Oncology Venture ApS
Central Business Registration No 34623562
Venlighedsvej 1
2970 Hørsholm

Annual report 2017

Approved at the Company's annual general meeting on 31 May 2018

Chairman of the General Meeting

Name: Advokat Anders Carstensen

Contents

Entity details

Entity

Oncology Venture ApS

Venlighedsvej 1

2970 Hørsholm

Central Business Registration No: 34623562
Founded: 01.08.2012

Registered in: Rudersdal

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Duncan Charles Moore

Sanjeevi Carani

Steen Meier Knudsen

Peter Birk Rasmussen

Ulla Hald Buhl

Executive Board

Peter Buhl

Auditors

ERNST & YOUNG Godkendt Revisionspartnerselskab

Osvald Helmuths Vej 4

2000 Frederiksberg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Oncology Venture ApS for the financial year 01.01.2017 - 31.12.2017.

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 Company's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Hørsholm, 31 May 2018

Executive Board

Peter Buhl

Board of Directors

Duncan Charles Moore	Sanjeevi Carani	Steen Meier Knudsen
Peter Birk Rasmussen		Ulla Hald Buhl

Independent auditor's report

To the shareholder of Oncology Venture ApS

Opinion
We have audited the financial statements of Oncology Venture ApS for the financial year 1 January – 31 December 2017, which comprise income statement, balance sheet and 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Material uncertainty related to valuation of intangible assets
We draw attention to the fact that the value of the Company's intangible assets with a carrying value of DKK 22.118 thousand is associated with significant valuation uncertainty. We refer to note 6 in the financial statements, which describes the uncertainty in respect of valuation of intangible assets and the assumptions applied by management for impairment testing purposes. We have not modified our opinion in respect of 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:

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.
- 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.

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.

Report on other legal and regulatory requirements

Non-compliance with the provisions of the Danish Withholding Tax Act regarding salary tax

The Company has not reported salary tax correctly, and Management may therefore incur liability in this respect.

Copenhagen, 31 May 2018
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Christian Schwenn Johansen State Authorised Public Accountant MNE no.: mne33234	Rasmus Bloch Jespersen State Authorised Public Accountant MNE no.: mne35503

Management review
Business review

Oncology Venture ApS is a Danish Drug Development company formed in 2012 dedicated to unlock the potential of new oncology products, and rescue failed - to improve the efficacy of the drugs, increase the response rate in cancer patients, reduce timelines and through this improve success rates in Oncology Drug Development.

Development in activities and finances

Net result after tax for the financial year 2017 amounts to a loss of TDKK 43.604, and as at 31.12.2017 the total assets amounts to TDKK 44.976 and the equity amounts to TDKK -63.719.

The net result includes an accrual of TDKK 10.864 relating to an option agreement with minority shareholders in 2X Oncology to buy back the shareholders investment at 50%.

Capital management

In 2017, the Company recorded a loss of DKK 43,604,140 and the Company's liabilities exceeds the Company's assets by DKK 63,718,661. The Company is financed long-term loan to the parent Company, Oncology Venture AB.

On 30 May 2018, the merger between the parent company, Oncology Venture AB and Medical Prognosis Institute A/S was approved by the shareholders of the respective companies and immediately after the merger, the continuing company, Medical Prognosis Institute A/S, issued a letter of intent to support to Oncology Venture ApS, With Medical Prognosis Institute A/S' cash available, proceeds from sales of the Medical Prognosis Institute A/S' share position in Oncology Venture Sweden AB, partnering deals, capital increases or loan facilities etc., management concludes that Medical Prognosis Institute A/S has both the intention and ability to support Oncology Ventures ApS financially throughout 2018. Thus, it is therefore the assessment of management, that the Company, in due time, will be able to secure sufficient additional funding to meet the Company's operational liquidity requirements and to discharge the Company's obligations as they fall due throughout 2018.

On this basis, the Board of Directors and Management present the financial statements based on a going concern assumption

Loss of share capital

The company has lost it's share capital. In continuation of the discussion of the matter of loss of share capital on the ordinary general assembly on 31 May 2017, the matter was discussed further on extraordinary general assembly on May 3, 2018 and it was decided that a plan to re-establish the share capital in the company will be addressed after the completion of the contemplated merger between the parent company, Oncology Venture AB and Medical Prognosis Institute A/S.

Material uncertainty related to valuation of intangible assets

In connection with the preparation of the financial statements for the parent company, management has performed a review of indicators of impairment concerning the Company's intangible assets and has performed impairment test for the respective assets as applicable.

Management has chosen a value-in-use approach and applied a discounted cash flow model (risk-adjusted NPV, rNPV) to estimate the recoverable amounts for Oncology Venture ApS' intangible assets. The main assets are the two programs E7449 Ovarian (2X-121) and 2B3-101 Breast (2X-111).

The impairment tests include certain key assumptions that are encumbered with uncertainty. Consequently, the valuation of the Company's intangible assets is subject to significant valuation uncertainties.

Events after the balance sheet date

After the balance sheet date, the parent company, Oncology Venture Sweden AB published prospectus regarding the planned merger between Oncology Venture Sweden AB and Medical Prognosis Institute A/S. The merger plan between the companies were discussed and approved on the annual general meeting of Oncology Venture Sweden AB on 30 May 2018.

On May 17 Sass & Larsen was registered as owner of OV-SPV2 with a 50% share.

On April 23, 2018 Oncology Venture ApS and OV-SPV2 entered into an sub-license agreement concerning certain rights pertaining TKI258 (dovitinib)

On April ,2018 Oncology Venture announces exercising option to in-license Dovitinib a Phase 3 Multi Tyrosine Kinase Inhibitor.

No other significant events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Financial statements 1 January - 31 December

Income statement

	Notes	2017 DKK	2016 DKK
Gross profit/loss		-32.986.246	-26.150.595
Staff cost	4	-2.053.085	-2.066.062
Depreciation, amortisation and impairment losses	7, 8	-3.410.431	-378.921
Operating profit/loss		**-38.449.763**	**-28.595.578**
Other financial income	5	2.739.266	716.603
Other financial expenses	6	-13.392.643	-692.193
Profit/loss from ordinary activities before tax		**-49.103.140**	**-28.571.168**
Tax on profit/loss for the year		5.499.000	5.500.000
Profit/loss for the year		**-43.604.140**	**-23.071.168**
Proposed distribution of profit/loss		**-43.604.140**	**-23.071.168**
To retained earnings		-43.604.140	-23.071.168

Financial statements 1 January - 31 December

Balance sheet

Assets

	Notes	2017 DKK	2016 DKK
Acquired patents	7	743.611	1.056.326
Acquired in-process research and development projects	3, 7	21.374.796	70.000
Intangible assets		**22.118.406**	**1.126.326**
Plant and equipment	8	332.785	430.186
Other fixtures, fittings, tools & equipment	8	33.828	55.437
Tangible assets		**366.614**	485.623
Investments in group enterprises	9	**40.000**	**0**
Deposits		**200.798**	**201.798**
Total fixed assets		**22.725.818**	**1.812.747**
Inventories		**6.919.261**	**245.811**
Receivables from group enterprises		0	409.210
Receivables from associates		0	1.026.000
Tax receivable		5.499.000	5.500.000
Other receivables		1.527.101	3.838.323
Prepayments		2.043.583	5.294.147
Receivables		**9.069.684**	**16.067.680**
Cash		**6.260.907**	**14.688.300**
Current assets		**22.249.852**	**31.001.791**
Assets		**44.975.670**	**32.814.538**

Financial statements 1 January – 31 December

Balance sheet

Equity and Liabilities

	Notes	2017 DKK	2016 DKK
Contibuted capital	10	2.196.593	2.196.593
Retained earnings		-65.915.254	-22.311.114
Equity		**-63.718.661**	**-20.114.521**
Payables to group enterprises	11	74.114.765	44.350.855
Non-current liabilities other than provisions		**74.114.765**	**44.350.855**
Trade payables		4.735.265	4.216.358
Debt to group enterprises		14.225.785	4.086.216
Payables to associates		1.497.341	0
Other payables	12	14.121.176*	275.630
Current liabilities other than provisions		**34.579.566**	**8.578.204**
Liabilities other than provisions		**108.694.331**	**52.929.059**
Equity and liabilities		**44.975.670**	**32.814.538**

- This includes an accrual of TDKK 10.864 relating to an offer to minority investees in 2X Oncology. This agreement is expected to be renegotiated resulting in in no impact on liquidity in 2018.

Contingent liabilities	13
Related parties	14
Events after the balance sheet date	15

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2.196.593	-22.311.114	-20.114.521
Profit/loss for the year	0	-43.604.140	-43.604.140
Equity end of year	**2.196.593**	**-65.915.254**	**-63.718.661**

Loss of share capital
The company has lost it's share capital. In continuation of the discussion of the matter of loss of share capital on the ordinary general assembly on 31 May 2017, the matter was discussed further on extraordinary general assembly on May 3, 2018 and it was decided that a plan to re-establish the share capital in the company will be addressed after the completion of the contemplated the merger between the parent company, Oncology Venture AB and Medical Prognosis Institute A/S.

Notes to the financial statements

1. Accounting policies

Reporting class

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

In accordance with section 110 (1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

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 affected 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.

Managements judgements and estimates

When preparing the Company's annual report, it is necessary that Management makes a number of accounting judgments and estimates which form the basis for presentation, recognition and measurement of the Company's assets and liabilities. In particular, the accounting judgments and estimates made by Management related to measurement of development project and raising further capital to strength and continue the activities, and to maintain existing IPR. Reference is made to note 2 and 3

Estimates regarding raising further financing relates to events that have not yet occurred and that may not occur and can occur differently than expected.

Notes to the financial statements

1. Accounting policies (continued)

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 rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. 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.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date."

Public grants

Public grants received to cover expenses are recognised in the income statement once it is probable that all criteria for being receiving the grant are satisfied. Grants which must be repaid under certain circumstances are only recognised in the income statement if they are not expected to be repaid. Grants that are expected to be repaid are recognised as grants payables under liabilities.

Income statement

Gross profit or loss

Gross profit or loss comprises of revenue, changes in inventories og finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses in the income statement according to the provisions in section 32 of the Danish Financial Statements Act.

Revenue

Revenue from sale of test data is recognized as revenue when delivery is made, and risk has passed to the costumer.

Revenue is recognised net of VAT, duties and sales dis- counts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognized in current assets. Certain grants are set off against specific and directly related expenses.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for Company staff.

Notes to the financial statements

1. Accounting policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies etc.

Income taxes

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Intangible assets

Intangible assets includes acquired patents and acquired in-process research and development projects.

On initial recognition, intangible assets are measured at cost.

Acquired patents and other intangible assets are measured at cost less accumulated amortisation. Patents are amortised on a straight-line over 6 years

Acquired in-process research and development projects that has not reached technological feasibility as of the date of acquisition are initially classified as intangible assets and are not subject to amortization before they are available for use.

The residual value of intangible assets is determined at the time of acquisition and are reassessed annually.

Intangible assets are written down to the lower of recoverable amount and carrying amount.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

On initial recognition, items of property, plant and equipment are measured at cost. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Notes to the financial statements

1 Accounting policies (continued)

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Production overheads and borrowing costs are not included in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Plant and equipment	5 years
Other fixtures, fittings, tools & equipment	5 years

The residual value of tangible assets is determined at the time of acquisition and are reassessed every year.

Gains and losses on the disposal of intangible assets are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Call options that gives the Company the right to purchase share in subsidiaries from minority investors at a defined exercise price are initially recognized at cost and subsequently measured at fair value by application of the fair value hierarchy unless the fair value cannot be determined reliably. If the fair value cannot be determined reliably put options are measured at cost.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable 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 and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct labour and direct costs of production. Production overheads and borrowing costs are not included in cost."

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad and doueceivables are measured at amortised cost.
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.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate

Prepayments

Prepayments recognised under "Assets" comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Income tax receivable or payable

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income 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 base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

Notes to the financial statements

1. Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other financial liabilities

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

2. Capital management

In 2017, the Company recorded a loss of DKK 43,604,140 and the Company's liabilities exceeds the Company's assets by DKK 63,718,661. The Company is financed long-term loan to the parent Company, Oncology Venture AB.

On 30 May 2018, the merger between the parent company, Oncology Venture AB and Medical Prognosis Institute A/S was approved by the shareholders of the respective companies and immediately after the merger, the continuing company, Medical Prognosis Institute A/S, issued a letter of intent to support to Oncology Venture ApS, With Medical Prognosis Institute A/S' cash available, proceeds from sales of the Medical Prognosis Institute A/S' share position in Oncology Venture Sweden AB, partnering deals, capital increases or loan facilities etc., management concludes that Medical Prognosis Institute A/S has both the intention and ability to support Oncology Ventures ApS financially throughout 2018. Thus, it is therefore the assessment of management, that the Company, in due time, will be able to secure sufficient additional funding to meet the Company's operational liquidity requirements and to discharge the Company's obligations as they fall due throughout 2018.

On this basis, the Board of Directors and Management present the financial statements based on a going concern assumption

Notes to the financial statements

3. Material uncertainty related to valuation of intangible assets

In connection with the preparation of the financial statements for the parent company, management has performed a review of indicators of impairment concerning the Company's intangible assets and has performed impairment test for the respective assets as applicable.

Management has chosen a value-in-use approach and applied a discounted cash flow model (risk-adjusted NPV, rNPV) to estimate the recoverable amounts for Oncology Venture ApS' intangible assets. The main assets are the two programs E7449 Ovarian (2X-121) and 2B3-101 Breast (2X-111).

Management has applied a Weighted Average Cost of Capital (WACC) of approximately 11 % after tax. Success rates for clinical programs (Phase I to approval) in oncology, derived from external market studies and publications, have formed the basis for the risk-adjustment.

The total discounted, risk-adjusted cash flows (rNPV) of the two main programs (2X-121 and 2X-111) as at 31 December 2017 exceeds the carrying amount. On this basis, management has concluded, that there is no need for an impairment of the Company's intangible assets.

Besides the sensitivity related to the risk adjustments applied, the rNPV is most sensitive to the WACC. However, an increase in the applied WACC to 14 % would not lead to an impairment of the investments.

The impairment tests include certain key assumptions that are encumbered with uncertainty. Consequently, the valuation of the Company's intangible assets is subject to significant valuation uncertainties.

Notes to the financial statements

	2017 DKK	2016 DKK
4. Staff costs		
Wages and salaries	-2.031.920	-2.046.547
Other social security costs	-18.375	-16.892
Other staff costs	-2.789	-2.624
	-2.053.085	**-2.066.062**
Average number of full-time employees	3	3

	2017 DKK	2016 DKK
5. Other financial income		
Other financial income (exchange rate gain)	**2.739.266**	**0**

	2017 DKK	2016 DKK
6. Other financial expenses		
Financial expenses from group companies	-1.437.239	-578.660
Interest expense	-36.181	-1.580
Other financial expenses	-11.919.224	-111.952
	-13.392.643	**-692.193**

7. Intangible assets	**Acquired Patents DKK**	**Acquired in-process R&D projects DKK**
Cost beginning of year	1.876.290	70.000
Additions	-	24.283.503
Cost end of year	1.876.290	24.353.503
Ammortisation and impairment losses beginning of year	819.964	0
Ammortisation for the year	312.715	2.978.707
Ammortisation and impairment losses end of year	1.132.679	2.978.707
Carrying amount end of year	**743.611**	**21.374.796**

Notes to the financial statements

	Plant and equipment DKK	Other fixtures, fittings, tools & equipment DKK
8. Tangible assets		
Cost beginning of year	487.003	64.826
Additions	0	0
Cost end of year	487.003	64.826
Depreciation and impairment losses beginning of year	56.817	9.389
Depreciation for the year	97.401	21.609
Depreciation and impairment losses end of year	154.218	30.998
Carrying amount end of year	**332.785**	**33.828**

9. Investments in group enterprises

Name of subsidiary	Legal form	Domicile	Percentage of interest
OV-SPV2 ApS	ApS	Denmark	80 %
2X Oncology, Inc	Inc	USA	92 %

Reference is made to note 12.

	Number	Par value DKK	Nominal value DKK
10. Contributed capital			
Ordinary A-shares	1.768.639	1,00	1.768.639
Ordinary B-shares	427.954	1,00	427.954
	2.196.593		**2.196.593**

Analysis of changes in contributed capital	2017 DKK	2016 DKK	2015 DKK	2014 DKK	2013 DKK
Contributed capital beginning of the year	2,196,593	2,196,593	1,169,592	1,169,592	1,169,592
Increase of capital	0	0	1,027,001	0	0
Contributed capital end of year	2,196,593	2,196,593	2,196,593	1,169,592	1,169,592

Notes to the financial statements

11. Long-term debt to group enterprises

Debt to parent company is at the earliest due at January 1, 2021. The Loan carries interest of 1% p.a.

12. Other debt

In connection with the execution of a financing round in the subsidiary 2X Oncology Inc, the Oncology Venture Group has offered each minority investee the right to exchange shares issued in connection with the financing round for fifty percent (50%) of the original purchase price of the shares subject to the outcome of certain events. The financial statement items 'Other financial expenses' and 'Other debt' includes an accrual of TDKK 10.864 relating to this offer. This agreement is expected to be renegotiated resulting in in no impact on liquidity in 2018.

13. Contingent liabilities

The company has an investment liability of $137,500 according to a drug license and development agreement.

The company has a rental obligation for the premises within a year of DKK'000 245.

14. Related parties

Oncology Ventures ApS' related parties

The ultimate parent company, preparing a consolidated financial statement in which Oncology Venture ApS is included, is Oncology Sweden Venture AB, Venlighedsvej 1, 2970 Hørsholm, Denmark.

- Members of the company's Executive board and Members of the Board of Directors.
- Subsidiary of Oncology Venture ApS - 2X Oncology Inc., USA
- Subsidiary of Oncology Venture ApS – OV-SPV2 ApS, Denmark
- Shareholder of Oncology Venture AB, Medical Prognosis Institute A/S, Denmark

Details of transactions between the company and the related parties are disclosed below:

	2017 DKK	2016 DKK
Income statement transactions:		
Interest expenses (Oncology Venture Sweden AB)	-567.478	-530.080
Interest expenses (2X Oncology Inc)	-856.334	0
Interest expenses (OV-SPV2 ApS)	-13.427	0
Consultancy fees to Buhl Krone Holding ApS and Board of Directors	-2.419.374	-3.039.949
Consultancy fees to Buhlinfo ApS	-669.165	-1.038.752
Services rendered to/received from Medical Prognosis Institute A/S (net amount included in Gross profit)	-2.756.873	-206.250
Total transactions	**-7.282.650**	**-4.608.781**

The following balances were outstanding at the end of the reporting period:

	2017 DKK	2016 DKK
Balances at 31 December:		
Oncology Venture Sweden AB	-74.114.765	-44.350.855
2X Oncology Inc.	-14.225.785	409.210
OV-SPV2 ApS	-3.188.426	0
Buhl Krone Holding ApS	-398.448	-272.877
Buhlinfo ApS	0	-68.750
Medical Prognosis Institute A/S	-1.497.341	-2.768.589
Total balances	**-93.424.765**	**-47.051.861**

In 2017, the Company acquired an exclusivity right concerning the DRP technology of **DKK'000 9.519** from Medical Prognosis Institute A/S.

15. Events after the balance sheet date

After the balance sheet date, the parent company, Oncology Venture Sweden AB published prospectus regarding the planned merger between Oncology Venture Sweden AB and Medical Prognosis Institute A/S. The merger plan between the companies were discussed and approved on the annual general meeting of Oncology Venture Sweden AB on 30 May 2018.

After the balance sheet date, the company has acquired an intangible right (TKI license) from a pharmaceutical company.

No other significant events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.