

Ankrin Therapeutics IVS

Ole Maaløes Vej 3, 2200 København N

Company reg. no. 39 78 87 05

Annual report

16 August 2018 - 31 December 2019

The annual report was submitted and approved by the general meeting on the 15 May 2020.

Søren S. Skjærbæk
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the executive board has presented the annual report of Ankrin Therapeutics IVS for the financial year 16 August 2018 - 31 December 2019 of Ankrin Therapeutics IVS.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 16 August 2018 – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

København N, 20 April 2020

Executive board

Ulrik Svane Sørensen

Anja Groth

Thomas Michael Frimurer

Independent auditor's report

To the shareholders of Ankrin Therapeutics IVS

Opinion

We have audited the financial statements of Ankrin Therapeutics IVS for the financial year 16 August 2018 - 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 16 August 2018 - 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Glostrup, 20 April 2020

PKF Munkebo Vindelev

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

Kasper Vindelev

State Authorised Public Accountant
mne29389

Company information

The company

Ankrin Therapeutics IVS
Ole Maaløes Vej 3
2200 København N

Company reg. no. 39 78 87 05
Established: 16 August 2018
Financial year: 16 August 2018 - 31 December 2019

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.

2018/19

Income statement:

Gross profit	-3.755
Profit from ordinary operating activities	-5.002
Net financials	-357
Net profit or loss for the year	-4.393

Statement of financial position:

Balance sheet total	4.425
Equity	-4.378

Employees:

Average number of full-time employees	1
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The financial highlights for 2018/19 comprise the period 16 August 2018 - 31 December 2019

Management commentary

The principal activities of the company

In the financial year the company's activity has consisted 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 -3.755.000. Income or loss from ordinary activities after tax totals DKK -4.393.000. Management considers the net profit or loss for the year satisfactory.

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 IVS 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.

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, writedowns 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 transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

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 reasearch and development costs and other external costs.

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.

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

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.

Statement of financial position

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

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

Cash on hand and demand deposits

Avaiable funds comprise cash at bank.

Accounting policies

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium. The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement

All amounts in DKK.

<u>Note</u>	16/8 2018 - 31/12 2019
Gross loss	-3.755.400
1 Staff costs	-1.246.350
Operating profit	-5.001.750
Other financial costs	-357.334
Pre-tax net profit or loss	-5.359.084
2 Tax on net profit or loss for the year	966.174
Net profit or loss for the year	-4.392.910
Proposed appropriation of net profit:	
Allocated from retained earnings	-4.392.910
Total allocations and transfers	-4.392.910

Statement of financial position

All amounts in DKK.

Assets		
<u>Note</u>		<u>31/12 2019</u>
Current assets		
3	Income tax receivables	966.174
	Other receivables	79.069
	Prepayments and accrued income	56.052
	Total receivables	<u>1.101.295</u>
	Cash on hand and demand deposits	<u>3.323.321</u>
	Total current assets	<u>4.424.616</u>
	Total assets	<u>4.424.616</u>

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2019</u>
Equity and liabilities	
Equity	
4 Contributed capital	1.500
6 Retained earnings	-4.379.410
Total equity	<u>-4.377.910</u>
Liabilities other than provisions	
Other payables, long term	47.800
Convertible loans	<u>7.828.767</u>
7 Total long term liabilities other than provisions	<u>7.876.567</u>
Trade payables	683.315
Other payables	222.644
Accruals and deferred income	<u>20.000</u>
Total short term liabilities other than provisions	<u>925.959</u>
Total liabilities other than provisions	<u>8.802.526</u>
Total equity and liabilities	<u>4.424.616</u>

8 Contingencies

Notes

All amounts in DKK.

	16/8 2018 - 31/12 2019
1. Staff costs	
Salaries and wages	1.234.051
Other costs for social security	3.597
Other staff costs	8.702
	<u>1.246.350</u>
 Average number of employees	 <u>1</u>
2. Tax on net profit or loss for the year	
Tax of the results for the year, parent company	<u>-966.174</u>
	<u>-966.174</u>
	 <u>31/12 2019</u>
3. Income tax receivables	
Income tax receivables 16 August 2018	0
Calculated corporate tax for the present year	966.174
	<u>966.174</u>
4. Contributed capital	
Contributed capital 16 August 2018	1.000
Cash capital increase	500
	<u>1.500</u>
5. Share premium	
Share premium 16 August 2018	9.000
Share premium account for the year	4.500
Transferred to results brought forward	-13.500
	<u>0</u>

Notes

All amounts in DKK.

31/12 2019

6. Retained earnings

Retained earnings 16 August 2018	0
Profit or loss for the year brought forward	-4.392.910
Transferred from share premium account	13.500
	<u>-4.379.410</u>

7. Liabilities

	<u>Total payables 31 Dec 2019</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 Dec 2019</u>	<u>Outstanding payables after 5 years</u>
Other payables, long term	47.800	0	47.800	0
Convertible loans	7.828.767	0	7.828.767	0
	<u>7.876.567</u>	<u>0</u>	<u>7.876.567</u>	<u>0</u>

8. Contingencies

Contingent assets

The company has not recognized a deferred tax of t.DKK 212 due to uncertainty regarding future usage.

Contingent liabilities

Rental liabilities

The company has entered a tenancy agreement. The company's has a rental commitment of t.DKK 45 as of 31 December 2019.