

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

Annual report 2016

Approved at the Company's annual general meeting on 31.05.2017

Chairman of the General Meeting

Name:

MAZANTI—
ANDERSI > |
KORSØ
JENSEN

Advokat
Jens Folker Bruun
Amaliegade 10
1256 København K.
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Entity details

Entity

Oncology Venture ApS

Venlighedsvej 1

2970 Hørsholm

Central Business Registration No: 34623562

Founded: 01.08.2012

Registered in: Rudersdal

Financial year: 01.01.2016 - 31.12.2016

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 01.01.2016 - 31.12.2016.

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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 31.05.2017

Executive Board

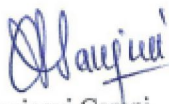


Peter Buhl




Board of Directors

Duncan Charles Moore
(Chairman of the board)



Sanjeevi Carani



Steen Meier Knudsen



Peter Birk Rasmussen



Ulla Hald Buhl

Independent auditor's report

To the shareholders of Oncology Venture ApS

Opinion

We have audited the financial statements of Oncology Venture ApS for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 2016 and of the results of the Company's operations for the financial year 1 January – 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 (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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 conclusion is 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 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 our procedures, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Christian Schwenn Johansen

State Authorised Public Accountant

Management commentary

The annual report for Oncology Venture ApS has been prepared 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.

Material misstatements in opening balance as at 1 January 2016

As part of the 2016 year-end closing, management has noted the following misstatements in the opening balance as at 1 January 2016:

- Grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. In 2015, the company omitted to recognise grants of MDKK 1,2 intended to compensate the company for costs incurred in 2015. Therefore, the opening equity at 1 January 2016 was understated by MDKK 1,2 and receivable grants were understated by MDKK 1,2 at 1 January 2016.
- Tax credits under the Danish Corporate Income Tax Act shall be recognised in profit or loss in the income years to which the tax credits relate. In 2015, the company omitted to recognise tax credits under the Danish Corporate Income Tax Act of MDKK 1,5. Therefore, the opening equity as at 1 January 2016 was understated by 1,7 MDKK and receivable tax credits were understated by MDKK 1,5 at 1 January 2016.
- Expenses should be recognised in profit or loss in the income years to which the costs relate. In 2015, the company failed to recognise external costs related to research and development activities of MDKK 1,0. Therefore, the opening equity as at 1 January 2016 was overstated by 1,0 MDKK and accounts payables were understated by MDKK 1,0 at 1 January 2016.

Due to the significance of the above stated matters, the Company has treated the matter in accordance with the accounting provisions regarding correction of material misstatements. Consequently, the equity as at 1 January 2016 has been restated in these financial statements. A net impact of MDKK 1,7 has been recognised on opening equity. The comparatives for 2015 have been restated. A restatement of the comparatives would – in addition to the implications on the equity as at 1 January 2016 – had the following implications:

- Net revenue for 2015 should increase from MDKK 0,2 to MDKK 1,4
- Other external costs for 2015 should increase from MDKK -6,6 to MDKK -7,6
- Result before financial items and taxes for 2015 should increase from MDKK -6,7 to -MDKK -6,5
- Income tax benefit for 2015 should increase from MDKK 0 to MDKK 1,5
- Result for the year for 2015 should increase from MDKK 7,3 to MDKK 5,6
- Other receivables at 31 December 2015 should increase from MDKK 1,4 to MDKK 2,5
- Total assets at 31 December 2015 should increase from MDKK 18,7 to MDKK 19,8
- Equity at 31 December 2015 should increase from MDKK 1,3 to MDKK 3,0
- Total equity and liabilities at 31 December 2015 should increase from MDKK 18,7 to MDKK 19,8

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

2016 has been a very eventful year for Oncology Venture, where we have taken a big leap towards our goal to develop precision medicines for cancer patients. Efforts to develop LiPlaCis®, APO010 and Irofulven in combination with its Drug Response Predictor – DRP™ – is progressing very well. Four other products that live up to our quality criteria are in late negotiation and preparation to jumpstart 2X Oncology and OV-SPV2. Oncology Venture will retain a significant ownership of these drugs and I expect that we in 2017 will have seven strong product candidates in phase 2 development. I am very pleased to be working with dedicated cancer experts in Denmark and Sweden. The patients who have consented to have their tumor screened and also allowed us to make a so-called statistical deep dive in order to look at data from the tumor's genetic profiles has provided an important contribution vis-à-vis Oncology Venture's goal to only treat those patients who have a high probability to show efficacy of treatment with the drug. For this, I am deeply grateful. In our two spin-out companies a total of USD 4 million (SEK 36.5 million) has been secured via seed investments. This enables further value creation in our business activities via more shots at the target in OV-SPV2 and 2X Oncology without diluting existing shareholders.

We also have a great support from the public assessors as Irofulven, APO010 and LiPlaCis® all have received public non-dilutable contributions. The grants for Irofulven, APO010 and LiPlaCis® amounts to more than SEK 38 million from EUROSTARS and Massachusetts and Medicon Valley together with our CRO, SMERUD.

We have a strong clinical development program for LiPlaCis©. In late 2016, the Danish authorities and the ethics research committee approved that the extended phase of the LiPlaCis study would be upgraded to a Phase 2 clinical trial. An additional two (three of four) Danish centers are now active in the recruitment of 12-15 patients with metastatic breast cancer who were screened for the Phase 2 part and are expected to have the highest probability of responding to treatment with LiPlaCis®. The study is expected to be completed in the third quarter of 2017. In addition, Cadila Pharmaceuticals is in the process of initiating four Phase 2 studies with LiPlaCis© and also intends to conduct a Phase 3 trial in metastatic breast cancer later on. We believe that LiPlaCis®, which has already shown early signs of efficacy, may become an important treatment option for cancer patients. With the joint development of LiPlaCis® and its Drug Response Predictor – DRPTM – we believe we can develop effective drugs that are competitive in the marketplace. Screening for APO010 and Irofulven has already begun and we look forward to include patients for treatment in our Phase 2 studies with these promising products.

We had the pleasure to end 2016 with being able to announce that we reached an agreement with MPI on three important transactions, agreements regarding 2X Oncology and the establishment of OV-SPV2 and three years of exclusivity regarding the DRPTM technology. Thus, we will have the exclusive rights for the development of DRPs for individual medicinal products and for clinical use.

We are in an important stage of development and have a number of very exciting projects in the pipeline, where we believe DRP™ will have a substantial impact. In the spring OV closed a funding round and secured approximately MSEK 33,7 before issuing cost. The proceeds are intended to finance the continued development of regulatory data with companion diagnostics in order to continue, in addition to the registered CE marking in Europe, LiPlaCis© approval process in the United States and to support the commercial agreement with Cadila Pharmaceuticals Ltd. In addition, the proceeds are intended to finance the additional building up of the infrastructure in Scandinavia to support screening in Oncology Venture and 2X Oncology Inc. for metastatic breast cancer and ovarian cancer. Since we are planning a listing change to NASDAQ Stockholm Small Cap, part of the proceeds is also intended to finance the preparatory work for the planned listing change. All in order to help cancer patients get the right treatment, while establishing a global business based on access to the unique DRP™ technology. I am confident that the coming year, with up to seven products in the pipeline, will be even more exciting than the previous year.

Net result after tax for the financial year 2016 amounts to a loss of DKK ('000) (27.315), and as at 31.12.2016 the total assets amounts to DKK ('000) 27.315 and the equity amounts to DKK ('000) -25.615.

Events after the balance sheet date

After the balance sheet date the funding of 2X Oncology has finally been secured and furthermore OV-SPV2 has been established. No other significant events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

To ensure adequate cash in 2017, in May 2017, the Parent Company provided a comfort letter, which ensures that Oncology Ventures AB will support the Company financially as its obligations fall due until at least 31 December 2017.

Loss of subscribed share capital

At year-end, the company has lost more than 50% of its subscribed share capital. On the ordinary general meeting of shareholders on 31 May 2017, the Board of Director will give an account of the company's financial position and propose appropriate measures to re-establish the share capital.

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.”

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies changes in the recognition and measurement in the following areas:

- Yearly reassessment of residual values of property, plant and equipment

In future, residual values of property, plant and equipment will be subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made with future effect only as a change in accounting estimates with no impact on equity.

None of the above changes impacts on the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above changes as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year

Correction of material misstatement

As part of the 2016 year end closing, management has noted the following misstatements in the opening balance as at 1 January 2016:

- Grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. In 2015, the company omitted to recognise grants of MDKK 1.2 intended to compensate the company for costs incurred in 2015. Therefore, the opening equity at 1 January 2016 was understated by MDKK 1.2 and receivable grants were understated by MDKK 1.2 at 1 January 2016.
- Tax credits under the Danish Corporate Income Tax Act shall be recognised in profit or loss in the income years to which the tax credits relate. In 2015, the company omitted to recognise tax credits under the Danish Corporate Income Tax Act of MDKK 1.5. Therefore, the opening equity as at 1 January 2016 was understated by 1.9 MSEK and receivable tax credits were understated by MDKK 1.5 at 1 January 2016.
- Expenses should be recognised in profit or loss in the income years to which the costs relate. In 2015, the company failed to recognize external costs related to research and development activities of MDKK 1.0. Therefore, the opening equity as at 1 January 2016 was overstated by 1,0 MDKK and accounts payables were understated by MDKK 1.0 at 1 January 2016.

Due to the significance of the above stated matters, the Company has treated the matter in accordance with the accounting provisions regarding correction of material misstatements. Consequently, the equity as at 1 January 2016 has been restated in these financial statements. A net impact of MDKK 1,7 has been recognised on opening equity. The comparatives for 2015 have been restated. A restatement of the comparatives would – in addition to the implications on the equity as at 1 January 2016 – had the following implications:

- Net revenue for 2015 should increase from MDKK 0,2 to MDKK 1,4
- Other external costs for 2015 should increase from MDKK -6,6 to MDKK -7,6
- Result before financial items and taxes for 2015 should increase from MDKK -6,7 to –MDKK -6,5
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- Equity at 31 December 2015 should increase from MDKK 1,3 to MDKK 3,0
- Total equity and liabilities at 31 December 2015 should increase from MDKK 18,7 to MDKK 19,8

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.

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.

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

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.”

Income statement

Gross profit or loss

Gross profit or loss comprises of revenue, changes in inventories of 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 the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity’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 entity staff.

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.

Intangible assets

Acquired patents and other intangible assets comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Acquired patents and other intangible assets are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Acquired patents and other intangible assets are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

On initial recognition, items of property, plant and equipment are measured at cost.

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation. Land is not depreciated.

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.

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

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.

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 doubtful receivables 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.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

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 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.

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.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Gross loss		-26.150.595	-6.171
Staff costs	1	-2.066.062	-153
Depreciation, amortisation and impairment losses		<u>-378.921</u>	<u>-227</u>
Operating profit/loss		-28.595.578	-6.551
Other financial income	2	716.603	0
Other financial expenses	3	<u>-692.193</u>	<u>-595</u>
Profit/loss from ordinary activities before tax		-28.571.168	-7.146
Tax on profit/loss from ordinary activities		<u>5.500.000</u>	<u>1.498</u>
Profit/loss for the year		<u>-23.071.168</u>	<u>-5.648</u>
Proposed distribution of profit/loss			
Retained earnings		<u>-23.071.168</u>	<u>-5.648</u>
		<u>-23.071.168</u>	<u>-5.648</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Acquired patents		1.056.326	1.369
Other intangible assets		<u>70.000</u>	<u>0</u>
Intangible assets	4	<u>1.126.326</u>	<u>1.369</u>
Plant and equipment		430.186	0
Other fixtures, fittings, tools & equipment		<u>55.437</u>	<u>0</u>
Tangible assets	5	<u>485.623</u>	<u>0</u>
Investments in Group enterprises		<u>0</u>	<u>0</u>
Deposits		<u>200.798</u>	<u>32</u>
Fixed assets		<u>1.812.747</u>	<u>1.401</u>
Inventories		<u>245.811</u>	<u>0</u>
Trade receivables		0	635
Receivables from group enterprises	9	409.210	0
Receivables from associates	9	1.026.000	0
Tax receivable		5.500.000	1.497
Other receivables		3.838.323	2.502
Prepayments		<u>5.294.147</u>	<u>1.700</u>
Receivables		<u>16.067.680</u>	<u>6.334</u>
Cash		<u>14.688.300</u>	<u>13.602</u>
Current assets		<u>31.001.791</u>	<u>19.936</u>
Assets		<u>32.814.538</u>	<u>21.337</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital	6	2.196.593	2.197
Retained earnings		<u>-22.311.114</u>	<u>760</u>
Equity		<u>-20.114.521</u>	<u>2.957</u>
Payables to group enterprises	7	<u>44.350.855</u>	<u>14.998</u>
Non-current liabilities other than provisions		<u>44.350.855</u>	<u>14.998</u>
Trade payables		4.216.358	1.334
Debt to group enterprises	9	4.086.216	157
Other payables		<u>275.630</u>	<u>1.891</u>
Current liabilities other than provisions		<u>8.578.204</u>	<u>3.382</u>
Liabilities other than provisions		<u>52.929.059</u>	<u>18.380</u>
Equity and liabilities		<u>32.814.538</u>	<u>21.337</u>
Contingent liabilities	8		
Related parties	9		
Subsequence	10		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
	<u> </u>	<u> </u>	<u> </u>
Equity beginning of year	2.196.593	-913.627	1.282.966
Misstatements in opening balance as at 1 January 2016	0	1.673.681	1.673.681
Increase of capital	0	0	0
Profit/loss for the year	<u>0</u>	<u>-23.071.168</u>	<u>-23.071.168</u>
Equity end of year	<u>2.196.593</u>	<u>-22.311.114</u>	<u>-20.114.521</u>

Notes

	2016	2015
	<u>DKK</u>	<u>DKK'000</u>
1. Staff costs		
Wages and salaries	2.046.547	132
Other social security costs	16.892	1
Other staff costs	<u>2.623</u>	<u>20</u>
	<u>2.066.062</u>	<u>153</u>
2. Other financial income		
Other financial income	<u>716.603</u>	<u>0</u>
3. Other financial expenses		
Financial expenses from group enterprises	578.660	0
Interest expenses	1.580	231
Other financial expenses	<u>111.952</u>	<u>364</u>
	<u>692.193</u>	<u>595</u>
	<u>Acquired</u>	<u>Other</u>
	<u>patents</u>	<u>Intangible</u>
	<u>DKK</u>	<u>assets</u>
		<u>DKK</u>
4. Intangible assets		
Cost beginning of year	1.876.290	0
Additions	<u>0</u>	<u>70.000</u>
Cost end of year	<u>1.876.290</u>	<u>70.000</u>
Amortisation and impairment losses beginning of year	507.249	0
Amortisation for the year	<u>312.715</u>	<u>0</u>
Amortisation and impairment losses end of year	<u>819.964</u>	<u>0</u>
Carrying amount end of year	<u>1.056.326</u>	<u>70.000</u>
	<u>Plant and</u>	<u>Other fixtures,</u>
	<u>equipment</u>	<u>fittings, tools &</u>
	<u>DKK</u>	<u>equipment</u>
		<u>DKK</u>
5. Tangible assets		
Cost beginning of year	0	0
Additions	<u>487.003</u>	<u>64.826</u>
Cost end of year	<u>487.003</u>	<u>64.826</u>
Amortisation and impairment losses beginning of year	0	0
Amortisation for the year	<u>56.817</u>	<u>9.389</u>
Amortisation and impairment losses end of year	<u>56.817</u>	<u>9.389</u>
Carrying amount end of year	<u>430.186</u>	<u>55.437</u>

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
6. Contributed capital			
Ordinary A-shares	1.768.639	1,00	1.768.639
Ordinary B-shares	<u>427.954</u>	1,00	<u>427.954</u>
	<u>2.196.593</u>		<u>2.196.593</u>

	<u>2016 DKK</u>	<u>2015 DKK</u>	<u>2014 DKK</u>	<u>2013 DKK</u>
Changes in contributed capital				
Contributed capital beginning of year	2.196.593	1.169.592	1.169.592	0
Increase of capital	<u>0</u>	<u>1.027.001</u>	<u>0</u>	<u>1.169.592</u>
Contributed capital end of year	<u>2.196.593</u>	<u>2.196.593</u>	<u>1.169.592</u>	<u>1.169.592</u>

7. Long-term debt to group enterprises

Debt to parent company is at the earliest due at January 1, 2020. The Loan carries interest of 3% p.a.

8. 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'000 207.

9. 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 including their holdings.
- Subsidiary of Oncology Venture ApS - 2X Oncology Inc., USA.
- Associated company, Medical Prognosis Institute A/S, Denmark.

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

	2016
	<u>DKK</u>
Transactions with related parties	
Oncology Venture Sweden AB	-530.080
Executive Board, BUHL KRONE HOLDING ApS	-2.810.000
Executive Board, BUHLINFO BUHLINFO ApS	-1.038.752
Medical Prognosis Institute A/S	<u>-206.250</u>
Total transactions	<u>-4.585.082</u>

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

	2016
	<u>DKK</u>
Balances with related parties	
Oncology Venture Sweden AB	-44.350.855
Executive Board, BUHL KRONE HOLDING ApS	-222.877
Executive Board, BUHLINFO ApS	-68.750
2x Oncology Inc.	409.210
Medical Prognosis Institute	<u>-2.768.589</u>
Total balances	<u>-47.001.861</u>

10. Subsequent events

After the balance sheet date the funding of 2X Oncology has finally been secured and furthermore OV-SPV2 has been established. No other significant events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

To ensure adequate cash in 2017, in May 2017, the Parent Company provided a comfort letter, which ensures that Oncology Ventures AB will support the Company financially as its obligations fall due until at least 31 December 2017.