



Adcendo ApS

Ole Maaløes Vej 3
2200 København N
CVR No. 38780093

Annual report 2021

The Annual General Meeting adopted the
annual report on 27.04.2022

Lasse René Sørensen

Chairman of the General Meeting

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Entity details

Entity

Adcendo ApS
Ole Maaløes Vej 3
2200 København N

Business Registration No.: 38780093
Registered office: København
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

John Sørensen Haurum, Chairman
Lars Henning Engelholm
Pieter Jeroen Bakker
Joël Jean-Mairet
Lisanne Darunii de Jongh
Reza Halse
Carl Johan Rutger Kilander

Executive Board

Michael Friedrich Pehl, CEO
Christoffer Fagernæs Nielsen, Director
Pernille Kristine Hemmingsen, Director
Carmel Martina Lynch, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Adcendo ApS for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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

We recommend the annual report for adoption at the Annual General Meeting.

København, 27.04.2022

Executive Board

Michael Friedrich Pehl
CEO

Christoffer Fagernæs Nielsen
Director

Pernille Kristine Hemmingsen
Director

Carmel Martina Lynch
Director

Board of Directors

John Sørensen Haurum
Chairman

Lars Henning Engelholm

Pieter Jeroen Bakker

Joël Jean-Mairet

Lisanne Darunii de Jongh

Reza Halse

Carl Johan Rutger Kilander

Independent auditor's report

To the shareholders of Adcendo ApS

Opinion

We have audited the financial statements of Adcendo ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

With effect from the current financial year, the Company has chosen audit of the financial statements. We must emphasize that the comparative figures in the financial statements were not subject to audit and thus have not been audited in accordance with the International Standards on Auditing (ISAs), as is also apparent from the financial statements.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 the additional requirements applicable in Denmark will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information

required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

København, 27.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Jens Sejer Pedersen

State Authorised Public Accountant

Identification No (MNE) mne14986

Management commentary

Primary activities

The Company is a Copenhagen-based biotech company dedicated to developing antibody-drug conjugates (ADCs) for treatment of cancer. We are taking the ADC approach to new levels through a focus on cancer-associated targets that are professional internalizers and allow for superior selectivity via highly preferential cancer expression.

Development in activities and finances

The Company's income statement for the financial year 2021 shows a loss of 16,380 DKK ('000) and the Company's balance sheet per 31 December 2021 shows an equity of 52,463 DKK ('000).

The result is characterized by the fact that the Company is in the start-up phase with limited operations and costs for research. The Company's financial position complies with management's expectations and is considered satisfactory.

Events after the balance sheet date

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

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(18,000,126)	(5,637,848)
Staff costs	1	(8,326,261)	(2,483,220)
Depreciation, amortisation and impairment losses	2	(20,740)	(20,738)
Operating profit/loss		(26,347,127)	(8,141,806)
Other financial income	3	6,449,168	0
Other financial expenses	4	(877,107)	(490,432)
Profit/loss before tax		(20,775,066)	(8,632,238)
Tax on profit/loss for the year	5	4,395,000	1,256,079
Profit/loss for the year		(16,380,066)	(7,376,159)
Proposed distribution of profit and loss			
Retained earnings		(16,380,066)	(7,376,159)
Proposed distribution of profit and loss		(16,380,066)	(7,376,159)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		62,212	82,952
Property, plant and equipment	6	62,212	82,952
Deposits		88,910	0
Financial assets	7	88,910	0
Fixed assets		151,122	82,952
Other receivables		1,547,687	764,997
Income tax receivable		4,395,000	1,289,398
Receivables		5,942,687	2,054,395
Cash		61,391,951	6,544,641
Current assets		67,334,638	8,599,036
Assets		67,485,760	8,681,988

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		117,270	60,000
Share premium		78,057,865	0
Retained earnings		(25,712,283)	(9,332,217)
Equity		52,462,852	(9,272,217)
Convertible and dividend-yielding debt instruments		7,411,756	17,162,271
Non-current liabilities other than provisions	8	7,411,756	17,162,271
Trade payables		4,138,387	225,646
Other payables		3,472,765	566,288
Current liabilities other than provisions		7,611,152	791,934
Liabilities other than provisions		15,022,908	17,954,205
Equity and liabilities		67,485,760	8,681,988

Unrecognised rental and lease commitments 9

Statement of changes in equity for 2021

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	60,000	0	(9,332,217)	(9,272,217)
Increase of capital	57,270	78,057,865	0	78,115,135
Profit/loss for the year	0	0	(16,380,066)	(16,380,066)
Equity end of year	117,270	78,057,865	(25,712,283)	52,462,852

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	8,181,845	2,439,418
Other social security costs	40,249	20,055
Other staff costs	104,167	23,747
	8,326,261	2,483,220
Average number of full-time employees	10	4

2 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Depreciation of property, plant and equipment	20,740	20,738
	20,740	20,738

3 Other financial income

	2021 DKK	2020 DKK
Exchange rate adjustments	4,127	0
Remission of debt etc	6,445,023	0
Other financial income	18	0
	6,449,168	0

4 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	849,754	455,108
Exchange rate adjustments	27,353	0
Other financial expenses	0	35,324
	877,107	490,432

5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(4,395,000)	(1,256,079)
	(4,395,000)	(1,256,079)

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	103,690
Cost end of year	103,690
Depreciation and impairment losses beginning of year	(20,738)
Depreciation for the year	(20,740)
Depreciation and impairment losses end of year	(41,478)
Carrying amount end of year	62,212

7 Financial assets

	Deposits DKK
Additions	88,910
Cost end of year	88,910
Carrying amount end of year	88,910

8 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK
Convertible and dividend-yielding debt instruments	7,411,756
	7,411,756

9 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	1,758,643	186,682

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 a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. equity.

Income statement

Gross profit or loss

Gross profit or loss comprises other operating income, and external expenses.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income, including net capital or exchange gains on securities, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	0 %

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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