

Oncomal ApS
c/o COBIS, Ole Maaløes Vej 3, 2200 København N
Company reg. no. 34 58 03 67
Annual report
2019

The annual report was submitted and approved by the general meeting on 2 May 2020.

Ali El-Salanti
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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

Today, the board of directors and the executive board have presented the annual report of Oncomal ApS for the financial year 2019 of Oncomal ApS.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København N, 29 April 2020

Executive board

Ali El-Salanti

Thor Grundtvig Theander

Mads Daugaard

Board of directors

Mads Daugaard

Peter Schröcksnadel

Poul Henrik Bredahl Sørensen

Ali El-Salanti

Thor Grundtvig Theander

Independent auditor's report

To the shareholders of Oncomal ApS

Opinion

We have audited the financial statements of Oncomal ApS for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, 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.

Emphasis of matter

Without modifying our opinion, we direct attention to the information in note 1, where uncertainty regarding the valuation of the company's equity investment in a subsidiary is described. We agree with the management's assumption.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

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 commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Glostrup, 29 April 2020

PKF Munkebo Vindelev

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

Kasper Vindelev

State Authorised Public Accountant
mne29389

Company information

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: Copenhagen
Financial year: 1 January - 31 December
8th financial year

Board of directors

Mads Daugaard
Peter Schröcksnadel
Poul Henrik Bredahl Sørensen
Ali El-Salanti
Thor Grundtvig Theander

Executive board

Ali El-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, Copenhagen

Financial highlights

DKK in thousands.	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Income statement:					
Gross profit	-35	-344	-66	-252	-13
Profit from ordinary operating activities	-35	-344	-66	-252	-13
Net financials	-166	-101	-39	-17	20
Net profit or loss for the year	-201	-445	-105	-269	8
Statement of financial position:					
Balance sheet total	72.238	70.218	23.760	14.089	5.395
Equity	65.986	66.187	21.184	13.105	5.191

Management commentary

The principal activities of the company

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

Uncertainties about recognition or measurement

The management considers the valuation of the equity investment in a subsidiary as reliable, but acknowledges that there is risk connected to the valuation. The valuation depends on the subsidiary being successful in finishing and commercializing its development projects.

Development in activities and financial matters

The gross loss for the year totals DKK -35.000 against DKK -344.000 last year. Income or loss from ordinary activities after tax totals DKK -201.000 against DKK -445.000 last year. Management considers the result for the year satisfactory.

The management considers the 2019 results satisfactory. All activities in 2019 were executed according to the plan and vision of the company. Major milestones to secure investments for finalizing of the pre-clinical development were achieved.

Events occurring after the end of 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

The annual report for Oncomal ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Accounting policies

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross loss

Gross loss comprises other external costs.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for administration.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

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

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

Accounting policies

Statement of financial position

Investments

Equity investment in group enterprise

Equity investment in group enterprise is measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium. The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with 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 receivables and tax liabilities are offset to the extent that a legal right of set-off exists and 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 unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Accounting policies

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

Note	2019	2018
Gross loss	-35.414	-344.300
Other financial income	0	784
2 Other financial costs	-165.662	-101.754
Pre-tax net profit or loss	-201.076	-445.270
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-201.076	-445.270
Proposed appropriation of net profit:		
Allocated from retained earnings	-201.076	-445.270
Total allocations and transfers	-201.076	-445.270

Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Non-current assets			
3	Equity investment in group enterprise	<u>67.090.754</u>	<u>67.090.754</u>
	Total investments	<u>67.090.754</u>	<u>67.090.754</u>
	Total non-current assets	<u>67.090.754</u>	<u>67.090.754</u>
Current assets			
4	Income tax receivables	<u>2.080.115</u>	<u>1.362.344</u>
	Total receivables	<u>2.080.115</u>	<u>1.362.344</u>
	Cash on hand and demand deposits	<u>3.067.595</u>	<u>1.765.128</u>
	Total current assets	<u>5.147.710</u>	<u>3.127.472</u>
	Total assets	<u>72.238.464</u>	<u>70.218.226</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
5	Contributed capital	96.848	96.848
6	Share premium	0	0
7	Retained earnings	65.889.263	66.090.339
	Total equity	<u>65.986.111</u>	<u>66.187.187</u>
Liabilities other than provisions			
	Trade payables	17.500	16.031
	Payables to group enterprises	6.234.853	4.015.008
	Total short term liabilities other than provisions	<u>6.252.353</u>	<u>4.031.039</u>
	Total liabilities other than provisions	<u>6.252.353</u>	<u>4.031.039</u>
	Total equity and liabilities	<u>72.238.464</u>	<u>70.218.226</u>
1 Uncertainties concerning recognition and measurement			
8 Contingencies			

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

When calculating the book value of certain assets, an assessment of how future events will influence the value is necessary. Assessments which are of material value in the financial statements are, among other things, made when preparing depreciations and amortizations on fixed assets.

The used assessments are based on assumptions, that the management regards as properly, but, in the cause of nature, are uncertain and unpredictable. The assumptions may have been incomplete or inaccurate and unexpected events may occur.

The valuations of the equity investment in a subsidiary depends on this company being successful in finishing and commercializing its development projects.

	2019	2018
2. Other financial costs		
Financial costs, group enterprises	160.160	101.754
Other financial costs	5.502	0
	165.662	101.754
	31/12 2019	31/12 2018
3. Equity investment in group enterprise		
Acquisition sum, opening balance 1 January 2019	67.090.754	21.641.982
Additions during the year	0	45.448.772
Cost 31 December 2019	67.090.754	67.090.754
Carrying amount, 31 December 2019	67.090.754	67.090.754

Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	Equity	Results for the year	Carrying amount, Oncomal ApS
Var2 Pharmaceuticals ApS, Copenhagen	93,57 %	48.290.470	-6.850.804	67.090.754

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
4. Income tax receivables		
Income tax receivables 1 January 2019	1.362.344	1.487.332
Received corporate tax concerning last year	-1.362.344	-1.487.332
Calculated corporate tax for the present year	<u>2.080.115</u>	<u>1.362.344</u>
	<u>2.080.115</u>	<u>1.362.344</u>
5. Contributed capital		
Contributed capital 1 January 2019	96.848	90.956
Cash capital increase	<u>0</u>	<u>5.892</u>
	<u>96.848</u>	<u>96.848</u>
6. Share premium		
Share premium account for the year	0	45.442.096
Share premium account transferred to results brought forward	<u>0</u>	<u>-45.442.096</u>
	<u>0</u>	<u>0</u>
7. Retained earnings		
Retained earnings 1 January 2019	66.090.339	21.093.513
Profit or loss for the year brought forward	-201.076	-445.270
Transferred from share premium	<u>0</u>	<u>45.442.096</u>
	<u>65.889.263</u>	<u>66.090.339</u>

Notes

All amounts in DKK.

8. Contingencies

Contingent assets

A deferred tax asset of t. DKK 112 has not been recognised due to uncertainty regarding future usage.

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 company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

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

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.