PKF Munkebo Vindelev Statsautoriseret Revisionsaktieselskab



Annual report 2016

Company reg. no. 34 58 03 67

Oncomal ApS c/o COBIS, Ole Maaløes Vej 3 2200 København N

The annual report have been submitted and approved by the general meeting on 20 May 2017	

Ali Salanti Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the executive board have today presented the annual report of Oncomal ApS for the financial year 1 January to 31 December 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København N, 20 May 2017

Executive board

Ali Salanti	Thor Grundtvig Theander	Mads Daugaard
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Board of directors

Mads Daugaard Peter Schröcksnadel Poul Henrik Bredahl Sørensen

Ali Salanti Thor Grundtvig Theander Mai-Britt Zocca

Independent auditor's report

To the shareholders of Oncomal ApS

Opinion

We have audited the annual accounts of Oncomal ApS for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the
 disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Glostrup, 20 May 2017

PKF Munkebo Vindelev State Authorised Public Accountants Company reg. no. 14 11 92 99

Kasper Vindelev State Authorised Public Accountant

Company data

The company Oncomal ApS

c/o COBIS, Ole Maaløes Vej 3

2200 København N

Company reg. no. 34 58 03 67 Established: 9 May 2012

Domicile: The City of Copenhagen
Financial year: 1 January - 31 December

5th financial year

Board of directors Mads Daugaard

Peter Schröcksnadel

Poul Henrik Bredahl Sørensen

Ali Salanti

Thor Grundtvig Theander

Mai-Britt Zocca

Executive board Ali Salanti

Thor Grundtvig Theander

Mads Daugaard

Auditors PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab

Hovedvejen 56 2600 Glostrup

Bankers Danske Bank, Holmens Kanal 2, 1090 København K

Subsidiary Var2 Pharmaceuticals ApS, København

Financial highlights

DKK in thousands.	2016	2015	2014	2013	2012
Profit and loss account:					
Gross profit	-252	-13	-16	-84	0
Results from operating activities	-252	-13	-16	-84	-8
Net financials	-17	20	12	-1	0
Results for the year	-269	8	-4	-84	-8
Balance sheet:					
Balance sheet sum	14.089	5.395	1.919	80	80
Equity	13.105	5.191	1.787	-12	73

The financial highlights for 2012 only comprise the period 9 May 2012 - 31 December 2013.

Management's review

The principal activities of the company

The significant activities of the enterprise are operations in the cancer fighting field, directly or via share-holdings in other companies, and other activities which, in the opinion of the board of directors, are related there to.

Development in activities and financial matters

The gross loss for the year is DKK -252.000 against DKK -13.000 last year. The results from ordinary activities after tax are DKK -269.000 against DKK 8.000 last year. The management considers the results satisfactory.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Oncomal ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

THE PROFIT AND LOSS ACCOUNT

Gross loss

The gross loss comprises other external costs.

Other external costs comprise costs for administration.

Accounting policies used

Net financials

Net financials comprise interest, realised and unrealised capital, gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

THE BALANCE SHEET

Financial fixed assets

Equity investment in group enterprise

Equity investment in group enterprise is measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Available funds

Available funds comprise cash at bank.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Oncomal ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Oncomal ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Accounting policies used

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>		2016	2015
Gross loss		-252.411	-12.500
Results bef	ore net financials	-252.411	-12.500
1 Other finance	ial income from group enterprises	0	20.280
2 Other finance	ial costs	-17.004	0
Results bef	ore tax	-269.415	7.780
Tax on ordir	ary results	0	0
Results for	the year	-269.415	7.780
Proposed d	istribution of the results:		
Allocated to	results brought forward	0	7.780
Allocated fro	m results brought forward	-269.415	0
Distribution	in total	-269.415	7.780

Balance sheet 31 December

All amounts in DKK.

Α	S	se	ts

Note	<u>2</u>	2016	2015
	Fixed assets		
3	Equity investment in group enterprise	13.457.694	5.278.314
	Financial fixed assets in total	13.457.694	5.278.314
	Fixed assets in total	13.457.694	5.278.314
	Current assets		
4	Receivable corporate tax	516.255	116.222
	Debtors in total	516.255	116.222
	Available funds	115.372	0
	Current assets in total	631.627	116.222
	Assets in total	14.089.321	5.394.536

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

	Equity and national	
2016	<u>e</u>	Note
	Equity	
89.922	Contributed capital	5
13.015.535	Results brought forward	7
13.105.457	Equity in total	
	Liabilities	
12.000	Trade creditors	
971.864	Debt to group enterprises	
983.864	Short-term liabilities in total	
983.864	Liabilities in total	
14.089.321	Equity and liabilities in total	
	89.922 13.015.535 13.105.457 12.000 971.864 983.864 983.864	Equity Contributed capital 89.922 Results brought forward 13.015.535 Equity in total 13.105.457 Liabilities Trade creditors 12.000 Debt to group enterprises 971.864 Short-term liabilities in total 983.864 Liabilities 983.864

8 Contingencies

Notes

All ar	mounts in DKK.				
				2016	2015
1.	Other financial income from gr	oup enterprises	;		
	Rent income, VAR2 Pharmaceuti	cals ApS		0	20.280
				0	20.280
2.	Other financial costs				
	Financial costs, group enterprises	S		12.605	0
	Other financial costs			4.399	0
				17.004	0
				31/12 2016	31/12 2015
3.	Equity investment in group ent	erprise			
	Acquisition sum, opening balance	e 1 January 2016	3	5.278.314	1.881.558
	Additions during the year			8.179.380	3.396.756
	Cost 31 December 2016			13.457.694	5.278.314
	Book value 31 December 2016			13.457.694	5.278.314
	The financial highlights for the	enterprise acco	ording to the late	est approved ann	ual report
		Share of		Doculto for	Book value at
		owner- ship	Equity	Results for the year	Oncomal ApS
	Var2 Pharmaceuticals ApS,				
	København	93,1 %	9.855.332	-1.856.736	13.457.694
				31/12 2016	31/12 2015
4.	Receivable corporate tax				
	Receivable corporate tax 1 Janua	ary 2016		116.222	37.086
	Received corporate tax concerning	•		-116.222	0
	Calculated corporate tax for the p	resent year		516.255	79.136
				516.255	116.222

Notes

All amounts in DKK.

	31/12 2016	31/12 2015
5. Contributed capital		
Contributed capital 1 January 2016	88.888	83.994
Cash capital increase	1.034	4.894
	89.922	88.888
Within the latest 5 years, the following changes in the share capital	have taken place:	
Company capital on formation 9 May 2012		80.000
Capital increase cash contribution 1 November 2013		3.994
Capital increase cash contribution 24 August 2015		4.894
Capital increase cash contribution 14 May 2016		1.034
		89.922
	31/12 2016	31/12 2015
6. Share premium account		
Share premium account for the year	8.182.745	3.391.862
Share premium account transferred to results brougth forward	-8.182.745	-3.391.862
	0	0
7. Results brought forward		
Results brought forward 1 January 2016	5.102.205	1.702.563
Profit or loss for the year brought forward	-269.415	7.780
Transferred from share premium	8.182.745	3.391.862

8. Contingencies

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.