



## **INTERIM REPORT 01-JAN-2018 – 30-SEP-2018**

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Scandion Oncology A/S | 38613391 | [www.scandiononcology.com](http://www.scandiononcology.com)

## Interim report for the period 01-JAN-2018 – 30-SEP-2018

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*In this document, the following definitions shall apply unless otherwise specified: “The Company” or “Scandion Oncology” refers to Scandion Oncology A/S, CVR number 38613391.*

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*Scandion Oncology is focused on developing cancer-fighting drugs that can block or circumvent drug resistance in cancer treatment. In preclinical studies, our candidate drug SCO-101 enhances the efficacy of standard cancer treatment when given in combination with the cancer drug and restores chemotherapy sensitivity in resistant cells. SCO-101 has successfully undergone four Phase I studies and is now ready for Phase II clinical trials in cancer patients with drug-resistant disease.*

**CEO, Nils Brünner**

## Statement by the Board of Directors

The Board of Directors provide their assurance that the interim report provides a fair and true overview of The Company's operations, financial position and results.

Copenhagen, November 21, 2018

The Board of Directors of Scandion Oncology A/S

<i>Joergen Bardenfleth</i>	<i>Chairman of the Board</i>
<i>Carl Borrebaeck</i>	<i>Member of the Board of Directors</i>
<i>Christian Vinding Thomsen</i>	<i>Member of the Board of Directors</i>
<i>Thomas Feldthus</i>	<i>Member of the Board of Directors</i>

## Key figures and selected financial posts

DKK	01-JAN-2018 30-SEP-2018	01-JUL-2017 30-SEP-2017	01-JAN-2018 30-SEP-2018	02-MAY-2017 30-SEP-2017	02-MAY-2017 31-DEC-2017
Net sales	0	0	0	0	0
Operating profit/loss	-1,295,891	-541,132	-4,357,361	-541,132	-1,173,005
Profit/loss before tax	-1,299,445	-541,233	-4,361,298	-541,233	-1,173,117
Profit/loss for the period	-1,013,567	-422,162	-3,401,895	-422,162	-1,012,836
Total assets	1,776,608	356,382	1,776,608	356,382	1,961,784
Equity ratio	-0.84	0.22	-0.84	0.22	0.74
Number of registered shares	7,463,207	6,810,937	7,463,207	6,810,937	7,347,822
Earnings per share	-0.14	-0.06	-0.46	-0.06	-0.14

### Definitions

Equity ratio: Shareholders' equity as a proportion of total assets.

Earnings per share: Profit/Loss for the period divided by average number of shares.

### Note

End of Q3 2017 the number of shares was 40,865,622 at a nominal value per share of 0.01225 DKK. To be able to compare with current number of shares, the number of shares end of Q3 2017 is converted to the current nominal value per share of 0.0735 DKK which correspond to 6,810,937 shares. Change in nominal value per share i.e. reverse split of shares is performed December 18, 2017.

### Highlights during Q3 2018

- 05JUL18: The extraordinary shareholders' meeting resolved to elect Thomas Feldthus as new ordinary board member.
- 05JUL18: The extraordinary general meeting resolved to raise up to SEK 26 million through an Initial Public Offering ("IPO") at Spotlight Stock Market ("Spotlight"), Sweden.
- 06AUG18: Scandion Oncology signs agreement with Sedermera Fondkommission regarding an IPO at Spotlight.
- AUG18: Scandion Oncology hires Peter Michael Vestlev, MD as new Chief Medical Officer.
- 06SEPT18: Scandion Oncology files a new patent application covering a new Mechanisms of Action of SCO-101 in inhibiting anti-cancer drug resistance.

### Highlights after the balance sheet date

- 01OCT18: Scandion Oncology is approved for listing at Spotlight.
- 16OCT18: Scandion Oncology files a new patent application covering a second indication for SCO-101. The second indication is a non-cancer indication where there is a significant medical need and market potential.
- 23OCT18: Through the new share issue, Scandion Oncology will receive approx. 1,500 new shareholders and SEK 26 million. Scandion Oncology's new share issue was oversubscribed more than 4 times prior to the listing on Spotlight.
- 08NOV18: Scandion Oncology has its first day of public trading at Spotlight.
- 13NOV18: Scandion Oncology receives an EU grant.
- 16NOV18: Scandion Oncology receives an EU-Upstart grant

## CEO Nils Brünner



### Welcome

On November 8th, Scandion Oncology had its first day of trading at Spotlight. I warmly welcome all our new shareholders. Scandion Oncology was oversubscribed more than 4 times. The result was that the shares had to be distributed in accordance to a lottery and that some subscribers did not receive any shares in the IPO. We do hope for their understanding and that they will join Scandion Oncology as shareholders during the next couple of months. I also want to thank our Board, management team and Sedermera Fondkommission.

Scandion Oncology has made significant progress during the last four and a half months. During this period, we have secured financing of the manufacturing of SCO-101, which will enable us to initiate the pivotal clinical Phase II study in patients with drug resistant metastatic cancer in 2019.

### Project status update on SCO-101

Scandion Oncology has selected the Swedish company Cambrex Karlskoga AB as its partner for production of SCO-101. The current scope of work includes process- and analytical development as well as GMP manufacturing for the planned clinical Phase II studies. Cambrex has now successfully completed the process development and manufactured the first technical batch at the relevant scale. The analytical development work is in progress. Next planned step is entering into a GMP production. Once the manufacturing of the GMP batches has been successfully completed, Cambrex will start the stability study.

In order to secure and further strengthen our assets, Scandion Oncology filed two additional patent applications on SCO-101 in the fall of 2018.

Scandion Oncology has in Q2/Q3 presented its data on SCO-101 on several scientific meetings in Europe and received a significant interest and attention. In order to prepare for the Phase II clinical trial with SCO-101 in metastatic cancer patients we have requested an advisory meeting with the Danish Medicines Agency.

## Listing on Spotlight, Sweden

The listing has provided Scandion Oncology with the capital needed to finalize the SCO-101 production and initiate the clinical Phase II study. To be present at the Spotlight Stock Market and having approximately 1,500 shareholders, create a lot of interest.

## What will happen in 2019

The primary objective for 2019 is to finalize the production and formulation of SCO-101 and to file a Clinical Trial Application (CTA) to obtain approval of our Phase II clinical protocol at the Danish Medicines Agency. The clinical Phase II study will then be initiated without further delay. In addition, we will continue the preclinical development of SCO-201 as well as extend our pipeline even further.

*Nils Brünner*

*CEO*

*Scandion Oncology A/S*







## About Scandion Oncology

Scandion Oncology is a biotech company founded in 2017 with the purpose of addressing one of the greatest and most important challenges in modern oncology – the effective treatment of cancer, which is or has become resistant to the prescribed cancer-treating drugs. Scandion Oncology's innovative drug, SCO-101, has shown in preclinical studies that it is possible to reverse resistance against some of the most commonly used cancer drugs.

Scandion Oncology was formed as a spin-out company from the University of Copenhagen and the research & development company Saniona AB, where the latter still owns 29.2% of the Company.

In 2015, researchers at the University of Copenhagen were granted the rights to test SCO-101 and related substances in their screening systems, which led to the finding that SCO-101 showed an exciting potential to overcome cancer treatment resistance by restoring the cancer cell's sensitivity to standard cancer treatment.

### Positive Phase I results for SCO-101

The candidate drug SCO-101 has as an oral formulation undergone four Phase I studies comprising a total of 92 healthy subjects (Figure 1). These clinical studies showed very good results in single and multiple doses without any influence of simultaneous food intake, good safety and tolerability, as well as excellent pharmacokinetic profile. Overall, the Phase I studies showed that SCO-101 was safe and well tolerated. At present, Scandion Oncology is preparing an application for a Phase II clinical trial on chemotherapy-resistant cancer.

**92 INDIVIDUALS  
EXPOSED TO  
SCO-101**

Single and multiple ascending doses 50-150 mg per day	✓	Pharmacodynamic profile	✓
Male & female subjects studied	✓	Safety and tolerability	✓
Pharmacokinetic profile	✓	Food interaction profile	✓

Figure 1

### Pipeline - Multiple assets targeted several forms of cancer

In addition, Scandion Oncology's has a second drug (SCO-201) in preclinical testing. SCO-201 is directed against other solid cancers, including lung cancer and pancreatic cancer. The development pipeline of Scandion Oncology's drug pipeline is shown in Figure 2.

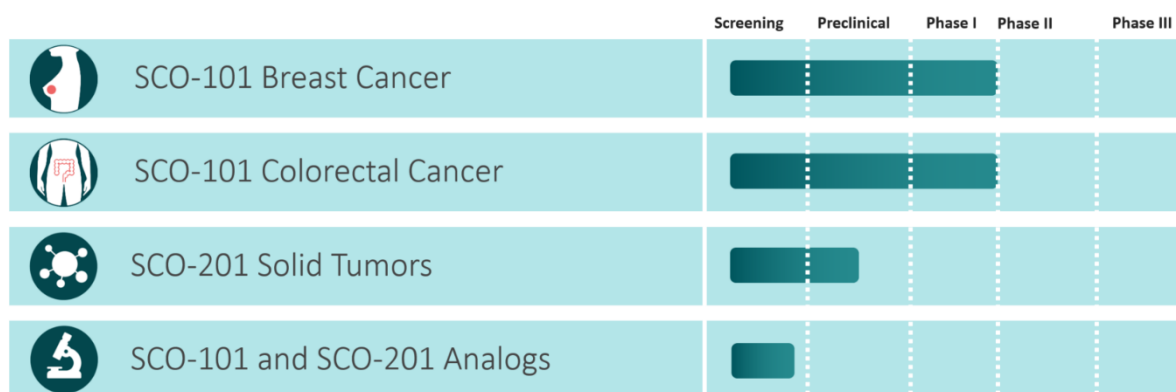


Figure 2

## Mechanisms of Action

Scandion Oncology has filed patents on the Mechanisms of Action of SCO-101 when restoring sensitivity to anti-cancer drugs. One mechanism of action of SCO-101 is inhibition of so-called drug efflux pumps (Figure 3). These pumps are located in the membrane of the cells. In resistant cancer cells, the pumps can be many folds upregulated and the cancer cells thereby protects themselves against the toxic anti-cancer drugs simply by pumping the drugs out of the cells before the drugs can kill the cells. Another Mechanism of Action of SCO-101 is inhibition of a specific signalling mechanism in cells. By blocking the signals, resistant cells may become sensitive to the anti-cancer drugs again.

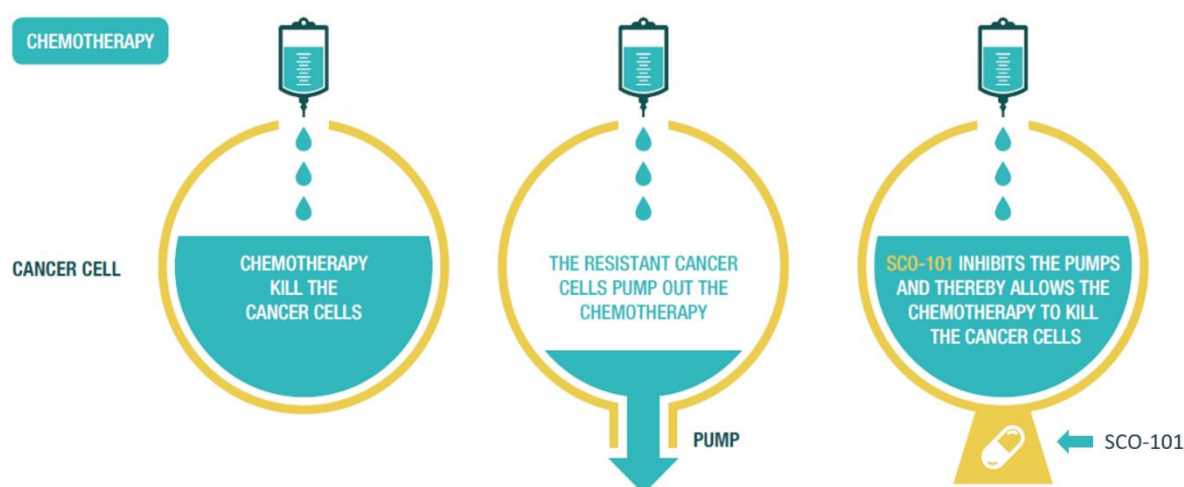


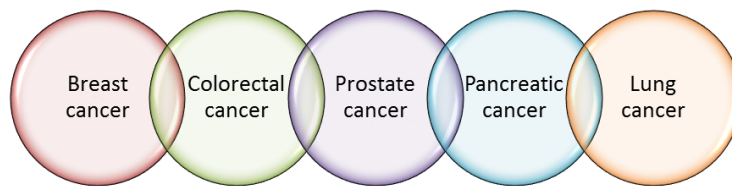
Figure 3

More than one-half of all cancer patients with metastatic disease fail their cancer treatment – largely due to the cancer either being resistant, or developing resistance, to the drug. As a result, the cancer continues to grow despite the treatment and after a period of time the patient will eventually lose his/her life. Therefore, drug resistance is a major burden on health and medical care systems and presents a significant commercial opportunity for Scandion Oncology.

## Screening Platform

Scandion Oncology has access to a unique and novel cell-based pharmaceutical and biomarker screening platform, DEN50-R, which consists of pairs of drug-sensitive and drug-resistant cancer patient derived cell lines which to date represents breast cancer, prostate cancer, colorectal cancer, lung cancer and pancreatic cancer. The screening platform is currently located at the University of Copenhagen and Scandion Oncology will own inventions developed by Scandion Oncology using the screening platform (Figure 4).

### **DEN50-R research and drug screening platform**



**Pairs of wild-type (sensitive) and drug resistant sublines from each of the five cancer forms**

*Figure 4*

## Business model

The target group for developing the candidate drug SCO-101 into a commercial success will be the major pharmaceutical and biotechnology companies who have already established cancer-fighting drugs on the market. Due to SCO-101 being “first in class” with new treatment mechanisms, Scandion Oncology has already attracted a high degree of interest from several companies. In addition, chemotherapy is still the primary treatment model for drugs to fight cancer and chemotherapy is expected to remain the primary treatment option for the coming years. Immune oncological drugs, such as immune checkpoint inhibitors, may also be combined with chemotherapy.

Scandion Oncology will initiate discussions to out-license SCO-101 to a pharmaceutical company upon completion of Phase II proof of concept studies. Scandion Oncology's partner will at that time be responsible for further clinical development and commercialisation. Scandion Oncology expect to receive upfront- and milestone payments in relation to the development and regulatory approval of SCO-101 as well as royalties on product sales.

## Shareholders

The table below presents shareholders with over 5% of the votes and capital in Scandion Oncology as per September 30, 2018.

Name	Number of shares	Percentage of voting right and capital (%)
Saniona AB	3,473,577	46.5
Jan Stenvang	1,362,188	18.3
Nils Brünner	980,854	13.1
Kim Arvid Nielsen	953,531	12.8
Other	693,057	9.3
<b>Total</b>	<b>7,463,207</b>	<b>100.00</b>

## The share

The shares of Scandion Oncology A/S were listed on Spotlight Stock Market on November 8, 2018. The short name/ticker is SCOL and the ISIN code is DK0061031895. As per September 30, 2018, the number of shares was 7,463,207. Every stock share equals the same rights to The Company's assets and results.

## Operational risks and uncertainties

The risks and uncertainties that Scandion Oncology's operations are exposed to are related to factors such as development, competition, capital requirements, currencies and interest rates. During the current period, no significant changes in risk factors or uncertainties have occurred. For a more detailed description of risks and uncertainties, please read the memorandum published in October 2018. The documents are available on the Scandion Oncology website ([www.scandiononcology.com](http://www.scandiononcology.com)).

## Auditor's review

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

## For further information, please contact

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# Financial Review

## Income Statement Q1 – Q3 2018

Operating loss for third quarter 2018 is DKK -1,296 thousand (-541) and operating loss for the first 9 month of 2018 is DKK -4,357 thousand (-541).

External expenses for third quarter 2018 are DKK -1,257 thousand (-466) and staff costs are DKK -38 thousand (-75). External expenses for the first 9 month of 2018 are DKK -4,033 thousand (-466) and staff costs are DKK -324 thousand (-75). External expenses and staff costs are consisting of costs of manufacturing of product, patent expenses and business expenses.

Costs and loss for both third quarter 2018 and for the first 9 month of 2018 are in line with plans and expectations.

## Balance Sheet

Total assets as of September 30, 2018 are DKK 1,777 thousand (356) of which cash is DKK 544 thousand (203). Current liabilities as of September 30, 2018 are DKK 3,276 thousand (278) including a bridge loan from main owners, chairman of the board and CEO of DKK 800 thousand (0).

Equity as of September 30, 2018 is negative with DKK -1,499 thousand (78). The equity is restored after the period with the issue of new shares and listing on Spotlight.

## Cash Flow

Cash flow from operating activities for the first 9 month of 2018 is a cash outflow of DKK -2,339 thousand (-378). Operating cash flow for the first 9 months of 2018 is explained by the operating loss during the period and the improvement in working capital primarily due to an increase in trade payables.

Cash flow from financing activities for the first 9 month of 2018 is DKK 1,250 thousand (501) which consist of increase of capital from investors and a bridge loan from main owners, chairman of the board and CEO.

Cash as of September 30, 2018 is DKK 544 thousand (88).

## Financial Calendar

February 21, 2019	Year-end report 2018
April 29, 2019	Annual report published
May 23, 2019	Quarterly statement Q1, 2019
May 29, 2019	Annual general meeting
August 22, 2019	Semi-annual report Q2, 2019
November 21, 2019	Quarterly statement Q3, 2019



## Income Statement

	01-JUL-2018 30-SEP-2018	01-JUL-2017 30-SEP-2017	01-JAN-2018 30-SEP-2018	02-MAY-2017 30-SEP-2017	02-MAY-2017 31-DEC-2017
<b>DKK</b>					
Net sales	0	0	0	0	0
Other external expenses	-1,257,347	-465,879	-4,032,933	-465,879	-927,538
<b>Gross profit/loss</b>	<b>-1,257,347</b>	<b>-465,879</b>	<b>-4,032,933</b>	<b>-465,879</b>	<b>-927,538</b>
Staff costs	-38,544	-75,252	-324,428	-75,252	-245,468
<b>Operating profit/loss</b>	<b>-1,295,891</b>	<b>-541,132</b>	<b>-4,357,361</b>	<b>-541,132</b>	<b>-1,173,005</b>
Financial costs	-3,554	-102	-3,937	-102	-112
<b>Profit/loss before taxes</b>	<b>-1,299,445</b>	<b>-541,233</b>	<b>-4,361,298</b>	<b>-541,233</b>	<b>-1,173,117</b>
Tax on profit/loss for the period	285,878	119,071	959,403	119,071	160,281
<b>Profit/loss for the period</b>	<b>-1,013,567</b>	<b>-422,162</b>	<b>-3,401,895</b>	<b>-422,162</b>	<b>-1,012,836</b>
Proposed distribution of profit/loss					
Retained earnings	-1,013,567	-422,162	-3,401,895	-422,162	-1,012,836

## Balance sheet in comparison

DKK	01-JAN-2018 30-SEP-2018	02-MAY-2017 30-SEP-2017	02-MAY-2017 31-DEC-2017
<b>Assets</b>			
Deposits	34,578	34,578	34,578
Other receivables long term	959,403	119,071	0
<b>Fixed asset investments</b>	<b>993,980</b>	<b>153,649</b>	<b>34,578</b>
<b>Fixed Assets</b>	<b>993,980</b>	<b>153,649</b>	<b>34,578</b>
Other receivables	65,211	115,169	112,504
Income tax receivable	160,281	0	160,281
Prepayments	12,975	0	16,752
<b>Receivables</b>	<b>238,467</b>	<b>115,169</b>	<b>289,537</b>
Cash	544,160	87,564	1,637,670
<b>Current assets</b>	<b>782,627</b>	<b>202,733</b>	<b>1,927,206</b>
<b>Assets</b>	<b>1,776,608</b>	<b>356,382</b>	<b>1,961,784</b>
<b>Equity and liabilities</b>			
Share capital	548,546	500,604	540,065
Share premium	2,367,058	0	1,925,539
Retained earnings	-4,414,731	-422,162	-1,012,836
<b>Equity</b>	<b>-1,499,127</b>	<b>78,442</b>	<b>1,452,768</b>
Loan	800,000	0	0
Trade payables	651,811	77,561	262,846
Other payables	1,823,924	200,379	246,171
<b>Current liabilities other than provisions</b>	<b>3,275,735</b>	<b>277,940</b>	<b>509,016</b>
<b>Equity and liabilities</b>	<b>1,776,608</b>	<b>356,382</b>	<b>1,961,784</b>

## Equity

02-MAY-2017 – 31-DEC-2017				
DKK	Contributed capital	Share premium	Retained earnings	Total
Contribution upon formation	500,604	-	-	500,604
Increase of capital	39,461	1,925,539	-	1,965,000
Profit/loss for the period		-	-1,012,836	-1,012,836
<b>Equity end of year</b>	<b>540,065</b>	<b>1,925,539</b>	<b>-1,012,836</b>	<b>1,452,768</b>

01-JAN-2018 – 30-SEP-2018				
DKK	Contributed capital	Share premium	Retained earnings	Total
Contribution upon formation	540,065	1,925,539	-1,012,836	1,452,768
Increase of capital	8,481	441,519	-	450,000
Profit/loss for the period	-	-	-3,401,895	-3,401,895
<b>Equity end of period</b>	<b>548,546</b>	<b>2,367,058</b>	<b>-4,414,731</b>	<b>-1,499,127</b>

## Cash flow statement

	01-JAN-2018 30-SEP-2018	02-MAY-2017 30-SEP-2017	02-MAY-2017 31-DEC-2017
<b>DKK</b>			
Operating profit/loss	-4,357,361	-541,132	-1,173,005
Working capital changes	2,017,788	162,772	379,761
<b>Cash flow from ordinary operating activities</b>	<b>-2,339,573</b>	<b>-378,360</b>	<b>-793,245</b>
Financial income paid	-3,937	-102	-112
<b>Cash flow from operating activities</b>	<b>-3,937</b>	<b>-102</b>	<b>-112</b>
Acquisition of fixed asset investments	-	-34,578	-34,578
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-34,578</b>	<b>-34,578</b>
Cash increase of capital	450,000	500,604	2,465,604
Loan	800,000	-	-
<b>Cash flow from financing activities</b>	<b>1,250,000</b>	<b>500,604</b>	<b>2,465,604</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-1,093,509</b>	<b>87,565</b>	<b>1,637,670</b>
Cash and cash equivalents beginning of period	1,637,670	-	-
<b>Cash and cash equivalents end of period</b>	<b>544,160</b>	<b>87,565</b>	<b>1,637,670</b>
Change in working capital			
Increase/decrease in receivables	51,070	-115,169	-129,256
Increase/decrease in trade payables etc.	1,966,718	277,940	509,016
	<b>2,017,788</b>	<b>162,772</b>	<b>379,761</b>



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