698	1 729
Interest expense on lease liabilities	179	236
Expense relating to short-term leases (incl. in Other operating expenses)	743	568
Expense relating to low-value assets (incl. in Other operating expenses)	11	11
Total amount recognized in profit or loss	**2 632**	**2 545**

The Group had total cash outflows related to leases of MNOK 2.5 in FY20 and MNOK 2.6 in FY21.

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 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.

NON-DISCOUNTED LEASE LIABILITIES EXPIRING WITHIN THE FOLLOWING PERIODS FROM THE BALANCE SHEET DATE (NOK 1 000)	2021	2020
Within 1 year	1 708	1 885
1 to 2 years	285	1 698
2 to 3 years	196	285
3 to 4 years	-	196
4 to 5 years	-	-
Over 5 years	-	-
Sum	**2 190**	**4 065**

Note 15: Share based payment

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

The share option program is groupwide and includes all employees in the Group. After the distribution of 600,000 new options in 2021, a total of 1,833,585 share options are outstanding as per 31 December 2021 (net of exercised and lapsed options), corresponding to 5.36% of the outstanding number of shares in the Company.

Each option gives the right to acquire one share in the Company and is granted without consideration. Pursuant to the vesting schedule, 25% of the options will vest one year after the day of grant, 25% of the options will vest two years after the day of grant and the remaining 50% will vest three years after the day of grant.

The options granted in 2020 to the CEO, Carlos de Sousa, will vest with 33.33% one year following the grant date, 33.33% after two years, and the remaining 33.34% on the third anniversary following the grant date. Vesting is dependent on the option holder still being employed in the Company.

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

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

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

MOVEMENTS OF OPTIONS DURING 2020	NUMBER OF INSTRUMENTS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at 1 January	**557 500**	31.25
Granted during the year	846 885	39.15
Terminated during the year	(73 950)	33.46
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 December	**1 330 435**	**36.16**
Vested options during the year	139 375	31.25

OUTSTANDING INSTRUMENTS OVERVIEW AT YEAR END	2021	2020
Number of instruments	1 833 585	1 330 435
Weighted Average Exercise Price (NOK)	44.77	36.16
Weighted Average Exercise Price on vested instruments (NOK)	35.42	31.25
Vested/Exercisable instruments as of 31 December	419 328	139 375
Weighted Average remaining contractual life (years)	3.46	4.03

Note 15: Share based payment (continued)

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

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

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

A dividend parameter is not included in the calculations.

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

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

The fair value of the granted instruments in 2020 and 2021 have been calculated using a Black Scholes model with the following assumptions:

FAIR VALUE PRICING ASSUMPTIONS	2021	2020
Instrument	Option	Option
Quantity as of 31 December	600 000	846 885
Contractual life*	5.00	5.00
Exercise price*	61.99	39.15
Share price*	62.10	39.00
Expected lifetime*	3.25	2.64
Volatility*	48.12%	71.04%
Interest rate*	0.067%	0.081%
Dividend*	-	-
Fair value per instrument*	20.79	16.65
Vesting conditions	Service condition	

*Weighted average parameters at grant of instrument

The total IFRS cost recognized for the option program was MNOK 6.8 in FY 2020 and MNOK 11.6 in FY21. The total social security provision was MNOK 4.1 in FY20 and MNOK 8.6 in FY21.

Note 15: Share based payment (continued)

NUMBER OF OPTIONS HELD BY MANAGEMENT TEAM	POSITION	2021	2020
Carlos de Sousa	Chief Executive Officer	416 035	362 185
Hans Vassgård Eid	Chief Financial Officer	177 500	118 500
Jens Egil Torbjørn Bjørheim	Chief Medical Officer	168 000	109 000
Audun Tornes	Chief Technology Officer	107 500	72 500
Gudrun Trøite	Head of Project Coordination	107 500	72 500
Ingunn Hagen Westgaard	Head of Research	107 500	72 500
Øivind Foss	Head of Clinical Operations	107 500	72 500
Ton Berkien	Chief Business Officer	59 000	-
Anne Worsøe	Head of IR and Communication	-	n.a.
Orla Mc Callion	Head of Regulatory Affairs and QA	-	n.a.
Total allocated share options to Management Team		**1 250 535**	**879 685**

Note 16 - Other current liabilities

OTHER CURRENT LIABILITIES (NOK 1 000)	2021	2020
Public duties payable	3 386	3 066
Public duties payable related to options	12 888	4 332
Holiday pay payable	3 415	2 640
Accrued salary (severance pay)	-	3 024
Other accrued expenses	7 025	4 087
Sum	**26 714**	**17 149**

Note 17: Financial instruments

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

FINANCIAL ASSETS (NOK 1 000)	2021 CARRYING VALUE	2021 FAIR VALUE	2020 CARRYING VALUE	2020 FAIR VALUE
Foreign exchange forward contracts	759	759	-	-
Total financial assets	**759**	**759**	**-**	**-**

Foreign exchange forward contracts are valued at fair value which is also the market value of the contract based on the use of market observable inputs at Level 1 of the fair value hierarchy. Market values are calculated using mid-rates (excluding margins) as determined by the financial institution counterparty on available market rates at reporting date.

Note 17: Financial instruments (continued)

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

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

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

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

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange-rates relates to the Group's operating activities, primarily expenses in USD, EUR, SEK and GBP. The Group has during 2021 converted cash to 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	2021	2020
EUR	+10%	26 533	3 385
	-10%	(26 533)	(3 385)
GBP	+10%	455	380
	-10%	(455)	(380)
USD	+10%	821	1 368
	-10%	(821)	(1 368)
SEK	+10%	2 646	1 382
	-10%	(2 646)	(1 382)

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	2021	2020
Bank deposits	+2%	8 331	8 395
	-2%	(8 331)	(8 395)
	+5%	20 828	20 987
	-5%	(20 828)	(20 987)

Currency fluctuations in regards to the bank deposits in foreign currency and the foreign exchange forward contracts will not result in any 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 sustain future development of the business. Although currently sufficiently capitalized as per 31 December 2021, the Group will require new capital in the future in order to continue its research, execute planned clinical studies and commercialize products. Management closely monitors the Group's cash flows on long and short term through continuous planning and reporting.

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 and COVID-19

In February 2022, as part of the Q4 2021 reporting, Ultimovacs provided an update on guidance regarding topline data readouts for its Phase II clinical trials. Despite earlier and current pandemic-related challenges, the levels of patient enrollment have been increasing in both INITIUM and NIPU. The updated guidance is that both INITIUM and NIPU will have readouts during the first half of 2023, rather than during the second half of 2022 as indicated in the early guidance given in 2019 before either study started.

The DOVACC and FOCUS trials are still in their early stages of hospitals/clinical site activation, and the start-up phase of both has taken somewhat longer than originally planned. Ultimovacs has guided that the readouts of topline results are expected to take place in 2023 and have done so since the trials began. In the LUNGVAC trial, Ultimovacs expects the first patient to be enrolled during the first half of 2022 with topline results expected by the end of 2024. Once each of the three trials DOVACC, FOCUS and LUNGVAC has progressed sufficiently to provide a reliable trajectory beyond initiation, Ultimovacs will review guidance and expects to give an update with the Q4 2022 report.

On May 19, 2021, Ultimovacs announced a 60% Objective Response Rate (30% complete responses plus 30% partial responses) in the first cohort of 20 patients in the UV1 103 study. During the year, one partial responder was changed to stable disease, resulting in a 57% objective response rate. In March 2022, one partial responder in this cohort was changed to complete response. The ORR remains the same, however, complete response rate is now 35% for this cohort, and 33% (previously 30%) for cohort 1 and 2 combined.

The COVID-19 pandemic had no significant implications to the Annual Report 2021.

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

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Statement of profit and loss and other comprehensive income Ultimovacs ASA

(NOK 1 000) EXCEPT PER SHARE DATA	NOTES	2021	2020
Total revenues		**-**	**-**
Payroll and payroll related expenses	3, 4, 15	(52 959)	(46 950)
Depreciation and amortization	9, 14	(2 703)	(2 720)
Other operating expenses	3, 5	(94 602)	(68 210)
Total operating expenses		**(150 264)**	**(117 880)**
Operating profit (loss)		**(150 264)**	**(117 880)**
Financial income	6	13 383	5 209
Financial expenses	6	(14 268)	(1 610)
Net financial items		**(885)**	**3 600**
Profit (loss) before tax		**(151 149)**	**(114 280)**
Income tax expense	7	-	-
Profit (loss) for the year		**(151 149)**	**(114 280)**
Items that subsequently may be reclassified to profit or loss:			
Other comprehensive income (loss) for the year		-	-
Total comprehensive income (loss) for the year		**(151 149)**	**(114 280)**
Basic and diluted earnings (loss) per share (NOK per share)	8	(4.7)	(3.8)

Statement of financial position Ultimovacs ASA

(NOK 1 000)	NOTES	2021	2020
ASSETS			
Non-current assets			
Investment in subsidiary	13, 18	77 512	65 512
Patents	9	6 539	7 293
Property, plant and equipment	9	212	377
Right of use assets	14	1 951	3 630
Total non-current assets		**86 214**	**76 812**
Current assets			
Receivables and prepayments	3, 10	7 539	8 269
Cash and cash equivalents	11	573 255	440 529
Total current assets		**580 794**	**448 798**
TOTAL ASSETS		**667 008**	**525 610**
EQUITY AND LIABILITIES			
Equity			
Share capital		3 422	3 197
Share premium		1 070 841	809 214
Total paid-in equity		**1 074 264**	**812 411**
Accumulated losses		(475 074)	(323 925)
Other equity		19 405	8 509
TOTAL EQUITY	12	**618 594**	**496 995**
Non-current liabilities			
Lease liability	14	457	2 075
Total non-current liabilities		**457**	**2 075**
Current liabilities			
Lease liability	14	1 628	1 707
Accounts payable		21 275	8 442
Other current liabilities	15, 16	25 055	16 392
Total current liabilities		**47 957**	**26 541**
TOTAL LIABILITIES		**48 414**	**28 615**
TOTAL EQUITY AND LIABILITIES		**667 008**	**525 610**

Board of Directors and CEO of Ultimovacs ASA

Oslo, 24 March 2022

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

Statement of cash flow Ultimovacs ASA

(NOK 1 000)	NOTES	2021	2020
Cash flow from operating activities			
Profit (loss) before tax		(151 149)	(114 280)
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization	9, 14	2 703	2 720
Interest received including investing activities	6	(3 062)	(4 545)
Net foreign exchange differences	6	3 614	741
Other financial expenses	14	179	236
Share option expenses	15	10 896	6 648
Working capital adjustment:			
Changes in prepayments and other receivables	10	730	(441)
Changes in payables and other current liabilities	16	21 495	6 385
Net cash flows from operating activities		**(114 593)**	**(102 536)**
Cash flow from investing activities			
Purchase of property, plant and equipment	9	(85)	(282)
Patent milestone payments	13	-	(5 000)
Shareholder contribution to subsidiary	18	(12 000)	(4 000)
Interest received	6	3 062	4 545
Net cash flow from investing activities		**(9 023)**	**(4 736)**
Cash flow from financing activities			
Proceeds from issuance of equity	12	272 864	160 000
Share issue cost	12	(11 012)	(7 067)
Interest paid	14	(179)	(236)
Payment of lease liability	14	(1 716)	(1 680)
Net cash flow from financing activities		**259 957**	**151 017**
Net change in cash and cash equivalents	11	136 341	43 745
Effect of change in exchange rate	6	(3 614)	(741)
Cash and cash equivalents, beginning of period	11	**440 529**	**397 525**
Cash and cash equivalents, end of period		**573 255**	**440 529**

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 2019		**2 786**	**656 692**	**659 478**	**(209 646)**	**1 861**	**451 693**
Profit (loss) for the year					(114 280)		**(114 280)**
Other comprehensive income (loss)							**-**
Issue of share capital	12	411	159 589	**160 000**			**160 000**
Share-issue costs	12		(7 067)	**(7 067)**			**(7 067**
Recognition of share-based payments	15					6 648	**6 646**
Balance as of 31 December 2020		**3 197**	**809 214**	**812 411**	**(323 925)**	**8 509**	**496 995**
Profit (loss) for the year					(151 149)		**(151 149)**
Other comprehensive income (loss)							**-**
Issue of share capital	12	225	272 640	**272 864**			**272 864**
Share-issue costs	12		(11 012)	**(11 012)**			**(11 012)**
Recognition of share-based payments	15					10 896	**10 896**
Balance as of 31 December 2021		**3 422**	**1 070 841**	**1 074 864**	**(475 074)**	**19 405**	**618 594**

Note 1: General information

Ultimovacs ASA (the Company or Ultimovacs) is a pharmaceutical 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 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 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 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 24 March 2022.

Note 2: Accounting principles

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

The Company uses derivative financial instruments to hedge its risks associated with foreign exchange rates.
Derivatives are initially and subsequently measured at fair value. The financial statements have been prepared on the historical cost basis. 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 2021 have been prepared under the going concern assumption.

III. Accounting principles

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

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

Note 2: Accounting principles (continued)

iii. Financial instruments

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

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

- Subsequent measurement

The measurement of financial liabilities depends on their classification.

- Loans and borrowings

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

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

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

Note 2: Accounting principles (continued)

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.

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

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

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

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

Note 2: Accounting principles (continued)

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

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

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

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

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

No dilutive effect has been recognized as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Company is currently loss-making, an increase in the average number of shares would have anti-dilutive effects. As the Company has currently no issuable potential ordinary shares and basic and diluted earnings per share is the same.

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

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

Note 2: Accounting principles (continued)

xii. IFRS 16 Leases

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

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases Under IAS 17:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied recognition exemptions to leases that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option.
- Applied the low value lease exemption not to recognize right-of-use assets at the date of initial application.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as of January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability and are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

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

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

Note 2: Accounting principles (continued)

xiii. Share-based payments
Employees in the 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 20 years for patents. An adjustment is made for any impairment. Intangible items acquired in a business combination must be recognized as assets separately from goodwill if they meet the definition of an asset, are either separable or arise from contractual or other legal rights, and their fair value can be measured reliably.

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

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

Note 2: Accounting principles (continued)

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

Deferred tax is calculated on temporary differences between book and tax values of assets and liabilities and the tax effects of losses to carry forward in the consolidated financial statements at the reporting date. Deferred tax liabilities and assets are calculated according to the tax rates and regulations ruling at the end of the reporting period and at nominal amounts. Deferred tax liabilities and assets are recognized net when the 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)	2021	2020
Skattefunn	4 750	4 750
Eurostars	786	2 015
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	802	739
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	5 241	1 383
Innovation Norway	3 000	-
Total grants	**14 578**	**8 888**

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)	2021	2020
Payroll and payroll related expenses	2 472	2 150
Other operating expenses	12 106	6 738
Total costs deducted	**14 578**	**8 888**

Grants receivable as per 31 December are detailed as follows:

GRANTS RECEIVABLES (NOK 1 000)	2021	2020
Skattefunn	4 750	4 750
Eurostars	-	450
Industrial Ph.D. grant from The Research Council of Norway (Forskningsrådet)	267	358
Innovation Project grant from The Research Council of Norway (Forskningsrådet)	296	1 383
Total grants receivables	**5 314**	**6 941**

Skattefunn:
The Skattefunn R&D tax incentive scheme is a government program designed to stimulate research and development in Norwegian. As of 31 December 2021, three Skattefunn-grants are approved, two of which reports in 2022, and one in 2024.

Eurostars:
Eurostars is a joint program between EUREKA and the European Commission, co-funded from the national budgets of 36 Eurostars Participating States and Partner Countries and by the European Union through Horizon 2020. Eurostars supports international innovative projects led by research and development- performing small- and medium-sized enterprises, and is administered by Forskningsrådet in Norway. Ultimovacs has been awarded financial support for the project “Validation of a novel immune response capturing platform for immunotherapy development and monitoring” from 2018 to 2021.

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

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

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

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

Note 4: Salary and personnel expenses and management remuneration

PAYROLL AND PAYROLL RELATED EXPENSES (NOK 1 000)	2021	2020
Salaries and holiday pay	29 753	32 412
Social security tax	5 000	4 320
Social security tax related to options	7 978	3 848
Pension expenses	1 505	1 461
Share-based compensation	10 896	6 648
Other personnel expenses	299	412
Government grants	(2 472)	(2 150)
Total payroll and payroll related expenses	**52 959**	**46 950**
Number of FTEs employed during the financial year	17.6	16.9
Number of FTEs at end of year	19.0	17.0

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

EXECUTIVE REMUNERATION (NOK 1 000)	2021	2020
Management Team remuneration	27 044	22 493
Board of Director's remunerations	1 915	1 855

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 2020 or as of 31 December 2021.

Please refer to the Remuneration Report 2021 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 2021, all twenty of Ultimovacs ASA's employees were covered by the pension scheme.

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

The total pension contributions for all employees recognized as expenses equaled MNOK 1.5 and MNOK 1.5 in 2020 and 2021 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.

On 1 June 2020, Øyvind Kongstun Arnesen resigned his position as CEO in Ultimovacs ASA. Following his resignation, Arnesen received an 18 months severance pay, paid over the course of 18 months. In the same period, Arnesen received all benefits from his employment, with the exception for pension rights, which were not applicable for the last 12 months. During the last six-month period, any income from new employment/engagements, was deducted from the severance pay.

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. Carlos de Sousa received a sign-on-fee of MNOK 0.5 when he commenced his position as CEO in June 2020.

Statement on the executive employee remuneration policy during the previous financial year
The executive compensation for the fiscal year 2021 has been in accordance with the Remuneration Guidelines for 2021. Refer to Remuneration Guidelines 2021 and Remuneration Report 2021 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)	2021	2020
External R&D expenses	93 426	63 605
Clinical studies	54 760	47 183
Manufacturing costs	21 455	5 710
Other R&D expenses	17 210	10 712
Patent related expenses	3 180	2 451
Rent, office and IT	3 091	2 492
Accounting, audit, legal, consulting	4 820	3 739
Other operating expenses	2 190	2 661
Less government grants	(12 106)	(6 738)
Total operating expenses	**94 602**	**68 210**

Estimated total expenses related to R&D, including other operating expenses, payroll and payroll related expenses, less government grants, amounted to MNOK 91.3 in 2020 and MNOK 111.8 in 2021.

SPECIFICATION AUDITOR'S FEE (NOK 1 000)	2021	2020
Statutory audit	243	338
Audit related services	61	-
Tax related services	-	4
Other	10	9
Total auditor's fee	**313**	**351**

VAT is not included in the fees specified above.

Note 6: Financial items

FINANCIAL INCOME (NOK 1 000)	2021	2020
Foreign exchange gains - related to derivatives	9 042	-
Foreign exchange gains - related to EUR bank account	849	-
Foreign exchange gains - other	430	629
Interest income	3 062	4 580
Total financial income	**13 383**	**5 209**

FINANCIAL EXPENSES (NOK 1 000)	2021	2020
Foreign exchange losses - related to derivatives	10 520	-
Foreign exchange losses - related to EUR bank account	2 702	-
Foreign exchange losses - other	712	1 370
Other financial expenses	333	240
Total financial expenses	**14 268**	**1 610**

Note 7: Income tax

TAX EXPENSE BASIS (NOK 1 000)	2021	2020
Profit (loss) before tax	(151 149)	(114 280)
Net non-deductible income	(4 750)	(4 785)
Other items	(116)	(602)
Change in temporary differences	7 248	4 271
Basis for tax calculation	**(148 767)**	**(115 396)**

INCOME TAX EXPENSE (NOK 1 000)	2021	2020
Expected tax expense	(33 253)	(25 142)
Net non-deductible income	(1 045)	(1 053)
Other items	(26)	(133)
Change in deferred tax assets not recognized	34 323	26 327
Effect from changes in tax rate	-	-
Income tax expense	**-**	**-**

* The share issue cost of MNOK 7.1 in 2020 and MNOK 11.0 in 2021 was deducted directly from equity and is included in the basis for tax calculation as the tax-effect is charged directly to equity.

The corporate tax rate in Norway was 22% in 2020 and 2021.

DEFERRED TAX ASSETS (NOK 1 000)	2021	2020
Tax losses carried forward	529 008	380 241
Temporary differences - financial instruments	(759)	-
Temporary differences - leasing liability	134	152
Temporary differences - social security on options	12 009	4 031
Temporary differences - PP&E	246	198
Temporary differences and tax loss carry forward	**540 637**	**384 622**
Deferred tax assets - not recognized in statement of financial position	**118 940**	**84 617**
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 2020 was MNOK 384.6, and MNOK 540.6 as per 31 December 2021.

Note that the IFRS costs and social security accruals related to share options were not taken into account in the tax calculation in the 2020 Annual report. The non tax deductible IFRS costs related to the share options have in the overview above been included in “Other items” in 2020, as well as in 2021. The social security accrual for share options have been included in temporary differences in 2020, as well as in 2021. The “temporary differences and tax loss carry forward”, as well as the other items mentioned, therefore differs from the Annual statement 2020 (MNOK 380.6).

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 issuable potential ordinary shares and basic and diluted earnings per share is the same.

The share options issued 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	2021	2020
Profit (loss) for the year (NOK 1 000)	(151 149)	(114 280)
Average number of outstanding shares during the year (1 000)	32 373	30 260
EPS - basic and diluted (NOK per share)	**(4.7)**	**(3.8)**

A share option program was introduced in June 2019 and the Board was at the ordinary General Assembly held on 15 April 2021 authorized to increase the Company's share capital in connection with the share incentive arrangement by up to NOK 320,032.60 until the next ordinary General Assembly in 2022. A total of 1,833,585 share options are outstanding as per 31 December 2021, corresponding to 5.36% of the outstanding number of shares in the Company.

See note 15 for more information regarding the option program.

Note 9: Non-current assets

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

NON-CURRENT ASSETS 2020 (NOK 1 000)	OFFICE AND LAB EQUIPM.	PATENTS	TOTAL
Accumulated cost as of 1 January 2020	1 782	4 000	**5 782**
Additions	282	5 000	**5 282**
Cost as of 31 December 2020	**2 063**	**9 000**	**11 063**
Accumulated depreciation and amortization as of 1 January 2020	(1 246)	(1 156)	**(2 402)**
Depreciations in the year	(440)	(551)	**(991)**
Accumulated depreciation and amortization as of 31 December 2020	**(1 686)**	**(1 707)**	**(3 393)**
Carrying value as of 31 December 2020	**377**	**7 293**	**7 671**
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.

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 payments will be capitalized in the balance sheet when paid to Inven2, and depreciated linearly until February 2031. The patent period spans over 15 years and expires in 2031.

Note 10: Other receivables

OTHER RECEIVABLES (NOK 1 000)	2021	2020
Government grants receivables (ref note 3)	5 314	6 941
Prepayments	878	748
Fair value of currency contracts	759	-
Other receivables	588	580
Total other receivables	**7 539**	**8 269**

Note 11: Cash and cash equivalents

CASH AND CASH EQUIVALENTS (NOK 1 000)	2021	2020
Employee withholding tax	1 855	1 829
Cash at bank	571 400	438 700
Cash and cash equivalents	**573 255**	**440 529**

As of 31 December 2021, cash and cash equivalents amounted to MNOK 573.3, of which MNOK 47.9 (MEUR 4.8) on an EUR account.

Note 12: Share capital, shareholder information and dividend

The share capital as of 31 December 2021 was NOK 3,422,176.1, with 34,221,761 ordinary shares with a nominal value of NOK 0.1. All issued shares have equal voting rights and the right to receive dividend. No dividend has been paid in the period. Ultimovacs ASA has approximately 5,000 shareholders as of 31 December 2021, 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 2020 and 2021 as follows:

CHANGES TO SHARE CAPITAL	SHARE CAPITAL NUMBER OF SHARES	SHARE CAPITAL (NOK 1 000)
1 January 2020	**27 860 400**	**2 786 040.0**
Issuance of ordinary shares	4 113 111	411 311.1
31 December 2020	**31 973 511**	**3 197 351.1**
Issuance of ordinary shares	2 248 250	224 825.0
31 December 2021	**34 221 761**	**3 422 176.1**

In a private placement in October 2021, 2,160,000 new shares each with a par value of NOK 0.10 and issued at a subscription price per share of NOK 125.0, resulting in gross proceeds from the share issue of MNOK 270.

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

In a private placement in May 2020, 4,113,111 new shares were issued at a price per share of NOK 38.90, resulting in gross proceeds from the share issue of MNOK 160.

The transaction costs related to the share-issues amounted to MNOK 7.1 in 2020 and NOK 11.0 in 2021, and have been recognized against share premium. For computation of earnings per share and diluted earnings per share see Note 8.

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

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

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

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

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

THE 20 MAIN SHAREHOLDERS AS OF 31 DECEMBER 2020	NUMBER OF SHARES	OWNERSHIP INTEREST
Gjelsten Holding AS	6 171 866	19.3%
Canica AS	2 507 663	7.8%
Inven2 AS	1 866 658	5.8%
Watrium AS	1 740 575	5.4%
Radiumhospitalets Forskningsstiftelse	1 498 913	4.7%
Langøya Invest AS	1 342 006	4.2%
Folketrygdfondet	1 190 000	3.7%
Helene Sundt AS	882 132	2.8%
CGS Holding AS	882 132	2.8%
Sundt AS	692 150	2.2%
Danske Invest Norge Vekst	690 000	2.2%
Stavanger Forvaltning AS	589 000	1.8%
Verdipapirfondet KLP AksjeNorge	585 000	1.8%
Verdipapirfondet Nordea Avkastning	524 817	1.6%
Brown Brothers Harriman (Lux.) SCA (Nominee)	522 113	1.6%
Prieta AS	520 988	1.6%
JP Morgan Chase Bank, N.A., London (Nominee)	439 137	1.4%
SEB Prime Solutions Sissener Canopus	425 000	1.3%
Swedbank AB	384 668	1.2%
Verdipapirfondet Nordea Kapital	283 471	0.9%
20 Largest shareholders	**23 738 289**	**74.2%**
Other shareholders	8 235 222	25.8%
Total	**31 973 511**	**100.0%**

As of 31 December 2020, three members of the Management team in the Company held a total of 149,106 ordinary shares in Ultimovacs.

NUMBER OF SHARES HELD BY CEO AND THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2020	POSITION	NUMBER OF SHARES
Carlos de Sousa	CEO	8 406
Ketil Fjerdingen - through Langøya Invest AS	Board member	1 342 006
Leiv Askvig - through Basen Kapital AS	Board member	91 500
Henrik Schussler - through Fireh AS	Board member	19 200
Eva S. Dugstad	Board member	6 400
Kari Grønås - through K OG K AS	Board member	5 040
Håkan Englund - through JDS Invest AB	Deputy Board member	68 650
Total shares held by CEO and Board of Directors		**1 541 202**

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 Company. 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 2.5 in 2020 and MNOK 4.3 in 2021 respectively (incl. VAT). As per 31 December 2021, Ultimovacs had no outstanding payables to Inven2 AS.

Ultimovacs ASA finances running operations and projects in Ultimovacs AB through unconditional shareholder contributions. In 2020, Ultimovacs ASA contributed with a total of MNOK 4.0 in unconditional shareholder contributions to Ultimovacs AB, and MNOK 12.0 in 2021.

Note 14: Liabilities

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

RIGHT-OF-USE ASSETS 2020 (NOK 1 000)	CARS	OFFICE	TOTAL
Right-of-use assets as per 1 January 2020	420	3 103	**3 523**
Depreciation costs during the year	(469)	(1 260)	**(1 729)**
Extension options exercised / additions	1 158	679	**1 835**
Balance sheet value as per 31 December 2020	**1 109**	**2 520**	**3 630**

LEASE LIABILITIES (NOK 1 000)	2021	2020
Lease liabilities as per 1 January	**3 781**	**3 626**
Additions	19	1 835
Cash payments for the principal portion of the lease liability	(1 716)	(1 680)
Cash payments for the interest portion of the lease liability	(179)	(236)
Interest expense on lease liabilities	179	236
Lease liabilities as per 31 December	**2 084**	**3 782**
Current	1 628	1 707
Non-current	457	2 075

LEASE EXPENSES (NOK 1 000)	2021	2020
Depreciation expense of right-of-use assets	1 698	1 729
Interest expense on lease liabilities	179	236
Expense relating to short-term leases (incl. in Other operating expenses)	502	568
Expense relating to low-value assets (incl. in Other operating expenses)	11	11
Total amount recognized in profit or loss	**2 391**	**2 545**

The Company had total cash outflows related to leases of MNOK 2.5 in FY20 and MNOK 2.4 in FY21.

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.

NON-DISCOUNTED LEASE LIABILITIES EXPIRING WITHIN THE FOLLOWING PERIODS FROM THE BALANCE SHEET DATE (NOK 1 000)	2021	2020
Within 1 year	1 708	1 885
1 to 2 years	285	1 698
2 to 3 years	196	285
3 to 4 years	-	196
4 to 5 years	-	-
Over 5 years	-	-
Sum	**2 190**	**4 065**

Note 15: Share based payment

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

The share option program is groupwide and includes all employees in the Group. After the distribution of 600,000 new options in 2021, a total of 1,833,585 share options are outstanding as per 31 December 2021 (net of exercised and lapsed options), corresponding to 5.36% of the outstanding number of shares in the Company.

Each option gives the right to acquire one share in the Company and is granted without consideration. Pursuant to the vesting schedule, 25% of the options will vest one year after the day of grant, 25% of the options will vest two years after the day of grant and the remaining 50% will vest three years after the day of grant.

The options granted in 2020 to the CEO, Carlos de Sousa, will vest with 33.33% one year following the grant date, 33.33% after two years, and the remaining 33.34% on the third anniversary following the grant date. Vesting is dependent on the option holder still being employed in the Company.

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

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

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

MOVEMENTS OF OPTIONS DURING 2020	NUMBER OF INSTRUMENTS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at 1 January	**557 500**	31.25
Granted during the year	846 885	39.15
Terminated during the year	(73 950)	33.46
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at 31 December	**1 330 435**	**36.16**
Vested options during the year	139 375	31.25

OUTSTANDING INSTRUMENTS OVERVIEW AT YEAR END	2021	2020
Number of instruments	1 833 585	1 330 435
Weighted Average Exercise Price (NOK)	44.77	36.16
Weighted Average Exercise Price on vested instruments (NOK)	35.42	31.25
Vested/Exercisable instruments as of 31 December	419 328	139 375
Weighted Average remaining contractual life (years)	3.46	4.03

Note 15: Share based payment (continued)

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

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

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

A dividend parameter is not included in the calculations.

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

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

The fair value of the granted instruments in 2020 and 2021 have been calculated using a Black Scholes model with the following assumptions:

FAIR VALUE PRICING ASSUMPTIONS	2021	2020
Instrument	Option	Option
Quantity as of 31 December	600 000	846 885
Contractual life*	5.00	5.00
Exercise price*	61.99	39.15
Share price*	62.10	39.00
Expected lifetime*	3.25	2.64
Volatility*	48.12%	71.04%
Interest rate*	0.067%	0.081%
Dividend*	-	-
Fair value per instrument*	20.79	16.65
Vesting conditions		Service condition

*Weighted average parameters at grant of instrument

The total IFRS cost recognized for the option program was MNOK 6.6 in FY 2020 and MNOK 10.9 in FY21. The total social security provision was MNOK 4.1 in FY20 and MNOK 8.0 in FY21.

Note 15: Share based payment (continued)

NUMBER OF OPTIONS HELD BY MANAGEMENT TEAM	POSITION	2021	2020
Carlos de Sousa	Chief Executive Officer	416 035	362 185
Hans Vassgård Eid	Chief Financial Officer	177 500	118 500
Jens Egil Torbjørn Bjørheim	Chief Medical Officer	168 000	109 000
Audun Tornes	Chief Technology Officer	107 500	72 500
Gudrun Trøite	Director Regulatory Affairs and QA	107 500	72 500
Ingunn Hagen Westgaard	Head of Research	107 500	72 500
Øivind Foss	Head of Clinical Operations	107 500	72 500
Ton Berkien	Chief Business Officer (Ultimovacs AB)	59 000	-
Anne Worsøe	Head of IR and Communication	-	n.a.
Orla Mc Callion	Head of Reg. and QA (Ultimovacs AB)	-	n.a.
Total allocated share options to Management Team		**1 250 535**	**879 685**

Note 16: Other current liabilities

OTHER CURRENT LIABILITIES (NOK 1 000)	2021	2020
Public duties payable	3 076	3 222
Public duties payable related to options	12 009	4 031
Holiday pay payable	3 032	2 559
Accrued salary (severance pay)	-	3 024
Other accrued expenses	6 937	3 555
Sum	**25 055**	**16 392**

Note 17: Financial instruments

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

FINANCIAL ASSETS (NOK 1 000)	2021 CARRYING VALUE	2021 FAIR VALUE	2020 CARRYING VALUE	2020 FAIR VALUE
Foreign exchange forward contracts	759	759	-	-
Total financial assets	**759**	**759**	**-**	**-**

Foreign exchange forward contracts are valued at fair value which is also the market value of the contract based on the use of market observable inputs at Level 1 of the fair value hierarchy. Market values are calculated using mid-rates (excluding margins) as determined by the financial institution counterparty on available market rates at reporting date.

Note 17: Financial instruments (continued)

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

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

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

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

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company'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. The Company has during 2021 converted cash to 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 in 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	2021	2020
EUR	+10%	26 513	3 350
	-10%	(26 513)	(3 350)
GBP	+10%	446	369
	-10%	(446)	(369)
USD	+10%	821	1 368
	-10%	(821)	(1 368)
SEK	+10%	1 451	853
	-10%	(1 451)	(853)

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	2021	2020
Bank deposits	+2%	8 284	8 357
	-2%	(8 284)	(8 357)
	+5%	20 709	20 892
	-5%	(20 709)	(20 892)

Currency fluctuations in regards to the bank deposits in foreign currency and the foreign exchange forward contracts will not result in any 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 sustain future development of the business. The Company will require new capital in the future in order to continue its research, execute planned clinical studies and commercialize products. Management closely monitors the Company's cash flows on long and short term through continuous planning and reporting.

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 finances running operations and projects in Ultimovacs AB through unconditional shareholder contributions. As at 31 December 2021, Ultimovacs AS has contributed with a total of MNOK 24.5 in unconditional shareholder contributions to Ultimovacs AB, of which MNOK 12.0 in FY21.

The impairment test performed as of 31 December 2021 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)	2021	2020
Investment in subsidiary as at 01 January	**65 512**	**61 512**
Unconditional shareholder contribution to Ultimovacs AB	12 000	4 000
Investment in subsidiary as at 31 December	**77 512**	**65 512**

Note 19: Events after the balance sheet date and COVID-19

In February 2022, as part of the Q4 2021 reporting, Ultimovacs provided an update on guidance regarding topline data readouts for its Phase II clinical trials. Despite earlier and current pandemic-related challenges, the levels of patient enrollment have been increasing in both INITIUM and NIPU. The updated guidance is that both INITIUM and NIPU will have readouts during the first half of 2023, rather than during the second half of 2022 as indicated in the early guidance given in 2019 before either study started.

The DOVACC and FOCUS trials are still in their early stages of hospitals/clinical site activation, and the start-up phase of both has taken somewhat longer than originally planned. Ultimovacs has guided that the readouts of topline results are expected to take place in 2023 and have done so since the trials began. In the LUNGVAC trial, Ultimovacs expects the first patient to be enrolled during the first half of 2022 with topline results expected by the end of 2024. Once each of the three trials DOVACC, FOCUS and LUNGVAC has progressed sufficiently to provide a reliable trajectory beyond initiation, Ultimovacs will review guidance and expects to give an update with the Q4 2022 report.

On May 19, 2021, Ultimovacs announced a 60% Objective Response Rate (30% complete responses plus 30% partial responses) in the first cohort of 20 patients in the UV1 103 study. During the year, one partial responder was changed to stable disease, resulting in a 57% objective response rate. In March 2022, one partial responder in this cohort was changed to complete response. The ORR remains the same, however, complete response rate is now 35% for this cohort, and 33% (previously 30%) for cohort 1 and 2 combined.

The COVID-19 pandemic had no significant implications to the Annual Report 2021.

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

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Ultimovacs ASA

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 2021, 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 a summary of significant accounting policies.

In our opinion, the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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

Basis for opinion

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

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

We have been the auditor of the Company for seven 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 2021. We have determined that there are no key audit matters to communicate in our report.

Other information

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

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

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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 there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, 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 and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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- 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.

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 whether the financial statements included in the annual report, with the file name ultimovacsasa-2021-12-31-en, has 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 given with legal basis in 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 an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility 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 based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL

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tagging and assessed management's use of judgement. Our work comprised 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, 24 March 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Tommy Romskaug
State Authorised Public Accountant (Norway)

Glossary

WORDS / TERMS	DESCRIPTION
General/basic terms	
UV1	UV1 is Ultimovacs' synthetic peptide vaccine
Peptides	Peptides are short or long-chains of amino acids, and amino acids are the building blocks of protein.
Immune response	The activity of the immune system against foreign substances (antigens).
Adjuvant	A medical substance used to enhance the effect of another medical substance.
GM-CSF	"Granulocyte-macrophage colony-stimulating factor". Ultimovacs uses GM-CSF as adjuvant together with UV1 to strengthen the ability of UV1 to stimulate the immune system.
Immune checkpoint inhibitors	Medicines that "takes the brakes off the immune system". The immune system has brakes necessary to balance a normal immune response. The downside to these brakes is that it makes it easier for a tumor to grow because the immune system becomes less able to fight the tumor. By "blocking the brakes", the immune system becomes more potent in killing tumor cells. PD-1 / PDL-1 inhibitors (e.g., pembrolizumab and nivolumab) and CTLA-4 inhibitors (e.g. ipilimumab). There are many others in development.
Investigational New Drug (IND)	The United States Food and Drug Administration's Investigational New Drug (IND) program is the means by which a pharmaceutical company obtains permission to start human clinical trials and to ship an experimental drug across state lines (usually to clinical investigators) before a marketing application for the drug has been approved. Similar procedures are followed in the European Union, Japan, and Canada.
CTLA-4	A protein found on T cells (a type of immune cell) that helps balancing a normal immune response. The balance is needed to avoid collateral damage of normal cells. When CTLA-4 is bound to another protein called B7, it helps keep T cells from multiplying and killing other cells, including cancer cells. Ipilimumab works by making it difficult for the CTLA-4 to bind to B7. Ipilimumab was the first checkpoint inhibitor to reach the market.
PARP Inhibitor	PARP inhibitors are a group of pharmacological inhibitors of the enzyme poly ADP ribose polymerase. They are developed for multiple indications, including the treatment of heritable cancers. Several forms of cancer are more dependent on PARP than regular cells, making PARP an attractive target for cancer therapy
PD-1 / PD-L1	A protein found on T cells (a type of immune cell) that helps balancing a normal immune response. The balance is needed to avoid collateral damage of normal cells. When PD-1 is bound to another protein called PD-L1, it helps keep T cells from killing other cells, including cancer cells. Some anticancer drugs, called immune checkpoint inhibitors, are used to block PD-1 or PD-L1. When this checkpoint is blocked, the "brakes" on the immune system are released and the ability of T cells to kill cancer cells is increased.
Telomere	To prevent the loss of genes as chromosome ends wear down, the tips of eukaryotic chromosomes have specialized DNA "caps" called telomeres.
Telomerase	Some cells have the ability to reverse telomere shortening by expressing telomerase (hTERT), an enzyme that extends the telomeres of chromosomes. Telomerase is expressed at a high level in over 80% of human tumors. UV1 uses telomerase (hTERT) as an immune therapy target.
Tetanus	Tetanus (Norwegian: "Stivkrampe") is a serious illness contracted through exposure to the spores of the bacterium, Clostridium tetani, which live in soil, saliva, dust, and manure. The bacteria can enter the body through deep cuts, wounds or burns affecting the nervous system. The infection leads to painful muscle contractions, particularly of the jaw and neck muscle, and is commonly known as "lockjaw". Tetanus vaccination protects against the disease.
PARP and Checkpoint inhibitors	
Ipilimumab	Anti-CTLA-4 checkpoint inhibitor from BMS (Bristol-Myers Squibb)
Nivolumab	Anti-PD-1 checkpoint inhibitor from BMS (Bristol-Myers Squibb)
Pembrolizumab	Anti-PD-1 checkpoint inhibitor from Merck
Durvalumab	Anti-PD-L1 checkpoint inhibitor from AstraZeneca
Olaparib	PARP inhibitor from AstraZeneca

Glossary

WORDS / TERMS	DESCRIPTION
Clinical trial terms	
CR	Complete response (The disappearance of all signs of cancer in response to treatment. Also called complete remission.)
DOR	Duration of response (The length of time that a tumor continues to respond to treatment without the cancer growing or spreading.)
PR	Partial response (A decrease in the size of a tumor, or in the extent of cancer in the body, in response to treatment. Also called partial remission.)
SD	Stable disease (Cancer that is neither decreasing nor increasing in extent or severity.)
PD	Progressive disease (Cancer that is growing, spreading, or getting worse.)
ORR	Overall response rate = CR + PR
OS	Overall survival (The length of time from either the date of diagnosis or the start of treatment for a disease, such as cancer, that patients diagnosed with the disease are still alive. In a clinical trial, measuring the overall survival is one way to see how well a new treatment works.)
PFS	Progression-free survival (The length of time during and after the treatment of a disease, such as cancer, that a patient lives with the disease but it does not get worse. In a clinical trial, measuring the progression-free survival is one way to see how well a new treatment works.)
mPFS	Median overall survival 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 amount of immune cells, mainly dermal dendritic cells.
Biopsy	A piece of tissue, normal or pathological removed from the body for the purpose of examination.
IgE	Immunoglobulin E (IgE) are antibodies produced by the immune system. If you have an allergy, your immune system overreacts to an allergen (what you are allergic to) by producing IgE. These antibodies travel to cells that release chemicals, causing an allergic reaction when an allergen enters the body.
Metastasis/ Metastatic cancer	The development of malignant growths at a distance from a primary site of cancer/ Metastatic cancer is cancer that spreads from its site of origin to another part of the body.
SAE	A serious adverse event (SAE) in human drug trials is defined as any untoward medical occurrence that at any dose 1. results in death, 2. is life-threatening 3. requires inpatient hospitalization or causes prolongation of existing hospitalization 4. results in persistent or significant disability/incapacity, 5. is a congenital anomaly/birth defect, or 6. requires intervention to prevent permanent impairment or damage. The term “life-threatening” in the definition of “serious” refers to an event in which the patient was at risk of death at the time of the event; it does not refer to an event which hypothetically might have caused death if it were more severe. Adverse events are further defined as “Any untoward medical occurrence in a patient or clinical investigation subject administered a pharmaceutical product and which does not necessarily have to have a causal relationship with this treatment.”
PSA	Prostate-specific antigen (PSA) is an enzyme (protein) important for reproduction. PSA is present in small quantities in the serum of men with healthy prostates, but is often elevated in the presence of prostate cancer or other prostate disorders.

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Our mission is to extend and improve the life of patients by directing the immune system against the core of cancer.

We will provide universally accessible solutions.