

Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
Postboks 1600
0900 København C

Telefon 36 10 20 30
Telefax 36 10 20 40
www.deloitte.dk

Scandion Oncology A/S
Ole Maaløes Vej 3
2200 København N
Central Business Registration No
38613391

Annual report 2017

The Annual General Meeting adopted the annual report on [♥Click here to enter a date.](#)

Chairman of the General Meeting

Name: [♥Click here to enter name.](#)

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017	7
Balance sheet at 31.12.2017	8
Statement of changes in equity for 2017	10
Notes	11
Accounting policies	12

Entity details

Entity

Scandion Oncology A/S
Ole Maaløes Vej 3
2200 København N

Central Business Registration No: 38613391
Registered in: København
Financial year: 02.05.2017 - 31.12.2017

Board of Directors

Nils Aage Brünner, formand
Karl Arne Krister Borrebaeck
Christian Vinding Thomsen
Jørgen Vilhelm Løvenørn Bardenfleth

Executive Board

Kim Arvid Nielsen, adm. direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København 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 Scandion Oncology A/S for the financial year 02.05.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 02.05.2017 - 31.12.2017.

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, 22.02.2018

Executive Board

Kim Arvid Nielsen
adm. direktør

Board of Directors

Nils Aage Brünner
formand

Karl Arne Krister Borrebaeck

Christian Vinding Thomsen

Jørgen Vilhelm Løvenørn
Bardenfleth

Independent auditor's report

To the shareholders of Scandion Oncology A/S

Opinion

We have audited the financial statements of Scandion Oncology A/S for the financial year 02.05.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 02.05.2017 - 31.12.2017 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, 22.02.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Thomas Hermann

State Authorised Public Accountant

Management commentary

Primary activities

The object of the company is research and development in the pharmaceutical industry and thus related activity.

Development in activities and finances

Scandion Oncology is based on a merger of ion channel technology from Saniona AB (www.saniona.com) and cancer research technologies and inventions from University of Copenhagen. The company was legally founded April 2017. The founders are Saniona AB (51%) and Nils Brünner, Jan Stenvang and Kim Arvid Nielsen (49%).

The goal at Scandion Oncology is to develop drugs that specifically target chemotherapy resistance mechanisms. Scandion Oncology has two products, SCO-101 and SCO-201, and additionally 800 analogs of SCO-101.

Development plan is to bring the compound SCO-101 through clinical proof-of-concept phase II studies. Scandion Oncology A/S will initially prepare for conducting two clinical run-in phase IIa studies with metastatic breast cancer and metastatic colorectal cancer patients in which patients are exposed to combinations of standard dose of chemotherapy and increasing doses of SCO-101. The main objective of the run-in phase is to evaluate safety when co-administering SCO-101 with chemotherapy.

Scandion Oncology raised further capital of DKK 1,965 thousand in December 2017. The new shareholders are members of the Board and others.

In 2017, Scandion Oncology reported revenues of DKK 0 and net profit before tax of DKK - 1,173 thousand. At 31 December 2017, Scandion Oncology had DKK 1,453 thousand in equity and DKK 1,638 thousand in cash and cash equivalents.

It is the intention of Scandion Oncology to raise 20 mill. DKK in a private placement during Q1 2018, potentially in combination with a company listing on First North, Sweden.

Scandion Oncology will carry out the development plan as and when funding permits it. Scandion Oncology expects that it will be able to raise sufficient capital to fund the planned activities for the next 12 months.

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 2017

	<u>Notes</u>	<u>2017 DKK</u>
Gross loss		(927.538)
Staff costs	1	<u>(245.467)</u>
Operating profit/loss		(1.173.005)
Other financial expenses		<u>(112)</u>
Profit/loss before tax		(1.173.117)
Tax on profit/loss for the year		<u>160.281</u>
Profit/loss for the year		<u>(1.012.836)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(1.012.836)</u>
		<u>(1.012.836)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>
Deposits		34.578
Fixed asset investments		34.578
Fixed assets		34.578
Other receivables		112.504
Income tax receivable		160.281
Prepayments		16.752
Receivables		289.537
Cash		1.637.670
Current assets		1.927.207
Assets		1.961.785

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>
Contributed capital		540.065
Retained earnings		912.703
Equity		<u>1.452.768</u>
Trade payables		262.846
Other payables	2	246.171
Current liabilities other than provisions		<u>509.017</u>
Liabilities other than provisions		<u>509.017</u>
Equity and liabilities		<u>1.961.785</u>
Unrecognised rental and lease commitments	3	
Contingent liabilities	4	

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	500.604	0	500.604
Increase of capital	39.461	1.925.539	1.965.000
Profit/loss for the year	0	(1.012.836)	(1.012.836)
Equity end of year	540.065	912.703	1.452.768

Notes

	2017
	DKK
1. Staff costs	
Wages and salaries	150.000
Other social security costs	745
Other staff costs	94.722
	245.467

	2017
	DKK
2. Other payables	
Wages and salaries, personal income taxes, social security costs, etc payable	568
Other costs payable	245.603
	246.171

3. Unrecognised rental and lease commitments

The Company's rental agreement has a rental period with expiry 1 October 2020. As of this date it can be terminated with a four months' notice. The rental commitment constitutes DKK 331 thousand.

4. Contingent liabilities

The company is committed to compensate workers for unpaid working hours when the company's funding is in place. If funding is unsuccessful the commitment will not be realized. The total commitment is DKK 928 thousand.

The Entity participates in a Danish joint taxation arrangement in the period 2 May – 18 December 2017 in which Saniona A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

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.

It's the company's first annual report.

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

Gross profit or loss

Gross profit or loss comprises of external expenses.

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. This item also includes writedowns of receivables recognised in current assets.

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, including interest expenses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Accounting policies

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.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Kim Arvid Nielsen

Adm. direktør

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Bestyrelsesmedlem

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NEM ID 

Nils Aage Brünner

Bestyrelsesformand

Serienummer: PID:9208-2002-2-907229970360

IP: 93.163.222.165

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KARL BORREBAECK

Bestyrelsesmedlem

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Christian Vinding Thomsen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-273852296076

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NEM ID 

Thomas Hermann

Revisor

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