

# INTERIM REPORT

## Q3 2019

2cureX AB



### COMMERCIALIZATION PLAN IN LINE WITH EXPECTATIONS (CEO Ole Thastrup):

In Q3, 2019 we have focused on pre-launch activities by bringing in the first clinical partner and by strengthening the organization for the coming commercialization of IndiTreat®. It is a pleasure to see that we are following our ambitious time plan for introducing IndiTreat into the European market in 2020.

(KSEK) if not stated otherwise	Q3 2019 1/7-30/9	Q3 2018 1/7-30/9	Q1-Q3 2019 1/1-30/9	Q1-Q3 2018 1/1-30/9	2018 1/1-31/12
Net sales	0	0	0	0	0
Profit before tax	-1 636	-711	-6 671	-6 759	-8 542
Earnings per share*	-0,11	-0,07	-0,51	-0,65	-0,70
Equity ratio**	71%	51%	71%	51%	57%
Cash and bank	38 655	23 848	38 655	23 848	20 063
Average number of shares	12 420 000	10 350 000	11 335 714	10 350 000	10 350 000
No. of shares by the end of the period	12 420 000	10 350 000	12 420 000	10 350 000	10 350 000

\***Earnings per share:** Profit for the period divided by the average number of shares.

\*\***Equity ratio:** Shareholder's equity divided by total capital.

### Significant events July-September

- Dr. Med. Henrik Harling joined 2cureX's Management team in July as Chief Medical Officer to oversee the company's multinational clinical trials and to participate in the launch of IndiTreat.
- With the first seven patients being enrolled into the IndiTreat pancreatic cancer trial at University Hospital Vejle, the patient recruitment rate is on-track.
- In September 2cureX presented details of the IndiTreat Early Access Program as part of the IndiTreat pre-launch activities.

### Significant events after end of the period

- 2cureX and one of the largest private cancer hospitals in the Nordic countries entered into a commercial agreement regarding the IndiTreat Early Access Program.
- The patent protection of IndiTreat was expanded into the Asian region by granting of a Hong Kong patent.
- 2cureX continues to secure a strong patent protection on major markets by granting of a patent in USA.

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# FULL FOCUS TOWARDS MARKET LAUNCH OF INDITREAT® IN 2020

*We remain fully focused on the commercialization of IndiTreat with a planned launch of IndiTreat in 2020. Further, we push our multiple clinical studies to capitalize on a significantly increased interest for introducing 3D functional testing in cancer care.*

## **The third quarter of 2019 has been in the sign of commercialization**

During our IndiTreat pre-launch phase we have established an Early Access Program where we in close dialogue with stakeholders optimize the IndiTreat offering. In this context 2cureX reached an important commercial milestone by entering into such agreement with a major private cancer hospital in the Nordic region.

## **Expanding 2cureX's patent protection by securing a patent on the IndiTreat® test in USA and in Hong Kong**

Over the last year we have seen a rapidly growing recognition of our 3D functional test as a firm predictor of how individual patients will respond to cancer treatments. Such external clinical validation combined with our strong and internationally expanding patent protection makes IndiTreat an attractive offering.

## **In July, Dr. Med. Henrik Harling joined 2cureX's Management team as Chief Medical Officer**

Dr. Harling brings comprehensive clinical experience and a tremendous international network within the cancer community. Prior to joining 2cureX, Dr. Harling was Chief of Digestive Disease Center (Surgery and Gastroenterology) at Bispebjerg University Hospital and Associate Professor of Surgery at University of Copenhagen. Dr. Harling will oversee 2cureX's growing number of clinical studies and be responsible for the company's interactions with clinical professionals.

## **The IndiTreat® pancreatic cancer trial is recruiting patients as planned**

Early in this quarter we announced that 2cureX's clinical partner University Hospital Vejle successfully has recruited the first seven cancer patients in the IndiTreat pancreatic cancer trial. This recruitment rate is on track to finish the enrolment of 30 patients in December 2020 as planned. It is important to understand that 2cureX's clinical studies go hand-in-hand with our commercialization activities. The clinical studies will thus on a continuous basis release clinical support for the predictiveness of the IndiTreat approach.

**In the coming period, I look forward to pushing our commercialization efforts further by establishing more agreements in our IndiTreat Early Access Program.**



**Pre-launch activities to support the market launch of IndiTreat® in 2020 is on-track**

**Our commercial model with an Early Access Program is received positively by leading clinical institutions.**

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# DEVELOPMENT IN NUMBERS DURING NINE MONTHS AND Q3 2019

*Amounts in brackets refer to the corresponding period last year.  
For more information on 2cureX's historical financial position, please  
refer to the Company's website ([www.2curex.com](http://www.2curex.com)).*

## Sales and operating income

Net sales for nine months 2019 amounted to SEK 0 (0) and SEK 0 (0) during the third quarter of 2019. During the quarter, the company had no sales, but all revenues are attributable to various grants or government subsidies.

## Financial development

The result for nine months 2019 amounted to -5 795 KSEK (-6 759 KSEK) and -1 395 KSEK (-711 KSEK) for the third quarter of 2019. The result is impacted by the key part of the business, which is to perform the clinical trials that have been initiated to validate the IndiTreat technology. A significant part of the clinical operations is supported by an EU grant called MicroCaT, which constitutes other operating income in the income statement.

## Liquidity

The group's cash and cash equivalents as of September 30, 2019 amounted to KSEK 38 655 (KSEK 23 848). Cash flow for nine months 2019 amounted to KSEK 17 750 (KSEK 3 698) and KSEK 3 869 (KSEK -3 866) for the third quarter 2019. Cash flow from operating activities for nine months 2019 amounted to KSEK -4 095 (KSEK 4 272) and during the third quarter of 2019, cash flow from operating activities amounted to KSEK 3 869 (KSEK -3 866). The monthly burn rate amounts to approximately KSEK -1 300, which is in line with the Board's expectations.

## Equity ratio

The equity ratio of the group as per September 30, 2019 amounted to 71 % (51 %).

## The shares

There is one class of shares in 2cureX AB. The company's share is listed at Nasdaq First North Growth Market under the symbol "2CUREX". As of September 30, 2019, the number of shares was 12 420 000 (10 350 000). The average number of shares during the third quarter of 2019 was 12 420 000 (10 350 000).

## Warrants for employees

At the Annual General Meeting on May 28, 2018 a warrants program of series 2018/2020 respectively 2018/2021 for employees and key people within the Group was decided. The warrants, which amount to a total of 360 000, during the period of May 28, 2020 to September 28, 2020 respectively April 1, 2021 to September 28, 2021, can be used for subscription of newly emitted shares in 2cureX AB. Every warrant gives the right of subscription to 1 share to a subscription rate of 8.86 SEK per share. At full use of warrants, the Company's share capital increases by 36 000 SEK. The warrants for employees are subject to usual translation conditions in relation to emissions etc.

### Principles for the establishment of the interim report

2cureX AB applies the Swedish Årsredovisningslagen and Bokföringsnämnden's common advice BFAR 2012.1 (K3) at the establishing of its financial reports.

### Auditor review

This interim report has not been formally reviewed by the Company's auditor.

### Financial calendar

The Company establishes and publishes an economic report at every quarter. Upcoming reports and General meetings are planned as follows:

- Year-end report, 2019                      28/2-2020
- Annual General Meeting, 2020        26/5-2020



# DELIVERY OF INTERIM REPORT

*Copenhagen, November 22, 2019*  
*2cureX AB*

## BOARD OF DIRECTORS

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**Povl-André Bendz**

*Chairman of the Board*

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**Jørgen Drejer**

*Board*

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**Camilla Huse Bondesson**

*Board*

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**Timm Jessen**

*Board*

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**Ole Thastrup**

*Board and CEO*

### **Certified Adviser**

Svensk Kapitalmarknadsgranskning AB

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# FINANCIAL OVERVIEW

## SUMMARY OF INCOME STATEMENT – THE GROUP

(KSEK)	Q3 2019 1/7-30/9	Q3 2018 1/7-30/9	Q1-Q3 2019 1/1-30/9	Q1-Q3 2018 1/1-30/9	2018 1/1-31/12
<b>Operating income</b>					
Net sales	0		0	0	0
Other operating income	2 611	3 391	7 196	4 433	7 675
<b>Total operating income</b>	<b>2 611</b>	<b>3 391</b>	<b>7 196</b>	<b>4 433</b>	<b>7 675</b>
<b>Operating expenses</b>					
Other external expenses	-1 739	-2 062	-5 347	-5 012	-6 838
personnel costs	-2 787	-1 936	-8 294	-5 915	-8 842
Depreciation of tangible fixed assets	-111	-108	-322	-264	-431
<b>Total operating expenses</b>	<b>-4 637</b>	<b>-4 106</b>	<b>-13 963</b>	<b>-11 191</b>	<b>-16 111</b>
<b>Operating profit</b>	<b>-2 026</b>	<b>-715</b>	<b>-6 767</b>	<b>-6 758</b>	<b>-8 436</b>
Financial posts	390	4	96	-1	-106
<b>Profit before tax</b>	<b>-1 636</b>	<b>-711</b>	<b>-6 671</b>	<b>-6 759</b>	<b>-8 542</b>
Tax <b>1)</b>	241	0	876	0	1 278
<b>The result of the period</b>	<b>-1 395</b>	<b>-711</b>	<b>-5 795</b>	<b>-6 759</b>	<b>-7 264</b>
Earnings per share (SEK)	-0,11	-0,07	-0,51	-0,65	-0,70
Average number of shares	12 420 000	10 350 000	11 335 714	10 350 000	10 350 000
No. of shares at the end of the period	12 420 000	10 350 000	12 420 000	10 350 000	10 350 000

1) This post refers to tax relief in subsidiaries regarding R&D work.

## SUMMARY OF BALANCE SHEET – THE GROUP

(KSEK)	30/9-2019	30/9-2018	31/12-2018
<b>Assets</b>			
<b>Fixed assets</b>			
Tangible fixed assets	1 137	931	1 384
<b>Total fixed assets</b>	<b>1 137</b>	<b>931</b>	<b>1 384</b>
<b>Current assets</b>			
Receivables	2 900	1 671	2 579
Cash and bank balances	38 655	23 848	20 063
<b>Total current assets</b>	<b>41 555</b>	<b>25 519</b>	<b>22 642</b>
<b>Total assets</b>	<b>42 692</b>	<b>26 450</b>	<b>24 026</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	1 242	1 035	1 035
Other contributed capital	38 023	16 385	16 385
Other equity	-3 163	2 950	3 465
The result of the period	-5 795	-6 759	-7 264
<b>Total equity</b>	<b>30 307</b>	<b>13 611</b>	<b>13 621</b>
<b>Current liabilities</b>			
Short-term liabilities 2)	12 385	12 839	10 405
<b>Total short-term liabilities</b>	<b>12 385</b>	<b>12 839</b>	<b>10 405</b>
<b>Total equity and liabilities</b>	<b>42 692</b>	<b>26 450</b>	<b>24 026</b>

2) This post includes prepaid contributions from the EU amounting to 9 771 KSEK (11 218 KSEK).

## SUMMARY OF CASH FLOW – THE GROUP

(KSEK)	Q3 2019 1/7-30/9	Q3 2018 1/7-30/9	Q1-Q3 2019 1/1-30/9	Q1-Q3 2018 1/1-30/9	2018 1/1-31/12
Cash flow from operating activities	3 869	-3 866	-4 095	4 272	1 150
Cash flow from investment activities	0	0	0	-574	-1 198
Cash flow from financing activities	0	0	21 845	0	0
<b>Cash flow for the period</b>	<b>3 869</b>	<b>-3 866</b>	<b>17 750</b>	<b>3 698</b>	<b>-48</b>
Cash and cash equivalents at the beginning of the period	34 105	27 838	20 063	19 985	19 985
Exchange rate difference in cash and cash equivalents	681	-124	842	165	126
<b>Cash and cash equivalents at the end of the period</b>	<b>38 655</b>	<b>23 848</b>	<b>38 655</b>	<b>23 848</b>	<b>20 063</b>



## CHANGE OF EQUITY – THE GROUP

1/1-2018 – 31/12-2018

(KSEK)	Share capital	Other contributed capital	Other equity	Result of the period	Total
<b>At the beginning of the period (1/1-2018)</b>	<b>1 035</b>	<b>16 385</b>	<b>5 953</b>	<b>-3 136</b>	<b>20 237</b>
Outline of previous year's results			-3 136	3 136	
Issue of options			508		508
Translation difference			140		140
The result of the period				-7 264	-7 264
<b>At the end of the period (31/12-2018)</b>	<b>1 035</b>	<b>16 385</b>	<b>3 465</b>	<b>-7 264</b>	<b>13 621</b>

1/1-2019 – 30/9-2019

(KSEK)	Share capital	Other contributed capital	Other equity	Result of the period	Total
<b>At the beginning of the period (1/1-2019)</b>	<b>1 035</b>	<b>16 385</b>	<b>3 465</b>	<b>-7 264</b>	<b>13 621</b>
Outline of previous year's results			-7 264	7 264	0
Rights issue	207	24 529			24 736
Issue costs		-2 891			-2 891
Allocation of staff warrants			295		295
Translation difference			341		341
The result of the period				-5 795	-5 795
<b>At the end of the period (30/9-2019)</b>	<b>1 242</b>	<b>38 023</b>	<b>-3 163</b>	<b>-5 795</b>	<b>30 307</b>

## SUMMARY OF INCOME STATEMENT – PARENT COMPANY

(KSEK)	Q3 2019 1/7-30/9	Q3 2018 1/7-30/9	Q1-Q3 2019 1/1-30/9	Q1-Q3 2018 1/1-30/9	2018 1/1-31/12
<b>Operating income</b>					
Net sales	0	0	0	0	0
<b>Total operating income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating expenses</b>					
Other external expenses	-314	-208	-1 285	-1 024	-1 519
Staff costs	-163	0	-199	0	0
<b>Total operating expenses</b>	<b>-477</b>	<b>-208</b>	<b>-1 484</b>	<b>-1 024</b>	<b>-1 519</b>
<b>Operating profit</b>	<b>-477</b>	<b>-208</b>	<b>-1 484</b>	<b>-1 024</b>	<b>-1 519</b>
Financial posts	37	0	-296	0	-9 927
<b>Profit before tax</b>	<b>-440</b>	<b>-208</b>	<b>-1 780</b>	<b>-1 024</b>	<b>-11 446</b>
Tax	0	0	0	0	0
<b>The result of the period</b>	<b>-440</b>	<b>-208</b>	<b>-1 780</b>	<b>-1 024</b>	<b>-11 446</b>

## SUMMARY OF BALANCE SHEET – PARENT COMPANY

(KSEK)	30/9-2019	30/9-2018	31/12-2018
<b>Assets</b>			
<b>Fixed assets</b>			
Financial assets	5 000	5 000	5 000
<b>Total fixed assets</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>
<b>Current assets</b>			
Receivables	22 190	602	584
Cash and bank balances	3 138	14 758	14 294
<b>Total current assets</b>	<b>25 328</b>	<b>15 360</b>	<b>14 878</b>
<b>Total assets</b>	<b>30 328</b>	<b>20 360</b>	<b>19 878</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	1 242	1 035	1 035
Premium fund	42 223	20 585	20 585
Balanced result	-11 667	-1 024	-516
The result of the period	-1 780	-1 024	-11 446
<b>Total equity</b>	<b>30 018</b>	<b>19 572</b>	<b>9 658</b>
<b>Current liabilities</b>			
Current liabilities	310	788	10 220
<b>Total short-term liabilities</b>	<b>310</b>	<b>788</b>	<b>10 220</b>
<b>Total equity and liabilities</b>	<b>30 328</b>	<b>20 360</b>	<b>19 878</b>

## CASH FLOW STATEMENT IN SUMMARY – PARENT COMPANY

(KSEK)	Q3 2019 1/7-30/9	Q3 2018 1/7-30/9	Q1-Q3 2019 1/1-30/9	Q1-Q3 2018 1/1-30/9	2018 1/1-31/12
Cash flow from operating activities	-27 624	-763	-33 001	-2 076	-2 540
Cash flow from investment activities	0	0	0	0	0
Cash flow from financing activities	0	0	21 845	0	0
<b>Cash flow for the period</b>	<b>-27 624</b>	<b>-763</b>	<b>-11 156</b>	<b>-2 076</b>	<b>-2 540</b>
Cash and cash equivalents at the beginning of the period	30 762	15 521	14 294	16 834	16 834
<b>Cash and cash equivalents at the end of the period</b>	<b>3 138</b>	<b>14 758</b>	<b>3 138</b>	<b>14 758</b>	<b>14 294</b>

## CHANGE OF EQUITY – PARENT COMPANY

1/1-2018 – 31/12-2018

(KSEK)	Share capital	Other contributed capital	Other equity	Result of the period	Total
At the beginning of the period (1/1-2018)	1 035	20 585	0	-1 024	20 596
Outline of previous year's results			-1 024	1 024	
Issue of options			508		508
The result of the period				-11 446	-11 446
At the end of the period (31/12-2018)	1 035	20 585	-516	-11 446	9 658

1/1-2019 – 30/9-2019

(KSEK)	Share capital	Other contributed capital	Other equity	Result of the period	Total
At the beginning of the period (1/1-2019)	1 035	20 585	-516	-11 446	9 658
Outline of previous year's results			-11 446	11 446	0
Rights issue	207	24 529			24 736
Issue costs		-2 891			-2 891
Allocation of staff warrants			295		295
The result of the period				-1 780	-1 780
At the end of the period (30/9-2019)	1 242	42 223	-11 667	-1 780	30 018

# 2CUREX IN BRIEF

***2cureX is a MedTech company that has developed the IndiTreat® test (Individualized Treatment Design). 2cureX strives to establish IndiTreat as a global standard for individualizing cancer treatment.***

2cureX was founded in 2006 as a spin-out from the Carlsberg Research Centre in Copenhagen, with the vision of improving treatment efficiency for cancer patients. From its inception, 2cureX has been closely related to major Cancer hospitals in the Nordic countries, Germany and the UK.

The key product of 2cureX is the IndiTreat test that allows the physician to identify the specific medical treatment that is effective in the individual patient. At the same time the test will present which treatments the patient is resistant to. IndiTreat is patent protected in major markets. Additionally, IndiTreat has received CE-IVD marking which allows commercialization in the European market.

## **IndiTreat®**

The technical principle behind IndiTreat is that from a small tissue sample (biopsy) of a cancer patient's tumor, 2cureX can establish thousands of copies of the tumor. These copies (named tumoroids) have similar properties as the original tumor; but can be grown outside the patient's body. The tumoroids are challenged with available cancer treatments. The specific treatment that kills the individual patients tumor are immediately after testing provided to the patient.

## **Clinical studies**

2cureX conducts multiple clinical studies at international clinical centers in Germany, UK and Denmark. The studies are carried out in colorectal-, pancreatic- and ovarian cancer. 2cureX and its clinical partners have provided clinical evidence that IndiTreat clearly improves patient outcome. The number of clinical studies is constantly expanding after request from clinicians at partner hospitals. This means that clinical evidence showing the benefit of IndiTreat will appear on a continuous basis.

## **Business strategy**

The business strategy of 2cureX is to establish the IndiTreat test as a global standard for individualizing cancer treatment by offering a functional test that matches the individual cancer patient with an effective drug treatment. The launch of IndiTreat in selected European markets is planned for 2020. To prepare for the launch, 2cureX established an Early Access Program in Q3, 2019 where first mover hospital/clinics get access to the IndiTreat offering at favourable conditions, and 2cureX gets valuable feedback and data to firm up the final launch package.

## **Available market**

2cureX operates in a highly attractive market. Currently more than 500 000 patients are diagnosed annually in the three cancer entities: colorectal-, ovarian- and pancreatic cancer. Of these, 377 000 patients are eligible for IndiTreat testing creating an available market in excess of 1 Billion EUR.

*2cureX has head office in Copenhagen and a subsidiary in Hamburg. 2cureX AB is listed at Nasdaq First North Growth Market (NASDAQ: 2CUREX).*

2cureX's organization no.: **559128-0077**  
For more information: **[www.2curex.com](http://www.2curex.com)**

**A very attractive  
and growing market  
for the IndiTreat® test**

**3D micro tumors shown to  
identify the treatments that  
are effective in the individual  
cancer patients**

# 2cureX



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*– because cancer patients are individuals*