

ROS Therapeutics ApS

Ole Maaløes Vej 3
2200 Copenhagen N
Business Registration No
39507501

Annual report 23.04.2018 - 31.12.2018

The Annual General Meeting adopted the annual report on 30.04.2019

Chairman of the General Meeting

Name: Ricky Boye

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Entity details

Entity

ROS Therapeutics ApS
Ole Maaløes Vej 3
2200 Copenhagen N

Central Business Registration No (CVR): 39507501
Registered in: Copenhagen
Financial year: 23.04.2018 - 31.12.2018

Board of Directors

Ulrik Spork, Chairman
Jon Bondebjerg
Mads Hartvig Clausen
Anker Gunvald Lundemose
Hanne Damgaard Jensen

Executive Board

Hanne Damgaard Jensen, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ROS Therapeutics ApS for the financial year 23.04.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 23.04.2018 - 31.12.2018.

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.

Copenhagen, 15.04.2019

Executive Board

Hanne Damgaard Jensen
Chief Executive Officer

Board of Directors

Ulrik Spork
Chairman

Jon Bondebjerg

Mads Hartvig Clausen

Anker Gunvald Lundemose

Hanne Damgaard Jensen

Independent auditor's report

To the shareholders of ROS Therapeutics ApS

Opinion

We have audited the financial statements of ROS Therapeutics ApS for the financial year 23.04.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 23.04.2018 - 31.12.2018 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 of 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 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 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:

Independent auditor's report

- 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.

Independent auditor's report

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.

Copenhagen, 15.04.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Max Damborg
State-Authorised Public Accountant
Identification No (MNE) mne33772

Management commentary

Primary activities

The Company's activities comprise research and development in pharmaceutical products/biotechnology.

Development in activities and finances

The income statement for 2018 shows a loss of DKK 3,192 thousand, and at 31.12.2018 the balance sheet shows equity of DKK 6,909 thousand.

The Company was founded in April 2018, to exploit technology licensed in from Technical University of Denmark. ROS Therapeutics raised about DKK 10 million in equity in 2018. Development activities since then, however, did not yield the expected results, and as a consequence, the key development project was abandoned, and the license agreement terminated in March 2019. The management is in the process of evaluating the company's current position, including a liquidation of the company. Management also consider new development activities.

Since ROS Therapeutics is engaged in drug research and development, management does not expect the company to generate turnover in the foreseeable future.

The financial result is in line with expectations.

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Income statement for 2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>
Other operating income		308
Other external expenses		<u>(3.822)</u>
Gross profit/loss		(3.514)
Staff costs	1	<u>(504)</u>
Operating profit/loss		(4.018)
Other financial expenses		<u>(25)</u>
Profit/loss before tax		(4.043)
Tax on profit/loss for the year		<u>851</u>
Profit/loss for the year		<u>(3.192)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(3.192)</u>
		<u>(3.192)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>
Deposits		39
Fixed asset investments		<u>39</u>
Fixed assets		<u>39</u>
Other receivables		574
Income tax receivable		851
Prepayments		28
Receivables		<u>1.453</u>
Cash		<u>7.298</u>
Current assets		<u>8.751</u>
Assets		<u>8.790</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>
Contributed capital		82
Retained earnings		<u>6.827</u>
Equity		<u>6.909</u>
Trade payables		1.817
Other payables		<u>64</u>
Current liabilities other than provisions		<u>1.881</u>
Liabilities other than provisions		<u>1.881</u>
Equity and liabilities		<u>8.790</u>
Contingent liabilities	2	

Statement of changes in equity for 2018

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Contributed upon formation	82	10.019	10.101
Profit/loss for the year	0	(3.192)	(3.192)
Equity end of year	82	6.827	6.909

Notes

	<u>2018</u>
1. Staff costs	
Average number of employees	<u>1</u>

2. Contingent liabilities

The Company's rental agreements can be terminated within a 4 months notice. The rent obligation in the termination period totals DKK 76 thousand.

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 enterprises.

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.

Income statement

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 as well as social security contributions, pension contributions, etc for entity staff.

Other financial expenses

Other financial expenses comprise interest expenses.

Accounting policies

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

Receivables

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

Income 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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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.