

IO Biotech ApS

Ole Maaløes Vej 3

2200 København N

CVR No. 36474483

Annual Report 2024

10. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 25 June 2025

Mai-Britt Zocca
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of IO Biotech ApS for the financial year 1 January 2024 - 31 December 2024.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 25 June 2025

Executive Board

Mai-Britt Zocca
CEO

Independent Auditors' Report

To the shareholder of IO Biotech ApS

Opinion

We have audited the financial statements of IO Biotech ApS for the financial year 1 January 2024 - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Material uncertainty related to going concern

We draw attention to note 9 in the financial statements, which describes that the Company's future capital requirement and its ability to secure additional capital resources to finance its operations beyond March 2026 are dependent on factors outside the Company's controls, and accordingly, a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists. Since the Executive Management believe that sufficient new funding will be obtained in due time, the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. We have not modified our opinion in respect to this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 and additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditors' Report

- 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 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 in preparing the financial statements 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Independent Auditors' Report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 25 June 2025

EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

Rasmus Bloch Jespersen
State Authorised Public Accountant
mne35503

IO Biotech ApS

Company details

Company	IO Biotech ApS Ole Maaløes Vej 3 2200 København N
E-mail	info@iobiotech.com
Website	www.iobiotech.com
CVR No.	36474483
Financial year	1 January 2024 - 31 December 2024
Executive Board	Mai-Britt Zocca
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg CVR-no.: 30700228

Management's Review

The Company's principal activities

IO Biotech ApS (in the following referred to as "IO Biotech" or the "Company") is a clinical stage biotech company developing disruptive immune therapies for the treatment of cancer. IO Biotech has a pipeline of first-in-class immune modulating anti-cancer therapies based on a unique platform technology enabling the activation of T cells that are specific for immune inhibitory molecules.

IO Biotech has achieved a proven track record of progressing compounds to the clinic and has compounds in clinical development and late-stage preclinical phase.

IO Biotech has an experienced management team within immuno-oncology fields and a world-class scientific and clinical advisory board.

Development in the activities and the financial situation of the Company

Development in activities

The Company is a clinical-stage biopharmaceutical company developing novel, immune-modulatory, off-the-shelf therapeutic cancer vaccines based on our T-win® platform. Our T-win product candidates are designed to kill both tumor cells and immune-suppressive cells in the tumor microenvironment ("TME") by stimulating the activation and expansion of T cells against target antigen positive cells. This results in the modulation of the TME, creating a more pro-inflammatory environment, and the potentiation of anti-tumor activity by unleashing the tumor killing by T cells. We believe that our product candidates have the potential to advance the oncology treatment paradigm, amplifying immune-oncology treatment effects across the spectrum of melanoma and other tumor types.

The Company's lead therapeutic cancer vaccine candidate, IO102-IO103, which in the U.S. is known as Cylembio® (imsapepimut and etimupepimut, adjuvanted), is designed to target cancer cells and immune-suppressive cells in the TME that express indoleamine 2,3-dioxygenase ("IDO") and programmed death ligand 1 ("PD-L1"). In an investigator-initiated, single-arm Phase 1/2 trial of 30 anti PD-1/PD-L1 naïve patients with metastatic melanoma, Cylembio in combination with nivolumab, an anti-programmed cell death 1 ("PD-1") checkpoint inhibitor, demonstrated proof of concept by increasing the overall response rate ("ORR") and median length of progression free survival ("PFS") compared to what has been reported with an anti-PD-1 antibody alone. Safety was the primary endpoint of this trial, immune response was the secondary endpoint and clinical efficacy was the tertiary endpoint. The clinical efficacy endpoints in this trial included objective response ("OR"), PFS and overall survival ("OS"). The combination induced meaningful tumor regression and achieved rapid, deep and durable responses with a favorable tolerability profile without adding systemic toxicity to what is typically seen with an anti-PD-1 monotherapy in this patient population. As of the January 5, 2023 data cut as published in the May 2023 Journal for ImmunoTherapy of Cancer, we observed a confirmed ORR of 73% as per RECIST 1.1, a complete response rate ("CRR") of 50% and 25.5 months of PFS. Based on the results from this study, IO102-IO103, in combination with pembrolizumab, was granted BTX by the FDA for treatment of unresectable/metastatic melanoma and we initiated a global Phase 3 trial.

Potentially Registrational Phase 3 IOB-013/KN-D18 Trial

The Company enrolled the first patient in a potentially registrational Phase 3 trial for Cylembio® in combination with pembrolizumab as first-line treatment in advanced melanoma, the IOB-013/KN-D18 trial, in May of 2022. In June 2023, the Company announced that we amended the protocol and increased the target number of patients to be enrolled in the Phase 3 trial from an original 300 patients to a revised 380 patients to potentially accelerate the timeline to reach the analysis of the primary endpoint of PFS. In November 2023, we fully enrolled the Phase 3 trial (380 patients) ahead of schedule with nearly half the patients enrolled during the final six months of enrollment. We included all patients who met the study criteria and who were in screening when the target enrollment was achieved, resulting in a total of 407 patients being enrolled in our IOB-013/KN-D18 trial.

The PFS analysis is event-driven and has been planned to be conducted when 226 events (progression or death) in the trial have occurred in the study. With 226 events, the primary endpoint of PFS is powered at 89% to detect a hazard ratio of 0.65. The rate of events has slowed in the study, as such, we now expect the readout of the PFS primary endpoint in the third quarter of 2025. The Company continue to plan to submit a BLA to the FDA in 2025

Management's Review

and potentially make our first therapeutic cancer vaccine available for patients in the U.S. with advanced melanoma in 2026

Phase 2 IOB-022/KN-D38 Basket trial & Phase 2 IOB-032/PN Basket Trial

The Company is also investigating Cylembio® in several other solid tumor indications. We are conducting a Phase 2 basket trial, the IOB-022/KN-D38 trial, which is investigating multiple first-line solid tumor indications in treatment naïve patients for metastatic disease and a basket trial, IOB-032/PN Basket Trial, to investigate Cylembio in combination with pembrolizumab in a perioperative cancer setting.

Development in the financial situation

The Company's Income Statement of the financial year 1 January 2024 - 31 December 2024 shows a result of EUR -84.833.635 and the Balance Sheet at 31 December 2024 a balance sheet total of EUR 67.017.448 and an equity of EUR -6.630.183.

There is an increase in cost as there has been an increase in the activities due to ongoing phase 3 study. Management considers the Company's financial performance in the year satisfactory and in line with the strategic directions.

In November 2024, the company carried out a capital increase of nominal DKK 501.250 (EUR 67.090) with a total subscription of DKK 447.516.000 (EUR 60.000.000). The proceeds from the capital increase have been paid up in parts. 25 % equivalent to DKK 111.600.000 (EUR 15.000.000) equivalent DKK 334.800.000 have been paid in cash and 75%, equivalent to DKK 334.800.000 (EUR 45.000.000) is non paid share capital.

The non paid portion of the share capital must be paid upon demand by the Company's executive management.

Capital loss position

At 31 December 2024, the company is in a capital loss position. As discussed in section "Events after the balance sheet date", in February 2025, agreements were executed to settle and extinguish certain payables to group enterprises. As a result of these transactions, retained earnings increased by EUR 51.5 million, thereby re-establishing the Company's share capital in February 2025.

Events after the balance sheet date

1. EIB Loan

On December 19, 2024, the Company, entered into a Finance Contract with the European Investment Bank, establishing a loan facility of up to €57.5 million that includes three committed tranches of potential financing in an aggregate principal amount of up to €37.5 million, subject to certain conditions precedent, and one uncommitted accordion tranche of €20.0 million. The Company has drawn down on the Tranche A loan facility in principal amount of €10.0 million on May 6, 2025 and believes that the business conditions of the Tranche B loan facility have been satisfied to draw up to €12.5 million, each before payment of certain fees and transaction related expense.

2. Settlement of Inter-company payables/receivables in 2025

In February 2025, the Company, along with its parent and subsidiaries, executed agreements to settle and extinguish certain payables to group enterprises. Consequently, the Company received capital contributions from its parent in the form of the extinguishment of intercompany payables amounting to EUR 2.6 million and a dividend in kind through the distribution of intercompany receivables from subsidiaries totaling EUR 48.9 million. As a result of these transactions, retained earnings increased by EUR 51.5 million, thereby re-establishing the Company's share capital in February 2025.

Material uncertainty related to going concern

These financial statements have been prepared on a going concern basis of accounting, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Since inception, the Company, together with its sole shareholder, IO Biotech, Inc. has devoted substantially all of

Management's Review

its efforts to business planning, conducting research and development, recruiting management and technical staff, and raising capital. The Company's operations have been financed primarily through private placements, capital increases by IO Biotech, Inc., intercompany payables and the EIB Loan Facility.

The Company's and the IO Biotech, Inc. group's continued discovery and development of product candidates will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if our product development efforts are successful, it is uncertain when, if ever, we will realize significant revenue from product sales.

As of 31 December 2024, the Company had equity of EUR -6.6 million, and the Company has incurred losses and negative cash flows from operations since inception, including net losses of EUR 84.8 million and EUR 76.7 million for the years ended 31 December 2024 and 2023, respectively. It is expected that the Company's operating losses and negative cash flows will continue for the foreseeable future as the Company continue to develop its product candidates.

It is the expectation of management that the Company's capital resources at 31 December 2024, along with the extinguishment of certain intercompany payables in February 2025, commitments received from IO Biotech, Inc., the draw down of the first tranche of the EIB Loan of €10.0 million on May 6, 2025 and expected draw down of the second tranche of the EIB loan of €12.5 million (refer to note 10), and certain cost reduction measures to be taken to preserve cash, if needed, will be sufficient to fund the Company's operating expenses and capital requirements through 31 December 2025, however, not beyond March 2026.

The Company and IO Biotech, Inc. have plans to obtain additional funding to fulfill operating and capital requirements beyond March 2026. These plans include funding operating losses and capital needs through public or private equity or debt financings, strategic collaborations, licensing arrangements, or other arrangements.

Although management believes these plans should provide sufficient financing, successful execution depends on factors outside of the Company's control, including data from the results of our IOB-013 clinical trial, expected in Q3 2025. Future capital requirements will depend various factors, including:

- the scope, prioritization and number of our research and development programs;
- the scope, progress, results and costs of our clinical trials;
- the costs, timing and outcome of regulatory review of our product candidate;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the costs to scale up and secure manufacturing arrangements for commercial production of Cylembio® in combination with pembrolizumab as a first-line treatment in advanced melanoma;
- the costs of establishing and maintaining sales and marketing capabilities for Cylembio in combination with pembrolizumab as a first-line treatment in advanced melanoma, and any product candidate that obtains regulatory approval; and
- the level of sales achieved, and costs related to the commercialization of Cylembio in combination with pembrolizumab as a first-line treatment in advanced melanoma.

Therefore, sufficient additional funds may not be available on a timely basis, on favorable terms or at all. As such, management cannot conclude that such plans will be effectively implemented in due time to secure sufficient funds to finance operations beyond 31 March 2026.

As a result, management has concluded that material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists and therefore, the company may not be able to continue its currently ongoing research and development activities as planned and realize its assets and satisfy its liabilities in the normal course of business.

Accounting Policies

Reporting class

This annual report has been prepared and presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year, except for the below change in currency.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Translation policies

Presentation currency

The financial statements are presented in Euro (EUR).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables, and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Income statement

Research and development costs

The item includes research and development costs not satisfying the criteria for capitalisation. Research costs comprise salaries, patent costs, consultancy fees, clinical trial cost, etc.

Contractual costs to provide services related to clinical trial start-up activities are recognised ratably over the estimated start-up period.

Accounting Policies

Contractual costs to provide services related to patient treatment are recognised based on data related to patient screening, enrollment and monitoring visits. Fixed fees not directly correlated to patient activities, such as CRO, management fees or database maintenance, are often recognised ratably over the treatment period.

Contractual costs to provide wrap-up activities are often recognised ratably over the estimated wrap-up period.

The company will receive charges from subsidiaries as a part of the service delivered.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises, lawyers, auditors, consultants etc. and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including public grants, gains or losses on the sale of fixed assets.

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Other financial income

Other financial income comprises bank interest, realized - and unrealized exchange rates gains.

Other financial expenses

Other financial expenses are recognised in the income statements at the amounts that concern the financial year.

Tax on profit/loss for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Tax of the year includes tax credits for costs incurred in connection with research and development activities under the Danish Tax Regime.

Balance sheet

Intellectual property rights

Intangible assets acquired intangible rights.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Amortisation is made over the estimated economic life without the determination of a residual value.

The expected useful lives of the intangible assets are as follows:

Acquired intangible rights	10-20 years
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The expected useful lives for assets above 10 years are based on patents applications.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Art is measured at cost without depreciation.

Other fixtures and fittings, tools and equipment	3-5 years
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Accounting Policies

Cost includes the acquisition price and costs directly related to them acquisition until the time at which the asset is ready for use.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Leases (Company as lessee)

The Company has chosen IAS 17 Leases as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment and equity investments in group entities is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Tax payable or receivable

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Accounting Policies

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash and short-term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Contributed capital

The contributed capital comprises the nominal amount of the Company's shares.

Retained earnings

Retained earnings includes the accumulated profit/loss for the year and the reduction from any expenses directly attributable to capital increases.

Non paid in share capital

Non paid in share capital is presented according to the gross method whereby the non paid in share capital is recognised in equity and as a receivable under "Receivables from owners". An amount corresponding to the non paid in share capital is re classified from "Retained earnings" to "Reserve for non paid in capital.

Of the total capital increase of 60 mEUR in 2024, 75% of the capital increase is not paid as of 31/12 2024.

Other reserves

Other reserves comprise of amounts relating to the special reserve that has been established upon the execution of the share capital decrease in accordance with section §188 (1) (3) of the Danish Companies Act. The special fund may only be used after resolution of the general meeting.

Liabilities other than provisions

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Financial liabilities are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Income Statement

	Note	2024 EUR	2023 EUR
Gross profit		0	0
Research and development costs	1	-75.045.192	-67.718.616
Administrative expenses	1	-8.757.781	-10.121.137
Other operating income		2.554	15.709
Profit from ordinary operating activities		-83.800.419	-77.824.044
Finance income	2	386.153	485.514
Finance expenses	3	-2.156.815	-48.795
Profit from ordinary activities before tax		-85.571.081	-77.387.325
Tax benefit (expense)	4	737.446	738.408
Profit (loss)		-84.833.635	-76.648.917
Proposed distribution of results			
Retained earnings		-84.833.635	-76.648.917
Distribution of profit (loss)		-84.833.635	-76.648.917

Balance Sheet as of 31 December

	Note	2024 EUR	2023 EUR
Assets			
Acquired intangible assets		1.521.234	1.674.587
Intangible assets	5	1.521.234	1.674.587
Fixtures, fittings, tools and equipment	6	278.702	336.377
Property, plant and equipment		278.702	336.377
Investments in group enterprises		97	97
Deposits		111.198	80.804
Financial assets	7	111.295	80.901
Fixed assets		1.911.231	2.091.865
Receivables from group enterprises		5.039.918	846.348
Receivables from owners	8	45.000.000	45.000.000
Tax receivables		737.902	737.902
Other receivables		350.342	288.549
Receivables		51.128.162	46.872.799
Prepayments		1.168.445	576.211
Prepayments		1.168.445	576.211
Cash and cash equivalents		12.809.610	9.498.040
Total non-fixed assets		65.106.217	56.947.050
Assets		67.017.448	59.038.915

Balance Sheet as of 31 December

	Note	2024 EUR	2023 EUR
Liabilities and equity			
Contributed capital		380.210	313.120
Other statutory reserves		327.297	327.297
Retained earnings		-52.337.690	-27.436.965
Unpaid contributed capital	8	45.000.000	45.000.000
Equity		-6.630.183	18.203.452
Trade payables		12.585.126	8.903.958
Payables to group enterprises	8	60.142.015	30.558.204
Other payables		920.490	1.373.301
Current liabilities		73.647.631	40.835.463
Liabilities		73.647.631	40.835.463
Liabilities and equity		67.017.448	59.038.915
Financing and the going concern assumption	9		
Significant events occurring after end of reporting period	10		
Contingent liabilities	11, 12		
Deferred tax assets and liabilities	13		
Related parties	14		

Statement of changes in Equity

EUR

	Contributed capital	Other reserves	Unpaid share capital	Retained earnings	Total
Equity 1 January 2024	313.120	327.297	45.000.000	-27.436.965	18.203.452
Increase of capital	67.090	0	0	59.932.910	60.000.000
Other adjustments of equity	0	0	45.000.000	-45.000.000	0
Equity transfers to reserves			-45.000.000	45.000.000	0
Profit (loss)	0	0	0	-84.833.635	-84.833.635
Equity 31 December 2024	380.210	327.297	45.000.000	-52.337.690	-6.630.183

Notes

	2024 EUR	2023 EUR
1. Employee benefits expense		
Wages and salaries	4.145.967	4.635.297
Pension	598.973	597.253
Social security contributions	11.627	9.463
Other employee expense	17.815	17.120
	4.774.382	5.259.133
<i>Employee benefits expense are allocated as follows in the income statement</i>		
Research and development costs	2.891.634	3.266.063
Administrative expenses	1.882.748	1.993.070
	4.774.382	5.259.133
 Average number of employees	 25	 21
2. Finance income		
Interest income	339.775	479.763
Exchange Gains	46.378	5.751
	386.153	485.514
3. Finance expenses		
Other finance expenses	51.549	0
Exchange Loss	2.105.266	48.795
	2.156.815	48.795
4. Tax benefit (expense)		
Tax Benefit	-737.446	-738.408
	-737.446	-738.408

Tax benefit for the year comprise tax credit for research and development expenditures in Denmark

Notes

	2024 EUR	2023 EUR
5. Intangible assets		
		Acquired intangible assets
Cost at the beginning of the year		2.052.969
Cost at the end of the year		2.052.969
Amortisation at the beginning of the year		-378.382
Amortisation for the year		-153.353
Amortisation at the end of the year		-531.735
Carrying amount at the end of the year		1.521.234
6. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	416.182	183.753
Addition during the year, incl. improvements	23.825	232.429
Cost at the end of the year	440.007	416.182
Depreciation at the beginning of the year	-79.805	-24.028
Depreciation for the year	-81.500	-55.777
Depreciation at the end of the year	-161.305	-79.805
Carrying amount at the end of the year	278.702	336.377
7. Investments		
	Investments in group enterprises	Deposits
Cost at the beginning of the year	97	80.804
Addition during the year	0	30.394
Cost at the end of the year	97	111.198
Carrying amount at the end of the year	97	111.198

Notes

2024	2023
EUR	EUR

8. Share capital

Capital increase:

In November 2024, the company carried out a capital increase nominally DKK 501.250 (EUR 67.090) with a total subscription amount of DKK 447.516.000 (EUR 60.000.000). The proceeds from the capital increase have been paid up in part. 25%, equivalent to DKK 111.600.000 (EUR 15.000.000), have been paid in cash and 75%, equivalent DKK 334.800.000 (EUR 45.000.000) is non-paid up share capital. The non-paid portion of the share capital must be paid upon demand by the Company's executive management.

Capital loss position:

At 31 December the Company is in a capital loss position. As disclosed in note 10, below, in February 2025, agreements were executed to settle and extinguish certain payables to group enterprises. As a result of these transactions, retained earnings increased by EUR 51.5 million, thereby re-establishing the Company's share capital in February 2025.

9. Material uncertainty related to going concern

These financial statements have been prepared on a going concern basis of accounting, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Since inception, the Company, together with its sole shareholder, IO Biotech, Inc. has devoted substantially all of its efforts to business planning, conducting research and development, recruiting management and technical staff, and raising capital. The Company's operations have been financed primarily through private placements, capital increases by IO Biotech, Inc., intercompany payables and the EIB Loan Facility.

The Company's and the IO Biotech, Inc. group's continued discovery and development of product candidates will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if our product development efforts are successful, it is uncertain when, if ever, we will realize significant revenue from product sales.

As of 31 December 2024, the Company had equity of EUR -6.6 million, and the Company has incurred losses and negative cash flows from operations since inception, including net losses of EUR 84.8 million and EUR 76.7 million for the years ended 31 December 2024 and 2023, respectively. It is expected that the Company's operating losses and negative cash flows will continue for the foreseeable future as the Company continue to develop its product candidates.

It is the expectation of management that the Company's capital resources at 31 December 2024, along with the extinguishment of certain intercompany payables in February 2025, commitments received from IO Biotech, Inc., the draw down of the first tranche of the EIB Loan of €10.0 million on May 6, 2025 and expected draw down of the second tranche of the EIB loan of €12.5 million (refer to note 10), and certain cost reduction measures to be taken to preserve cash, if needed, will be sufficient to fund the Company's operating expenses and capital requirements through 31 December 2025, however, not beyond March 2026.

The Company and IO Biotech, Inc. have plans to obtain additional funding to fulfill operating and capital requirements beyond March 2026. These plans include funding operating losses and capital needs through public or private equity or debt financings, strategic collaborations, licensing arrangements, or other arrangements.

Although management believes these plans should provide sufficient financing, successful execution depends on

Notes

	2024	2023
	EUR	EUR

factors outside of the Company's control, including data from the results of our IOB-013 clinical trial, expected in Q3 2025. Future capital requirements will depend various factors, including:

- the scope, prioritization and number of our research and development programs;
- the scope, progress, results and costs of our clinical trials;
- the costs, timing and outcome of regulatory review of our product candidate;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the costs to scale up and secure manufacturing arrangements for commercial production of Cylembio® in combination with pembrolizumab as a first-line treatment in advanced melanoma;
- the costs of establishing and maintaining sales and marketing capabilities for Cylembio in combination with pembrolizumab as a first-line treatment in advanced melanoma, and any product candidate that obtains regulatory approval; and
- the level of sales achieved, and costs related to the commercialization of Cylembio in combination with pembrolizumab as a first-line treatment in advanced melanoma.

Therefore, sufficient additional funds may not be available on a timely basis, on favorable terms or at all. As such, management cannot conclude that such plans will be effectively implemented in due time to secure sufficient funds to finance operations beyond 31 March 2026.

As a result, management has concluded that material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists and therefore, the company may not be able to continue its currently ongoing research and development activities as planned and realize its assets and satisfy its liabilities in the normal course of business.

10. Significant events occurring after end of reporting period

1. EIB Loan

On December 19, 2024, the Company, entered into a Finance Contract with the European Investment Bank, establishing a loan facility of up to €57.5 million that includes three committed tranches of potential financing in an aggregate principal amount of up to €37.5 million, subject to certain conditions precedent, and one uncommitted accordion tranche of €20.0 million. The Company has drawn down on the Tranche A loan facility in principal amount of €10.0 million on May 6, 2025 and believes that the business conditions of the Tranche B loan facility have been satisfied to draw up to €12.5 million, each before payment of certain fees and transaction related expense.

2. Settlement of Inter-company payables/receivables in 2025

In February 2025, the Company, along with its parent and subsidiaries, executed agreements to settle and extinguish certain payables to group enterprises. Consequently, the Company received capital contributions from its parent in the form of the extinguishment of intercompany payables amounting to EUR 2.6 million and a dividend in kind through the distribution of intercompany receivables from subsidiaries totaling EUR 48.9 million. As a result of these transactions, retained earnings increased by EUR 51.5 million, thereby re-establishing the Company's share capital in February 2025.

Notes

	2024	2023
	EUR	EUR

11. Contingent liabilities

We enter into contracts in the ordinary course of business with third-party service providers for clinical trials, preclinical research studies and testing, manufacturing and other services and products for operating purposes. These contracts generally provide for termination upon notice of 30 to 90 days, and therefore, we believe that our non-cancelable obligations under these agreements are not material and we cannot reasonably estimate whether they will occur. However, in the event of a termination of any contracts with CROs or other institutions and with respect to active patients enrolled in our clinical trials, we may be financially obligated for a period beyond the contractual termination notice periods. We may also enter into additional research, manufacturing, supplier, lease and other agreements in the future, which may require up-front payments and even long-term commitments of cash.

12. Liabilities under operational leases

Liabilities under rental or operational lease agreements until maturity	191.632	384.580
	191.632	384.580

13. Deferred tax assets

At 31 December 2024, the Company has tax loss carry forward totalling EUR 286.5 million. The nominal value thereof is 22%, or EUR 63.0 million, which has not been recognised in the balance sheet due to uncertainty as to future utilization of the tax losses.

14. Related parties

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
 IO Biotech Inc.
 Orange Street 1209
 DE 19801
 Wilmington
 USA

Information about consolidated financial statements:

The financial statements for 2024 for IO Biotech, Inc can be retrieved at :

https://www.sec.gov/Archives/edgar/data/1865494/000095017025058713/iobt_fy24_10k_ars.pdf