Oncology Venture

Oncology Venture A/S
Venlighedsvej 1, DK-2970 Hoersholm
CVR no. DK 28 10 63 51

Interim report for the period January 1, 2019 – September 30, 2019

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board provide their assurance that the interim report provides a fair and true overview of the Parent Company's and the Group's operations, financial position and results, and describes material risks and uncertainties faced by the parent Company and the companies in the Group.

Hoersholm, Denmark, November 29, 2019

Executive Board

Steve Carchedi	Henrik Moltke
CEO	CFO

Board of Directors

Duncan Moore Chairman	Frank Knudsen Vice chairman	Steve Carchedi
Steen Knudsen	Magnus Persson	Carani Sanjeevi

CONSOLIDATED FINANCIAL HIGHLIGHTS AND RATIOS*

Amounts in DKK '000	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Year 2018
Key figures					
Profit/loss					
Revenue	0	104	519	1,700	2,147
Profit/loss before depreciation (EBITDA)	-17,927	-4,047	-46,011	-10,402	-32,258
Operating profit/loss before net financials	-18,201	-4,458	-46,837	-10,840	-32,471
Net financials	-5,595	-212	-17,679	8,569	9,954
Net profit/loss	-22,210	-3,295	-59,069	354	-15,544
Balance sheet					
Balance sheet total	257,366	240,598	257,366	240,598	251,497
Purchase of PPE	40	0	40	0	37
Equity	160,816	172,798	160,816	172,798	181,856
Cash flows					
Cash flows from:					
Operating activities	-20,836	-8,512	-58,985	-15,401	-27,624
Investing activities	0	8,712	-4,126	14,457	9,855
Financing activities	15,266	6,105	63,749	6,282	15,791
Ratios					
Solvency ratio	62%	72%	62%	72%	72%
Earnings per share, DKK	-0.31	-0.07	-0.95	0.02	-0.44
Diluted earnings per share, DKK	-0.31	-0.07	-0.95	0.02	-0.44

2019 numbers reflect the merged entity and 2018 numbers (in brackets) reflect Medical Prognosis Institute A/S only.

For definitions, see under accounting policies in annual report 2018.

HIGHLIGHTS DURING Q3 2019

- On September 23rd, Oncology Venture presents positive data at the European Society for Medical Oncology (ESMO) Annual Congress on DRP® as a response predictor for fluorouracil (5-FU) treatment in colorectal cancer.

- On September 4th, Oncology Venture provides further information on the terms for a proposed rights issue.

- On September 4th, Oncology Venture appoints new CEO and CFO and proposes rights issue to facilitate a focused commercial strategy.

- On August 15th, the U.S. FDA grants Investigational Device Exemption (IDE) approval to use Oncology Venture's LiPlaCis™ DRP® for patient selection in a pivotal Phase 3 study.

HIGHLIGHTS AFTER THE PERIOD

- On November 13th, Oncology Venture announced it is advancing towards the next milestone in its clinical development of IXEMPRA®.
- On November 12th, Oncology Venture announced it has reached a new development milestone with Dovitinib.
- On November 12th, Oncology Venture announced it is advancing towards the next milestone in its clinical development of 2X-121.
- On November 12th, Oncology Venture extends the subscription period of the current rights issue.
- On November 12th, Oncology Venture informed that the last trading day of the Subscription Rights is now 19 November 2019, following the extension of subscription period until the 21 November of the current rights issue.
- On October 21st, The Board of Oncology Venture resolves to conduct a rights issue of new shares.
- On October 3rd, Oncology Venture increases its share capital due to warrant exercise.
- On October 1st, Oncology Venture provides Notice to Convene Extraordinary General Meeting.

Rights Issue

The Company resolved in September 2019 to carry out a rights issue of SEK 100,6 million, which has been fully underwritten by external guarantors. The rights issue is being made to fund the continued development of the Company and its portfolio of products. The rights issue is done in the form of units a subscription price of SEK 2.00. Each unit contains one share and one warrant. The warrants give the holder the right to subscribe for one new share at a strike price of SEK 6.00 during a 24-month period. . If all warrants are exercised the Company will receive an additional SEK 300 million in proceeds.

The subscription ended on 21 November 2019 and the Company and its advisors are putting together the result from the rights issue at the time of publication of this report. The outcome of the rights issue is expected to be made public during week 49.

CEO LETTER

Dear shareholders,

Recently I completed my first investor roadshow as CEO of Oncology Venture. Together with the company's new CFO Henrik Moltke, I have met with investors in both Sweden and Denmark. The roadshow was a part of our efforts to raise capital which is needed to execute our new plan focused on commercialization.

At all the venues, I visited during the roadshow I have been positively surprised by the in-depth knowledge of the company that many of you have. In addition, many investors have shared their hopes and vision that this will become a truly successful company, making a real and positive change for patients, healthcare professionals and shareholders.

This level of commitment and interest from the shareholder community here in Scandinavia has strengthened my own personal commitment to making this company a success.
Since mid-September, my new management team and I have been working on a new, focused commercial strategy to advance priority drug programs and drive shareholder value.

There are four important changes that are fundamental to how we manage the company as a part of our new strategy:

- Focused development of the pipeline, giving highest priority to the development of Dovitinib, Ixempra® (Ixabepilone), and 2X-121 and focusing our financial resources on those key programs.
- Commercialization of the company's core DRP® technology is our fundamental goal
- Predictable financials: We will use investor funds prudently, efficiently and ensure solid financial controls.
- Driving shareholder value will be paramount to our activities, focus, efforts, and spending.

I am pleased to report that we are already well on our way towards implementing these new fundamentals. We have turned the organization towards our prioritized projects and introduced robust financial controls, achieved head count and cost reductions, and implemented strict budgets. At the same time, we have concluded a rights issue of 100 million SEK that gives the Company necessary capital for an extended runway. I am thankful for your interested in the company, and I hope that I will have the chance to meet many shareholders again on future roadshows. At that point in time, I will be able to tell about the progress we will have achieved. I look very much forward to it.

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ABOUT ONCOLOGY VENTURE A/S

Oncology Venture develops cancer drugs for personalized medicine.
Oncology Venture A/S (Nasdaq First North Growth Market Stockholm: OV.ST) develops drugs for personalized treatment of cancer guided by its proprietary drug response predictor technology, DRP®. The company has a mature portfolio of seven drug candidates, including compounds in the pre-registration stage.
The product portfolio includes: 2X-121, a PARP inhibitor in Phase 2 trial for Ovarian cancer; Dovitinib, in pre-NDA stage for Renal Cell Carcinoma. IXEMPRA® (Ixabepilone), a U.S. approved microtubilin inhibitor for the treatment of breast cancer; LiPlaCis®, a liposomal formulation of cisplatin in Phase 2 trial for breast and prostate cancer; 2X-111, a liposomal formulation of doxorubicin under manufacturing for Phase 2 trial in breast cancer; Irofulven, in Phase 2 trial for prostate cancer; and APO010, an immuno-oncology product in Phase 1/2 for multiple myeloma. The Company's current priority program focus is for advancement of 2X-121, IXEMPRA®, and Dovitinib.
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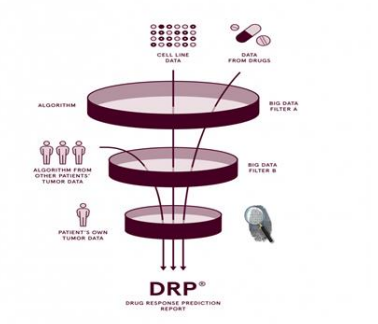
Drug Response Predictor (DRP®) Platform.

Oncology Venture's proprietary and best-in-class DRP® predictive biomarker technology enables us to identify and treat those patients who are sensitive to a particular cancer drug candidate. DRP® provides a genetic fingerprint that distinguishes the tumor forms that are sensitive to treatment with a specific drug from those who are insensitive. By including only patients with sensitive tumors in the clinical trials, it is possible to avoid also treating non-sensitive patients, which lowers drug efficacy read-outs. To explain in detail how DRP® works is a time-consuming task, but the important bottom line is that the technology works – in 29 out of 37 clinical trials, DRP® has demonstrated that clinical results of cancer treatments can be predicted with a high degree of statistical significance.



The DRP® method builds on the comparison of sensitive vs. resistant human cancer cell lines, including genomic information from cell lines combined with clinical tumour biology and clinical correlates in an advanced systems biology analytic algorithm. DRP® is based on messenger RNA from the patient's biopsies. The DRP® platform (both the drug-specific DRP® biomarkers and the PRP® patient guidance reports), can be used in all cancer types and is patented for more than 70 anti-cancer drugs in the US. The PRP® is in development for potential future commercialization within the Personalized Medicine market sector.

Patient Response Prediction (PRP®)

In the long run, the DRP® technology will be the base of the development of Patient Response Predictor (PRP®) products in the oncology sector. Collections of drug-specific DRP® biomarkers can be included in a single PRP® patient guidance report to assist the patient and their oncologist with valuable input on potential therapy options. We believe that PRP® can become a powerful tool for a large group of cancer patients where other biomarkers are currently unavailable. PRP® is a novel product opportunity within Personalized Medicine, focusing on future development of consumer products and services for informing, gathering and formulating personal treatments together with the consultation and care of an oncologist. The PRP® report makes it possible to assist patients and doctors by helping them determine which cancer treatment may be most suitable in each specific case.

DEVELOPMENT PROJECTS

Oncology Venture has a pipeline of seven drug development projects, with Dovitinib (a pan-TKI), 2X-121 (a PARP inhibitor) and Ixempra® (Ixabepilone) have the highest priority.

Dovitinib

Dovitinib is a small molecule, pan-tyrosine kinase inhibitor (TKI) in licensed from Novartis, that was previously developed through Phase 3 clinical trials. This extensive drug development program includes data from more than 2,500 patients. Dovitinib has shown identical clinical activity to sorafenib (an approved pan-TKI marketed by Bayer) in a randomized Phase 3 study in renal cancer and in a randomized Phase 2 study in liver cancer, both conducted by Novartis. Sorafenib is the current gold standard in the treatment of certain forms of liver cancer and approved in certain forms of renal cancer. Dovitinib has also shown activity in several Phase 2 studies in lung, prostate, endometrial and thyroid cancers as well as GIST and acute myeloid leukaemia.

Oncology Venture has previously, successfully validated its DRP® for Dovitinib using clinical biopsy materials for most of Novartis' prior clinical trials for the drug. Accordingly, future development of Dovitinib will benefit from use of the drug-specific DRP® to identify the patients who will most likely benefit. DRP® has shown a strong ability to predict treatment response in prior clinical studies of renal, endometrial, GIST, liver and breast cancer tumours.

During the first half of 2020 Oncology Venture plans a pre-NDA meeting with the US Food and Drug Administration (FDA) regarding the path to approval for Dovitinib used to treat Renal Cell Carcinoma (kidney cancer). The company's strategy is file for "non-inferiority", when comparing Dovitinib with the already approved compound Sorafenib, based on the prior Phase 3 trial results generated by Novartis.

Dovitinib addresses a significant unmet need for relevant treatments of Renal Cell Carcinoma. Annual sales of Sorafinib, under the trade name Nexavar®, were approximately USD $715 million in 2018. The global Renal Cell Carcinoma market is projected to grow to USD $6.3 billon 2022. Additionally, Dovitinib has promising market potential, both as a monotherapy and in combination with other agents (such as immune checkpoint inhibitors) in a number of other cancers.

2X-121

2X-121 is a small molecule PARP Inhibitor in licensed from Eisai. PARP inhibitors, which inhibit the repair of DNA damage in cancer cells and tumors, have improved the treatment of ovarian cancer and breast cancer, and have shown promise in the treatment of a number of other indications, including pancreatic cancer.

Oncology Venture utilizes its validated, 2X-121 specific DRP® to identify and select patients most likely to respond to this drug. Like all DRP® biomarkers, the predictive power is drug specific and not cancer type specific, meaning that the 2X-121 DRP® can assist in selecting highly likely responder patients across multiple cancer types, including ovarian and pancreatic.

2X-121 is currently being evaluated for the treatment of advanced ovarian cancer in a DRP®-guided Phase 2 clinical trial at the Dana-Farber Cancer Institute (Boston, MA U.S.A.). Thus far, 8 patients are enrolled in the study, with ongoing enrolment towards a target of 30 patients. The Company is opening a second trial site, at Guy's Hospital (London, UK) to accelerate patient accrual to the trial. Guy's Hospital was the site of the prior Phase 1 study of 2X-121 under sponsorship by Eisai.

The global PARP inhibitor market is projected to reach USD $9 billion by 2027 in ovarian cancer alone.

A Phase 2 study of 2X-121 in metastatic breast cancer patients is being conducted at Danish hospital sites. The patients were previously screened using DRP® within the frames of the Danish Breast Cancer Cooperative Group. Analysis of data is ongoing.

Ixempra ® (Ixabepilone)

Oncology Venture holds an exclusive option to in-license the European rights to IXEMPRA® (ixabepilone) from the pharmaceutical company R-Pharm U.S. The drug was originally developed by Bristol-Myers Squibb (BMS)

and is approved in the US for the treatment of certain types of breast cancer. The Company is currently advancing a protocol to evaluate IXEMPRA® for the treatment of newly diagnosed breast cancer (neoadjuvant setting) in a DRP®-guided Phase 2 clinical trial, with sites planned in Europe and the U.S. The Company's protocol aims towards an enrolment target of nearly 40 patients. Through use of DRP® patient selection, OV aims to provide a superior clinical benefit, to breast cancer patients receiving IXEMPRA®, as compared to other approved therapy options. Enrolment of patients is expected to begin in 1H 2020.

The global breast cancer therapeutics market is projected to grow to USD $25 Billion by 2024. One of the leading drivers of this market growth will be the use of pre-surgery neoadjuvant therapies in the newly diagnosed patient population.

Shareholders

The table below presents shareholders with over 5% of the votes and capital in Oncology Venture A/S on September 30, 2019.

Name	Number of shares	Percentage of voting right and capital (%)
UBS SWITZERLAND AG, W8IMY *	9,238,227	13.1%
Sass & Larsen Aps	8,690,524	12.3%
Buhl Krone Holding Aps	5,250,016	7,4%
Others	48,499,033	67.2
	70,707,499	**100.0%**

*This nominee account includes OV Founder Steen Knudsen's shareholding of 6,168,680 shares

The shares

The shares of Oncology Venture A/S were listed on Nasdaq Stockholm First North on June 27, 2016. The short name/ticker is OV.ST and the ISIN code is DK0060732477. Per September 30, 2019, the number of shares was 70.707.499,00. The Company has one class of shares. Every stock share equals the same rights to The Company´s assets and results.

Warrants

As an incentive for the Board Members, employees and key persons Oncology Venture A/S has implemented a total of five Warrant programs (adopted as of July 3, 2012, December 18, 2013, December 17, 2014, February 18, 2016 and February 24, 2017) a total of 4,489,800 warrants. Each assigned warrant gives the beneficiary the right to subscribe for one new share in the Company against payment of 0.52 DKK. A prerequisite for the use of warrants is that the holder of the warrant has not ended his/her relationship with the Company. In the event, that the Company has terminated the relationship, without this being the option holder's negligence, the holder of the warrants remains entitled to use their warrants. As of September 30, 2019 1,180,540 warrants have been exercised for subscription of new shares in the Company leaving 3,309,040 outstanding. Outstanding warrants can be exercised until July 2021.

Investor warrants

20,166,221 investor warrants have been granted to investors in connection with subscription of Offer Units in the rights issued carried out April/May 2019. All Warrants were vested as per the grant date. A warrant gives the right, during a fixed period to subscribe for nominal DKK 0.05 ordinary share in the Company in the Company at SEK 7.5 (the "Exercise Price"), converted into DKK using the official exchange rate between DKK and SEK on the exercise day. Each warrant carries the right to subscribe.

Warrants may be exercised in the periods: June 1, 2019 – June 7, 2019; September 1, 2019 – September 6, 2019; December 1, 2019 – December 6, 2019; April 1, 2019 – April 10, 2019; May 1, 2020 – May 31 2020 (the "Warrant Exercise Periods").

Operational risks and uncertainties

The risks and uncertainties that the Company are exposed to are related to factors such as drug development, competition, technology development, patents, regulatory requirements, capital requirements, currencies and interest rates. During the current period, no significant changes in risk factors or uncertainties have occurred. For more detailed description of risks and uncertainties, refer to the prospectus published in October 2019. The document is available on the Company's website (http://www.oncologyventure.com/).

Field Code Changed

Auditor´s review

The interim report has not been reviewed by The Company's auditor.

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Certified Advisor
Svensk Kapitalmarknadsgranskning AB.

FINANCIAL REVIEW

Income statement Q3 2019

Net sales amounted to 519 KDKK (previous year KDKK 1,700). EBITDA amounted to KDKK -46,011 (previous year KDKK -10,402). The increased loss is due to the merger of Medical Prognosis Institute A/S and Oncology Venture AB resulting in combined higher external and staff expenses and due to increased development activities and a decline in sales because sales between OV A/S and the former OV AB group is now classified as Group internal transactions.

The company realized a net profit of KDKK -59,069 (last year a net profit of KDKK 354). Net profit per share: DKK -0.95 (DKK 0.02). Total number of shares as of September 30, 2019 was 70,477,499.

Balance sheet

Total assets amounted to KDKK 257,366 (previous year KDKK 240,598). Cash and cash equivalents amounted to DKK 17,386 (previous year 35,078) due to an income tax benefit of DKK 11,007 (previous year DKK 10,234). Current liabilities amounted to KDKK 59,894 (previous year KDKK 35,409) where KDKK 36,994 refers to a loan. The Group's equity amounted to KDKK 160,816 (previous year KDKK 172,798).

Cash flows

The Group's cash flow from operating activities amounted to KDKK -58.985 (previous year KDKK -15.401). The outflow from operating activities is attributable to primarily to increased development activities and preparation of clinical development activities and interest on short term loans. The Group's cash flow from financing activities amounted to KDKK 63.749 (previous year KDKK 6.282).

Significant financial events during Q3 2019

On October 21 The Board of Oncology Venture decided to conduct a rights issue of new shares supported by an authorization granted to the board of directors at the Extraordinary General Meeting on October 15, 2019. The rights issue comprises of up to a maximum of 50,341,080 offer units. Each unit ("Offer Unit") consists of one (1) new share of nominal DKK 0.05 ("New Share") with one (1) warrant attached which confers the right to subscribe one (1) share of nominal DKK 0.05 share in the Company at an exercise price of SEK 6.00 ("Investor Warrant"). Offer Units are subscribed against cash payment of SEK 2. Guarantees and undertakings of SEK 100 million from underwriters have been received.

Capital resources and Liquidity

The Company has with, the guarantied rights issue of 100 mSEK, closing end of November 2019, short term loan facilities, and the expected tax R&D credit will bring the Group well into 2020.
Management is continuously evaluating a variety of partnering agreements and asset sales to optimize funding costs.

Financial Calendar

Financial Calendar year ends on December 31, 2019.
Annual Report for 2019 is planned to be published on March 31, 2020.
Annual General Meeting 2020 is planned to be held on the April 22, 2020.
Q1 2020 interim report planned to be published on May 29, 2020
Q2 2020 interim report planned to be published on August 28, 2020
Q3 2020 interim report planned to be published on November 30, 2020

Consolidated income statement and statement of comprehensive income

Note	Amounts in DKK '000	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Year 2018
4	**Revenue**	**0**	**104**	**519**	**1,700**	**2,147**
	Other operating income	0	5,509	0	7,908	7,370
	Other external expenses	-13,850	-7,510	-34,651	-14,257	-33,444
	Staff expenses, share-based payments	0	-176	-100	-722	-844
	Staff expenses, other	-4,077	-1,974	-11,779	-5,031	-7,487
	Loss before depreciation and amortisation (EBITDA)	**-17,927**	**-4,047**	**-46,011**	**-10,402**	**-32,258**
	Depreciation and amortisation	-274	-411	-826	-438	-213
	Operating loss before net financials	**-18,201**	**-4,458**	**-46,837**	**-10,840**	**-32,471**
	Share of profit of an associate	0	0	0	-1,283	-1,283
	Gain on the divestment of an associate	0	0	0	10,796	10,146
	Financial income	432	139	3,442	473	4,490
	Financial expenses	-6,027	-351	-21,121	-1,417	-3,399
	Profit/loss before tax	**-23,796**	**-4,670**	**-64,516**	**-2,271**	**-22,517**
	Tax on profit/loss	1,586	1,375	5,447	2,625	6,973
	Net profit/loss	**-22,210**	**-3,295**	**-59,069**	**354**	**-15,544**
	Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):					
	Exchange differences on translation of foreign operations	27	-1,727	77	-1,702	199
	Other comprehensive income, net of tax	**27**	**-1,727**	**77**	**-1,702**	**199**
	Total comprehensive income	**-22,183**	**-5,022**	**-58,992**	**-1,348**	**-15,345**

Consolidated income statement and statement of comprehensive income

Note	Amounts in DKK '000	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Year 2018
	Net profit/loss attributable to:					
	Owners of the parent company	-21,588	-3,220	-57,720	429	-14,939
	Non-controlling interests	-622	-75	-1,349	-75	-605
	Total	**-22,210**	**-3,295**	**-59,069**	**354**	**-15,544**
	Total comprehensive income attributable to:					
	Owners of the parent company	-21,561	-4,947	-57,643	-1,273	-14,891
	Non-controlling interests	-622	-75	-1,349	-75	-454
	Total	**-22,183**	**-5,022**	**-58,992**	**-1,348**	**-15,345**
5	**Earnings per share**					
	Earnings per share, DKK	-0.31	-0.07	-0.95	0.02	-0.44
	Diluted earnings per share, DKK	-0.31	-0.07	-0.95	0.02	-0.44

Consolidated balance sheet

ASSETS

Note	Amounts in DKK '000	30/09/2019	30/09/2018	31/12/2018
6	Property, plant and equipment	3,112	371	363
7	Acquired patents	1,019	509	1,212
7	Development projects in progress	235,849	204,640	235,521
	Total non-current assets	**239,980**	**205,520**	**237,096**
	Inventories	0	7,729	0
	Trade receivables	216	0	0
	Income tax receivable	11,007	10,234	5,514
	Other receivables	2,891	4,758	5,262
	Prepayments	1,007	3,619	2,078
	Cash	2,265	8,738	1,547
	Total current assets	**17,386**	**35,078**	**14,401**
	Total assets	**257,366**	**240,598**	**251,497**

Consolidated balance sheet

EQUITY AND LIABILITIES

Note	Amounts in DKK '000	30/09/2019	30/09/2018	31/12/2018
	Share capital	3,535	2,514	2,516
	Share premium	255,629	214,838	213,554
	Retained earnings	-120,844	-44,872	-61,040
	Currency translation reserve	198	-1,780	121
	Non-controling interests	22,298	2,098	26,705
	Total equity	**160,816**	**172,798**	**181,856**
	Lease liabilities	2,422	0	0
	Deferred tax	34,234	32,391	34,234
	Non-current liabilities	**36,656**	**32,391**	**34,234**
	Loan	36,994	9,302	18,892
	Bank debt	638	0	0
	Lease liabilities	553	0	0
	Trade payables	16,785	7,441	12,656
	Other payables	4,924	17,916	3,555
	Deferred income	0	750	304
	Current liabilities	**59,894**	**35,409**	**35,407**
	Total liabilities	**96,550**	**67,800**	**69,641**
	Total equity and liabilities	**257,366**	**240,598**	**251,497**

Consolidated statement of changes in equity

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Currency translation reserve	Non-controlling interest	Total equity
Equity as at 01/01/2019	2,516	213,554	-61,040	121	26,705	181,856
Profit/loss			-57,720		-1,349	-59,069
Other comprehensive income				77		77
Total comprehensive income	0	0	-57,720	77	-1,349	-58,992
Cash capital increase, including issue of warrants *	764	43,114				43,878
Capital increase, debt conversion, including issue of warrants *	244	13,267				13,511
Costs of capital increase		-14,414				-14,414
Exercise of warrants	11	108				119
Acquisition, non-controlling interests			-2,250		-3,058	-5,308
Share-based payments			166			166
Equity as at 30/09/2019	**3,535**	**255,629**	**-120,844**	**198**	**22,298**	**160,816**
Equity as at 01/01/2018	1,215	45,224	-43,916	-78	0	2,445
Profit/loss			429		-75	354
Other comprehensive income				-1,702		-1,702
Total comprehensive income	0	0	429	-1,702	-75	-1,348
Capital increase, merger	1,282	172,651			2,654	176,587
Capital increase, exercise of	17	160				177
Costs of capital increase		-3,197				-3,197
Acquisition, non-controlling interests			-2,579		-481	-3,060
Share-based payments			1,194			1,194
Equity as at 30/09/2018	**2,514**	**214,838**	**-44,872**	**-1,780**	**2,098**	**172,798**

* The capital increase in May 2019 consist of shares with attached investor warrants. One (1) investor warrant gives the right to subscribe for one (1) new share in Oncology Venture A/S at an issue price of 7.50 SEK. The investor warrants, a total number of 20,166,221, can be exercised in defined periods starting 1 September 2019 and up until 31 May 2020.

Consolidated cash flow statement

Note	Amounts in DKK '000	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Year 2018
	Loss before tax	**-23,796**	**-4,670**	**-64,516**	**-2,271**	**-22,517**
	Adjustment for non-cash items	274	-2,828	992	-11,412	-7,255
	Financial income, reversed	-432	-139	-3,442	-473	-4,490
	Financial expenses, reversed	6,027	351	21,121	1,417	3,399
	Change in working capital	2,242	-1,052	6,872	-2,832	-1,370
	Cash flows from operating activities before net financials	**-15,685**	**-8,338**	**-38,973**	**-15,571**	**-32,233**
	Financial income received	168	20	444	354	841
	Financial expenses paid	-5,316	-194	-20,410	-253	-2,391
	Income tax received	-3	0	-46	69	6,159
	Income tax paid	0	0	0	0	0
	Cash flows from operating activities	**-20,836**	**-8,512**	**-58,985**	**-15,401**	**-27,624**
	Purchase of property, plant and equipment	0	0	-40	0	-37
	Purchase of intangible assets	0	0	-328	0	-781
	Acquisition of non-controlling interests	0	0	-5,308	0	-3,305
	Acquisition of subsidiary	0	4,502	0	4,502	2,599
	Sale of investments in associates	0	4,210	1,550	9,955	11,379
	Purchase of other investments	0	0	0	0	0
	Cash flows from investing activities	**0**	**8,712**	**-4,126**	**14,457**	**9,855**
	Cash capital increase	119	0	43,997	177	198
	Transaction cost, capital increase	0	-3,197	-2,818	-3,197	-3,299
	Proceeds from loan	16,054	9,302	49,401	9,302	18,892
	Repayment of loan	0	0	-26,392	0	0
	Bank debt	-782	0	-72	0	0
	Lease liabilities	-125	0	-367	0	0
	Cash flows from financing activities	**15,266**	**6,105**	**63,749**	**6,282**	**15,791**
	Total cash flows	**-5,570**	**6,305**	**638**	**5,338**	**-1,978**
	Cash, beginning	7,802	2,385	1,547	3,326	3,326
	Net foreign exchange difference	33	48	80	74	199
	Cash, end	**2,265**	**8,738**	**2,265**	**8,738**	**1,547**

Parent company income statement

Amounts in DKK '000	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Year 2018
Revenue	**1,058**	**3,673**	**2,860**	**5,269**	**4,627**
Other operating income	0	3,025	0	4,760	6,495
Other external expenses	-5,242	-3,481	-13,459	-10,785	-17,486
Staff expenses	-2,976	-728	-6,511	-2,239	-2,773
Profit/loss before depreciation, amortization and impairment (EBITDA)	**-7,160**	**2,489**	**-17,110**	**-2,995**	**-9,137**
Depreciation, amortization and impairment of intangible and tangible assets	-169	-167	-506	-502	-673
Operating profit/loss before net financials	**-7,329**	**2,322**	**-17,616**	**-3,497**	**-9,810**
Financial income	611	20	4,050	354	6,680
Financial expenses	-6,977	-82	-24,249	-2,447	-4,336
Profit/loss before tax	**-13,695**	**2,260**	**-37,815**	**-5,590**	**-7,466**
Tax on profit/loss	589	1,375	1,453	2,625	1,699
Net profit/loss	**-13,106**	**3,635**	**-36,362**	**-2,965**	**-5,767**

Parent company balance sheet

ASSETS

Amounts in DKK '000	30/09/2019	30/09/2018	31/12/2018
Development projects	1,280	1,489	1,437
Acquired patents	437	844	742
Intangible assets	**1,717**	**2,333**	**2,179**
Plant and machinery	71	94	115
Property, plant and equipment	**71**	**94**	**115**
Investment in subsidiaries	82,835	174,261	82,835
Other investments	0	0	0
Receivables from subsidiaries	144,607	0	0
Financial assets	**227,442**	**174,261**	**82,835**
Total fixed assets	**229,230**	**176,688**	**85,129**
Inventories	0	805	0
Receivables from subsidiaries	0	6,145	114,437
Receivables from associates	0	0	0
Trade receivables	216	0	0
Income tax receivable	3,154	3,220	1,701
Other receivables	1,438	3,295	2,511
Prepayments	437	2,106	1,391
Cash and cash equivalents	1,577	3,812	909
Total current assets	**6,822**	**19,383**	**120,949**
Total assets	**236,052**	**196,071**	**206,078**

Parent company balance sheet

EQUITY AND LIABILITIES

Amounts in DKK '000	30/09/2019	30/09/2018	31/12/2018
Share capital	3,535	2,514	2,516
Share premium	255,629	214,838	213,554
Revaluation reserve	0	0	0
Retained earnings	-72,291	-34,816	-35,929
Total equity	**186,873**	**182,536**	**180,141**
Loan	36,994	9,302	18,892
Bank debt	638	0	0
Payables to subsidiaries	2,621	303	116
Payables to associates	0	0	0
Trade payables	7,863	2,677	6,210
Other payables	1,063	503	415
Deferred income	0	750	304
Current liabilities	**49,179**	**13,535**	**25,937**
Total liabilities	**49,179**	**13,535**	**25,937**
Total equity and liabilities	**236,052**	**196,071**	**206,078**

Parent company statement of changes in equity

Amounts in DKK '000	Share capital	Share premium	Reva-luation reserve	Retained earnings	Total equity
Equity as at 01/01/2019	2,516	213,554	0	-35,929	180,141
Cash capital increase, including issue of warrants *	764	43,114			43,878
Capital increase, debt conversion, including issue of warrants *	244	13,267			13,511
Costs of capital increase		-14,414			-14,414
Capital increase, exercise of warrants	11	108			119
Profit/loss				-36,362	-36,362
Equity as at 30/09/2019	**3,535**	**255,629**	**0**	**-72,291**	**186,873**
Equity as at 01/01/2018	1,215	45,224	10,550	-42,401	14,588
Capital increase, merger	1,282	172,651			173,933
Capital increase, exercise of warrants	17	160			177
Costs of capital increase		-3,197			-3,197
Transfer			-10,550	10,550	0
Profit/loss				-2,965	-2,965
Equity as at 30/09/2018	**2,514**	**214,838**	**0**	**-34,816**	**182,536**

* The capital increase in May 2019 consist of shares with attached investor warrants. One (1) investor warrant gives the right to subscribe for one (1) new share in Oncology Venture A/S at an issue price of 7.50 SEK. The investor warrants, a total number of 20,166,221, can be exercised in defined periods starting 1 September 2019 and up until 31 May 2020.

1. Accounting policies

Basis of preparation

This interim report comprises financial information about the Group and the parent company.

The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report for 2018.

New accounting policy

As of 1 January 2019, the Group has adopted IFRS 16 Leases, applying the modified retrospective approach. Therefore, the cumulative effect of initially applying the Standard has been recognised at the date of initial application on 1 January 2019, and comparatives for 2018 have not been restated. Refer to note 8 for further details regarding adoption of IFRS 16.

A description of new accounting policies for leases applied 1 January 2019 are added below.

Leases

Effective from 1 January 2019, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

1. Accounting policies – continued –

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in Property, plant and equipment and Lease liabilities as a separate line in the statement of financial position.

Short-term leases and leases of low-value assets
The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Significant accounting estimates and assessments

In connection with the preparation of the Condensed consolidated interim financial statements, the management makes a number of accounting estimates and assessments that affect the recognized values of assets, liabilities, income, expenses and cash flows as well as their presentation.

The significant accounting estimates and assessments applied in these Condensed consolidated interim financial statements are the same as disclosed in note 2 in the annual report for 2018, which contains a full description of significant accounting estimates and assessments.

3. Segment information

Oncology Venture A/S is still at an early commercial phase with limited revenue generating activities. Accordingly, Oncology Venture A/S only has one operating segment, which is also the only reportable segment. Information on profit/loss and total assets for the segment can be found in the interim consolidated income statement and the interim consolidated statement of financial position.

Amounts in DKK '000	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Year 2018
4. Revenue					
Revenue is distributed as follows:					
Rendering of services	0	104	519	1,700	2,147
Total	0	104	519	1,700	2,147

Amounts in DKK '000	Q3 2019	Q3 2018	Q1-Q3 2019	Q1-Q3 2018	Year 2018
5. Earnings per share					
Earnings per share (basic)					
Profit/loss attributable to the owners of the parent company	-21,588	-3,220	-57,720	429	-14,939
Average number of shares in circulation	70,477,499	46,504,632	60,505,192	28,266,196	33,821,011
Earnings per share, DKK	-0.31	-0.07	-0.95	0.02	-0.44
Diluted earnings per share					
Diluted average number of shares in circulation	70,477,499	46,504,632	60,505,192	28,266,196	33,821,011
Diluted earnings per share, DKK	-0.31	-0.07	-0.95	0.02	-0.44

No dilution where the warrants are anti-dilutive.

Amounts in DKK '000	Plant and machinery	Right-of-use asset	Total
6. Property, plant and equipment			
Cost as at 01/01/2019	2,129	0	2,129
Adoption of IFRS 16 (note 8)	0	3,341	3,341
Additions	40	0	40
Disposals	0	0	0
Cost as at 30/09/2019	2,169	3,341	5,510
Depreciation and impairment losses as at 01/01/2019	1,766	0	1,766
Impairment losses	0	0	0
Depreciation	131	501	632
Reversal of depreciation of and impairment losses on disposed assets	0	0	0
Depreciation and impairment losses as at 30/09/2019	1,897	501	2,398
Carrying amount as at 30/09/2019	**272**	**2,840**	**3,112**

Amounts in DKK '000	Acquired patents	Develop-ment projects in progress	Total
7. Intangible assets			
Cost as at 01/01/2019	1,324	235,521	236,845
Additions	0	328	328
Disposals	0	0	0
Cost as at 30/09/2019	1,324	235,849	237,173
Amortisation and impairment losses as at 01/01/2019	112	0	112
Impairment losses	0	0	0
Amortisation	193	0	193
Reversal of amortisation of and impairment losses on disposed assets	0	0	0
Amortisation and impairment losses as at 30/09/2019	305	0	305
Carrying amount as at 30/09/2019	**1,019**	**235,849**	**236,868**

Amounts in DKK '000	30/09/2019	30/09/2018	31/12/2018
Individually material development projects in progress			
LiPlaCis	58,851	Not allocated	58,851
2X-111	39,759	Not allocated	39,759
2X-121	40,863	Not allocated	40,863
Dovitinib	55,309	Not allocated	55,309
Irofulven	40,739	Not allocated	40,739
Other	328	Not allocated	0
Total	235,849	204,640	235,521

Remaining amortization period
All intangible assets above are development projects in progress.

8. Adoption of IFRS 16

IFRS 16 "Leases" sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The Group has adopted the new standard applying the modified retrospective approach. Therefore, the cumulative effect of initially applying the Standard has been recognized at the date of initial application – 1 January 2019 and comparatives have not been restated.

As a result of the change in lease accounting, the company has capitalized its right-of-use assets. Upon implementation on 1 January 2019, the Group has recognized a liability to make lease payments (i.e. the lease liability) of DKK 3.341 thousand and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset) of DKK 3.341 thousand.

The accumulated effect on equity at 1 January 2019 is zero and the accumulated effect on total assets is DKK 3.341 thousand. Further, the company has after the adoption of IFRS 16 separately recognized the interest expense on the lease liability with DKK 162 thousand and the depreciation on the right to use the assets with DKK 334 thousand instead of cost of operating lease agreements with DKK 404 thousand. Hence, the impact on net result for the period, Q1-Q2 2019, from adoption of IFRS 16 was DKK -141 thousand.

9. Commitments and contingencies

There has been no significant changes in the commitments and contingencies as described in note 25 to the annual report for 2018.

10. Related parties

Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period. The Group acquired through a merger Oncology Venture Sweden AB and its subsidiaries as of 21 August 2018 as described in note 23 to the annual report for 2018. Until June 2018 Oncology Venture Sweden AB was an associate. Hence, transactions with Oncology Venture Sweden AB and its subsidiaries are included in the below table until June 2018.

Amounts in DKK '000		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associate					
Service provided	Q1-Q3 2018		563	0	0
Rendering of services	Q1-Q3 2018		1,756	0	0
Other related parties					
Service provided	Q1-Q3 2019		2,027	0	0
	Q1-Q3 2018		1,358	0	57

11. Events after the balance sheet date

Refer to the section “Highlights after the period” on page 6.