

Ankrin Therapeutics ApS

Ole Maaløes Vej 3, 2200 København N

Company reg. no. 39 78 87 05

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 29 June 2022.

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 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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, 29 June 2022

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 2021, 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 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 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.

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.

Independent auditor's report

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, 29 June 2022

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 ApS Ole Maaløes Vej 3 2200 København N
	Company reg. no. 39 78 87 05 Domicile: City of Copenhagen Financial year: 1 January 2021 - 31 December 2021
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>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:			
Gross profit	-2.427	-2.067	-3.755
Profit from operating activities	-5.153	-3.894	-5.002
Net financials	-390	-448	-357
Net profit or loss for the year	-4.493	-3.485	-4.393
Statement of financial position:			
Balance sheet total	6.579	10.714	4.425
Equity	-1.712	2.781	-4.378
Employees:			
Average number of full-time employees	3	2	1

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

Management's review

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 -2.427.000 against DKK -2.067.000 last year. Income or loss from ordinary activities after tax totals DKK -4.493.000 against DKK -3.485.000 last year. Management considers the net loss for the year satisfactory.

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 share capital 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.

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 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.

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. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency.

Results from

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 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.

Accounting policies

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

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 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>2021</u>	<u>2020</u>
Gross profit	-2.427.405	-2.066.729
1 Staff costs	-2.725.475	-1.827.283
Operating profit	-5.152.880	-3.894.012
Other financial income	0	20
Other financial expenses	-389.767	-448.502
Pre-tax net profit or loss	-5.542.647	-4.342.494
2 Tax on net profit or loss for the year	1.049.208	857.074
Net profit or loss for the year	-4.493.439	-3.485.420
Proposed appropriation of net profit:		
Allocated from retained earnings	-4.493.439	-3.485.420
Total allocations and transfers	-4.493.439	-3.485.420

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2021</u>	<u>2020</u>
Current assets			
3	Income tax receivables	1.049.208	857.074
	Other receivables	135.348	407.538
	Prepayments	36.210	9.238
	Total receivables	<u>1.220.766</u>	<u>1.273.850</u>
	Cash and cash equivalents	<u>5.358.029</u>	<u>9.440.298</u>
	Total current assets	<u>6.578.795</u>	<u>10.714.148</u>
	Total assets	<u>6.578.795</u>	<u>10.714.148</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	40.000	40.000
Retained earnings	-1.752.318	2.741.121
Total equity	-1.712.318	2.781.121
Liabilities other than provisions		
Other payables	74.627	74.627
Loans, long term	7.225.819	6.890.207
4 Total long term liabilities other than provisions	7.300.446	6.964.834
Trade payables	521.077	458.779
Other payables	469.590	509.414
Total short term liabilities other than provisions	990.667	968.193
Total liabilities other than provisions	8.291.113	7.933.027
Total equity and liabilities	6.578.795	10.714.148

5 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2020	1.500	0	-4.379.410	-4.377.910
Cash capital increase	38.500	10.605.951	0	10.644.451
Profit or loss for the year brought forward	0	0	-3.485.420	-3.485.420
Transferred to results brought forward	0	-10.605.951	10.605.951	0
Equity 1 January 2021	40.000	0	2.741.121	2.781.121
Profit or loss for the year brought forward	0	0	-4.493.439	-4.493.439
	40.000	0	-1.752.318	-1.712.318

Notes

All amounts in DKK.

	2021	2020		
1. Staff costs				
Salaries and wages	2.702.464	1.798.839		
Other costs for social security	10.697	6.910		
Other staff costs	12.314	21.534		
	2.725.475	1.827.283		
Average number of employees	3	2		
2. Tax on net profit or loss for the year				
Tax of the results for the year, parent company	-1.049.208	-857.074		
	-1.049.208	-857.074		
	31/12 2021	31/12 2020		
3. Income tax receivables				
Income tax receivables 1 January 2021	857.074	966.174		
Paid corporate tax concerning last year	-857.074	-966.174		
Income tax receivables concerning previous years	0	0		
Calculated corporate tax for the present year	1.049.208	857.074		
	1.049.208	857.074		
4. Long term liabilities other than provisions				
	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Other payables	74.627	0	74.627	0
Loans, long term	7.225.819	0	7.225.819	0
	7.300.446	0	7.300.446	0

Notes

All amounts in DKK.

5. Contingencies

Contingent assets

The company has not recognized a deferred tax of 1.050 t.DKK 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 195 as of 31 december 2021.

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"By my signature I confirm all dates and content in this document."

Jimmy Arnold Van Heusden

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Jim Van heusden

Ulrik Svane Sørensen

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Kasper Vindelev

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