

Antag Therapeutics ApS

Ole Maaløes Vej 3
2200 Copenhagen N

CVR no. 38 40 20 56

Annual report for the period 1 January – 31 December 2019

The annual report was presented and approved at the
Company's annual general meeting on

19 June 2020

Niels Bang
chairman



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Antag Therapeutics ApS for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

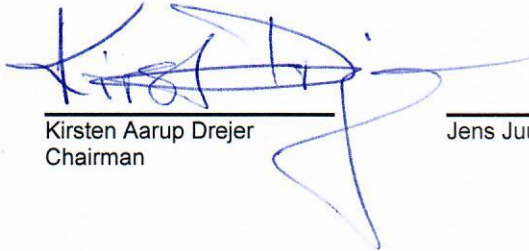
Copenhagen, 19 June 2020
Executive Board:

Alexander
Hovard
Sparre-Ulrich

Digitally signed by Alexander Hovard Sparre-Ulrich
DN: cn=Alexander Hovard Sparre-Ulrich, o=Antag Therapeutics ApS, ou, email=ahst@antagtherapeutics.com, c=DK
Date: 2020.06.04 13:33:41 +0200

Alexander Hovard Sparre-Ulrich

Board of Directors:



Kirsten Aarup Drejer
Chairman

Jens Juul Holst

Anker Gunvald Lundemose

Emmanuelle Coutanceau

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Pieter Jeroen Bakker

Thomas Edward Needham
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Antag Therapeutics ApS
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Independent auditor's report

To the shareholders of Antag Therapeutics ApS

Opinion

We have audited the financial statements of Antag Therapeutics ApS for the financial year 1 January – 31 December 2019 comprising 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 Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations 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 (ISAs) and the 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 the 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.

Statement by the Board of Directors and the Executive Board

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Independent auditor's report

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Opinion

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Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 the 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 responsibility 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 that 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 company 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.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the 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.

Copenhagen, 19 June 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Klaus Rytz
State Authorised
Public Accountant
mne33205

Antag Therapeutics ApS
Annual report 2019
CVR no. 38 40 20 56

Management's review

Company details

Antag Therapeutics ApS
Ole Maaløes Vej 3
2200 Copenhagen N

CVR no.:	38 40 20 56
Established:	8 February 2017
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Kirsten Aarup Drejer, Chairman
Jens Juul Holst
Anker Gunvald Lundemose
Emmanuelle Coutanceau
Philip Just Larsen
Pieter Jeroen Bakker
Thomas Edward Needham Jr.

Executive Board

Alexander Hovard Sparre-Ulrich

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Management's review

Operating review

Principal activities

The Company's primary activity is research and development of pharmaceuticals and related activities.

Development in activities and financial position

The Company's income statement for 2019 shows a loss of DKK 9,232 thousand compared to DKK 4,429 thousand in 2018. Equity in the Company's balance sheet at 31 December 2019 stood at DKK 2,584 thousand compared to DKK 11,816 thousand in 2018.

Events after the balance sheet date

The Management views the consequences of COVID-19 as an event after the balance sheet date 31 December 2019. At the moment, the Management follows the development of the pandemic closely, and does not expect that COVID-19 will have a significant influence on the revenue for 2020.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2019	2018
Other operating income		229,688	1,347,444
Other external costs		<u>-8,096,352</u>	<u>-4,470,953</u>
Gross loss		-7,866,664	-3,123,509
Staff costs	2	-3,492,520	-2,527,960
Depreciation, amortisation and impairment losses		<u>-12,987</u>	<u>0</u>
Operating loss		-11,372,171	-5,651,469
Financial income		132	0
Financial expenses		<u>-463,971</u>	<u>-35,361</u>
Loss before tax		-11,836,010	-5,686,830
Tax on loss for the year		<u>2,603,817</u>	<u>1,257,590</u>
Loss for the year		<u><u>-9,232,193</u></u>	<u><u>-4,429,240</u></u>
Proposed distribution of loss			
Retained earnings		<u><u>-9,232,193</u></u>	<u><u>-4,429,240</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2019	2018
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment		116,878	0
Total fixed assets		116,878	0
Current assets			
Receivables			
Other receivables		907,271	330,012
Corporation tax		2,603,817	1,257,590
Prepayments		13,986	17,590
Total receivables		3,525,074	1,605,192
Cash at bank and in hand		10,473,755	11,108,504
Total current assets		13,998,829	12,713,696
TOTAL ASSETS		14,115,707	12,713,696
EQUITY AND LIABILITIES			
Equity			
Contributed capital	3	76,060	76,060
Retained earnings		2,508,136	11,740,329
Total equity		2,584,196	11,816,389
Liabilities			
Non-current liabilities			
Convertible debt instruments		10,652,137	0
Other payables		96,615	0
		10,748,752	0
Current liabilities other than provisions			
Trade payables		491,223	665,971
Other payables		291,536	231,336
		782,759	897,307
Total liabilities		11,531,511	897,307
TOTAL EQUITY AND LIABILITIES		14,115,707	12,713,696
Contractual obligations, contingencies, etc.	4		

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Antag Therapeutics ApS for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

Foreign currency translation

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

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

Income statement

Other operating income

Other operating income comprises items secondary to the activities of the entity.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss and the tax credit for research and development activities 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.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

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.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs 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 costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. The tax receivable regarding tax credit for research and development activities are recognised as a tax receivable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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 as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash.

Liabilities

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

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

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK	2019	2018
Wages and salaries	3,362,323	2,365,762
Pensions	96,696	104,522
Other social security costs	33,501	31,618
Other staff costs	0	26,058
	<u>3,492,520</u>	<u>2,527,960</u>
Average number of full-time employees	<u>4</u>	<u>4</u>

3 Equity

The contributed capital consists of:

A shares, 40,000 shares of nom. DKK 1 each

B shares, 36,060 shares of nom. DKK 1 each

The B-shares carry special rights by way of a preference right in case of distribution of dividends etc. and protection against dilution in case of certain issue of shares.

4 Contractual obligations, contingencies, etc.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 23 thousand within 1 year (2018: DKK 23 thousand).