

Ankrin Therapeutics ApS

Ole Maaløes Vej 3, 2200 København N

Company reg. no. 39 78 87 05

Annual report

2022

The annual report was submitted and approved by the general meeting on the 28 June 2023.

Ulrik Svane Sørensen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Ankrin Therapeutics ApS for the financial year 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

København N, 28 June 2023

Executive board

Ulrik Svane Sørensen

Anja Groth

Thomas Michael Frimurer

Board of directors

Jimmy Arnold Van Heusden

Anja Groth

Ulrik Svane Sørensen

Independent auditor's report

To the Shareholders of Ankrin Therapeutics ApS

Opinion

We have audited the financial statements of Ankrin Therapeutics ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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' 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.

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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Glostrup, 28 June 2023

PKF Munkebo Vindelev

State Authorised Public Accountants
Company reg. no. 14 11 92 99

Thomas Funch
State Authorised Public Accountant
mne47782

Company information

The company	Ankrin Therapeutics ApS Ole Maaløes Vej 3 2200 København N
	Company reg. no. 39 78 87 05 Established: 16 August 2018 Domicile: City of Copenhagen Financial year: 1 January - 31 December 4th financial year
Board of directors	Jimmy Arnold Van Heusden Anja Groth Ulrik Svane Sørensen
Executive board	Ulrik Svane Sørensen Anja Groth Thomas Michael Frimurer
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup
Bankers	Nordea Bank Danmark A/S, Farum Hovedgade 14, 3520 Farum

Financial highlights

DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:				
Gross profit	-1.025	-2.448	-2.067	-3.755
Profit from operating activities	-3.209	-5.153	-3.894	-5.002
Net financials	-294	-390	-448	-357
Net profit or loss for the year	-2.733	-4.493	-3.485	-4.393
Statement of financial position:				
Balance sheet total	3.656	6.579	10.714	4.425
Equity	-4.445	-1.712	2.781	-4.378
Employees:				
Average number of full-time employees	2	3	2	1

The financial highlights for 2019 comprise the period 16 August 2018 - 31 December 2019.

Management's review

Description of key activities of the company

Like previous years, the activities are to carry out research and development enabling later manufacturing and commercialization of medicinal products for the treatment of cancer.

Development in activities and financial matters

The gross loss for the year totals DKK -1.025.000 against DKK -2.448.000 last year. Loss from ordinary activities after tax totals DKK -2.733.000 against DKK -4.493.000 last year. Management considers the net loss for the year satisfactory.

Capital loss

The company has lost the equity and is thereby included in the regulation of the Danish Company Act. art 119. It is the management's expectation, that the equity will be reestablished by a combination of capital increase and future earnings.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies

The annual report for Ankrin Therapeutics ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Income statement

Gross loss

Gross loss comprises research and development costs and other external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Research and development costs comprise of external costs for research and development activities.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs comprise costs incurred for sales, premises and administration.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross loss	-1.024.945	-2.447.561
1 Staff costs	-2.184.254	-2.705.319
Operating profit	-3.209.199	-5.152.880
Other financial expenses	-294.083	-389.767
Pre-tax net profit or loss	-3.503.282	-5.542.647
2 Tax on net profit or loss for the year	770.580	1.049.208
Net profit or loss for the year	-2.732.702	-4.493.439
Proposed distribution of net profit:		
Allocated from retained earnings	-2.732.702	-4.493.439
Total allocations and transfers	-2.732.702	-4.493.439

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Current assets		
3 Income tax receivables	770.580	1.049.208
Other receivables	663.359	135.348
Prepayments	26.762	36.210
Total receivables	<u>1.460.701</u>	<u>1.220.766</u>
Cash and cash equivalents	<u>2.195.534</u>	<u>5.358.029</u>
Total current assets	<u>3.656.235</u>	<u>6.578.795</u>
Total assets	<u>3.656.235</u>	<u>6.578.795</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	40.000	40.000
Retained earnings	-4.485.020	-1.752.318
Total equity	-4.445.020	-1.712.318
Liabilities other than provisions		
Other payables	7.562.947	7.300.446
4 Total long term liabilities other than provisions	7.562.947	7.300.446
Trade payables	341.456	521.077
Other payables	196.852	469.590
Total short term liabilities other than provisions	538.308	990.667
Total liabilities other than provisions	8.101.255	8.291.113
Total equity and liabilities	3.656.235	6.578.795

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	40.000	2.741.121	2.781.121
Profit or loss for the year brought forward	0	-4.493.439	-4.493.439
Equity 1 January 2022	40.000	-1.752.318	-1.712.318
Profit or loss for the year brought forward	0	-2.732.702	-2.732.702
	40.000	-4.485.020	-4.445.020

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>		
1. Staff costs				
Salaries and wages	2.124.665	2.644.408		
Pension costs	39.600	37.900		
Other costs for social security	19.989	23.011		
	<u>2.184.254</u>	<u>2.705.319</u>		
Average number of employees	<u>2</u>	<u>3</u>		
2. Tax on net profit or loss for the year				
Tax of the results for the year, parent company	-770.580	-1.049.208		
	<u>-770.580</u>	<u>-1.049.208</u>		
	<u>31/12 2022</u>	<u>31/12 2021</u>		
3. Income tax receivables				
Income tax receivables 1 January 2022	1.049.208	857.074		
Paid corporate tax concerning last year	-1.049.208	-857.074		
Income tax receivables concerning previous years	<u>0</u>	<u>0</u>		
Calculated corporate tax for the present year	<u>770.580</u>	<u>1.049.208</u>		
	<u>770.580</u>	<u>1.049.208</u>		
4. Long term liabilities other than provisions				
	Total payables	Current portion of long term payables	Long term payables	Outstanding payables
	31 Dec 2022	31 Dec 2022	31 Dec 2022	after 5 years
Other payables	<u>7.562.947</u>	<u>0</u>	<u>7.562.947</u>	<u>0</u>
	<u>7.562.947</u>	<u>0</u>	<u>7.562.947</u>	<u>0</u>

Notes

All amounts in DKK.

5. Contingencies

Contingent assets

The company has not recognized a deferred tax asset of 1,337 t.DKK due to uncertainty regarding future usage.

Contingent liabilities

Rental liabilities

The company has entered a tenancy agreement. The company has a rental commitment of t.DKK 39 as of 31 December 2022.