

ANNUAL REPORT

2019



– because cancer patients are individuals

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– BECAUSE CANCER PATIENTS ARE INDIVIDUALS

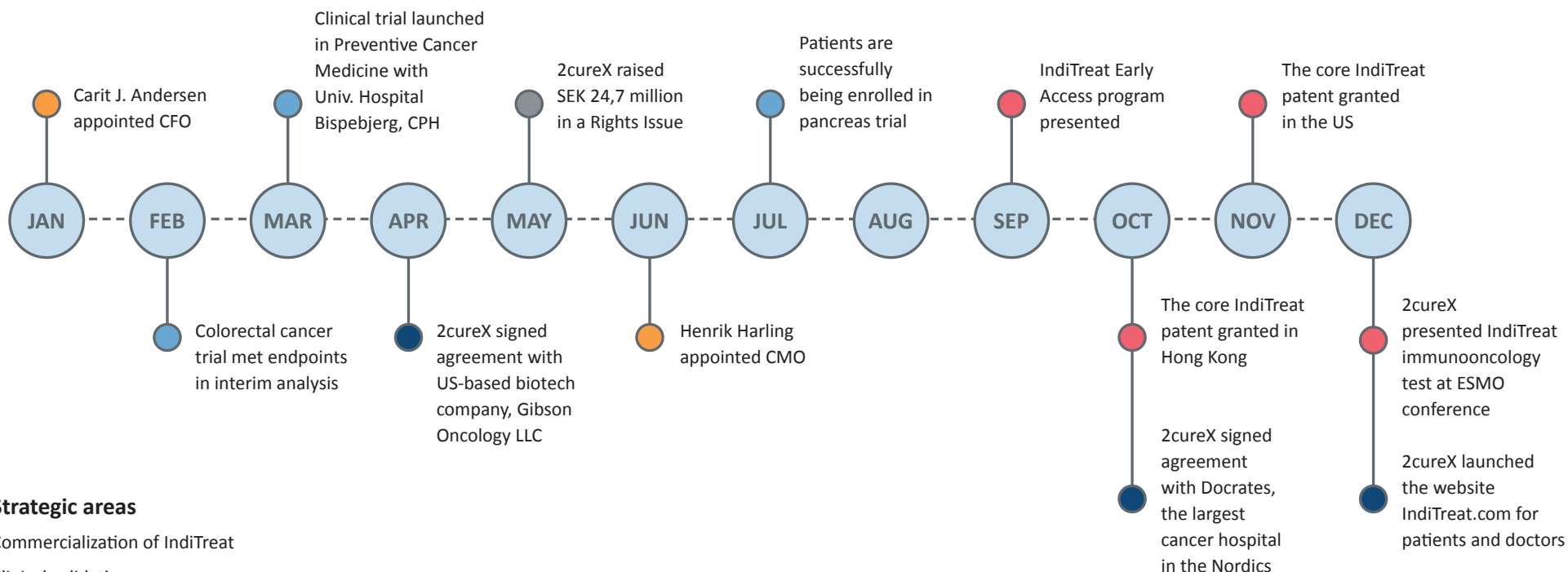
FINANCIAL OVERVIEW FOR 2019

(KSEK) if not stated otherwise	2019 1/1-31/12	2018 1/1-31/12
Net sales	0	0
Profit before tax	-9 411	-8 542
Earnings per share*	-0,68	-0,70
Equity ratio**	74%	57%
Cash and bank	33 720	20 063
Average number of shares	11 609 014	10 350 000
No. of shares by the end of the period	12 240 000	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.

HIGHLIGHTS IN 2019



For details of Highlight for 2019 and beginning of 2020 see appendix 1.



“It’s been a pleasure to see the impressive number of important achievements the 2cureX team and partners have generated in 2019 – this creates a very good basis for the coming commercialization”

Ole Thastrup, CEO

STATEMENT FROM THE CEO

IndiTreat is ready for roll-out in 2020

2019 has been a very busy and exciting year for 2cureX. As planned, we have strengthened the IndiTreat technology and transformed the focus of 2cureX from R&D to commercialization. Despite the unexpected COVID-19 pandemic, the company is ready for commercial launch of IndiTreat in the second half of 2020.

2019 was a very good year for 2cureX. We achieved most of our operational goals:

- a) Positive interim results from the colorectal cancer trial;
- b) We introduced an Early Access program to prepare the launch of IndiTreat;
- c) Establishment of a test facility in the UK at Queen Elizabeth Hospital, Birmingham and
- d) Signed a commercial agreement with Docrates, the largest private cancer hospital in the Nordics.

We did not, however, obtain interim results from our ovarian cancer feasibility trial as expected in 2019. The main reason was that immunotherapy appeared on the stage for these patients as well. Together with our clinical partners in Hamburg and Copenhagen, we decided to expand the project to include immunotherapy. This strategy was rewarded by a grant from the German Federal Ministry of Education and Research (BMBF) in April 2020.

2cureX has started the journey from an innovative Research & Development company to a commercial product company. This transition was helped from two sides. First, we established several important commercial partnership agreements. Secondly, the shortcomings of Genomic Precision Medicine led a remarkable international push for implementing **Functional Precision Medicine** in clinical practise. This concept is independent of the multitude of genetic mutations harboured by all cancer patients because the focus is on which drugs works on micro-tumors from each patient. IndiTreat is a distinguished representative of a **Functional Precision Medicine** test, and 2cureX will exploit this new way forward towards a true individualization of cancer treatment.

Setting the right team

In 2019 2cureX attracted experienced executives to the management team. Early in the year Carit J. Andersen was appointed CFO, and in July Henrik Harling joined 2cureX as CMO. Carit and Henrik bring important expertise and enthusiasm to take 2cureX to the next level. We have further expanded the capabilities and scaled-up our laboratory facilities in Copenhagen and Hamburg.

Our marketing effort has also been strengthened with consultants in major European markets.

I am convinced that we have set the right team for moving 2cureX into the commercialization phase.

Clinical validation on track

IndiTreat is currently being clinically validated for treatment guidance in three major cancers: colorectal, ovarian and pancreatic cancer. Colorectal cancer will be the primary indication when IndiTreat is launched in 2020.

In the beginning of 2019, very positive interim data from our interventional trial in metastatic colorectal cancer were presented at the ESMO Congress in Barcelona. In January 2020 we announced that 75% of patients needed to finalise the trial, had been enrolled and treated in accordance with the IndiTreat test results.

The Principal Investigator (*Chief Oncologist Lars Henrik Jensen*) at Vejle University Hospital is expected to publish the end results of the study late 2020 when the last patient has had the required follow-up examination eight weeks after initiation of IndiTreat-guided treatment.

Our network of clinical partners has just been expanded from Denmark, Germany, the UK and Finland to include Sweden. It is thus a great pleasure that we in April 2020 established a clinical collaboration with one of Sweden's prominent clinical centers: Skåne University Hospital. Enabling Swedish cancer patients access to IndiTreat is an important development for 2cureX.

Partnering is an essential component of the commercialization

In 2019 we launched an Early Access program (previously called pre-launch) to refine the IndiTreat offering, logistics and other details in markets where 2cureX was not involved in

clinical trials. In 2019 2cureX signed such agreement with Docrates Cancer Center (Helsinki, Finland) serving the Finish and Baltic market. Further, in 2020 we established partner agreements with the IVD distributors YourRad AB, Sweden and Paralax Life Science Group, Bulgaria.

Strong support from shareholders and patients

During our initial stock listing at Nasdaq First Nord Growth Market in November 2017, we announced that we expected an additional round of financing before the market launch of IndiTreat. In the summer of 2019, we executed a successful Rights Issue and raised 24,7 MSEK with a 241% oversubscription. 99,3% of the subscribed issue volume where subscribed by shareholders with support of subscription rights.

I wish to express a special Thank you to our devoted shareholders for their strong support and their recognition of the opportunities ahead for 2cureX.

Finally, I want to express my gratitude to all the patients that are participating in our clinical studies. The belief and trust from patients and patient societies are key to the success of IndiTreat.

Ambitious expectations for 2020

2020 will be a landmark year for 2cureX with the market launch of IndiTreat within colorectal cancer. We are set for an ambitious year, even though the COVID-19-pandemic has created some uncertainty with regard to the timing of full operation capacity of the hospitals in the different European markets. Together with 2cureX's clinical and commercial partners we are monitoring the situation closely and will adjust our commercial and clinical activities accordingly.

Ole Thastrup, CEO

2. May 2020



OUR STRATEGY

Solid market potential in Europe

2cureX will launch IndiTreat in Europe in second half of 2020, for testing of Colorectal Cancer patients.

The IndiTreat commercialization strategy is divided into two tracks that both tap into the market opportunity for precision cancer medicine testing:

1. *Individualization of cancer treatment and*
2. *Patient stratification in clinical drug trials.*

The Cancer Treatment Market is growing

In general, two mega trends prevail in cancer treatment: an increase in lifetime expectancy and an aging population. This faces National healthcare bodies with the following issues:

1. *Clinicians are diagnosing more people with cancer than ever before*
2. *The cost of caring for cancer patients is higher than ever before*

The focus of healthcare has shifted towards personalized medicine, also known as precision medicine or individualized medicine since 2003, with the completion of the sequencing of the human genome. This development has provided opportunities to introduce new scientific breakthroughs, medical treatments and business models.

The IndiTreat test is positioned as an IVD-test within the Precision Cancer Medicine segment, which is the highest growth segment within Precision Medicine. The Global Precision Medicine Market is expected to show 12.48% CAGR and is anticipated to reach €117 Billion by 2025. (*Precision Medicine Market Research Report – Global Forecast till 2025, august 2019*).

The US is estimated to dominate the global precision medicine market followed by Europe as the second-largest market. The European market growth can largely be contributed to the adoption of precise diagnostic tools, electronic healthcare records, and New Cancer Therapies prescribed particularly for specific cancer types. The Asia-Pacific market is estimated to be the fastest-growing market due to the developing healthcare infrastructure and increasing available income as well as an increasing demand for personalized healthcare treatment.

The European market potential

In Europe the number of new cancer patients each year in colorectal cancer, ovarian cancer and pancreatic cancer amounts to 700.000 patients (International Agency for research on cancer, WHO), representing a market value of EUR 1 billion for IndiTreat testing. The market opportunity for IndiTreat will increase even further as cancer patients live longer due to improved treatment. As physicians follow specific guidelines and protocols it is also common practice that treatments usually include several lines of medical treatment as the patient over time becomes resistant to the provided treatment.

Due to the increasing number of patients that require cancer therapy and the increased cost of healthcare because of the introduction of new and innovative drugs, healthcare providers will increasingly rely on Functional Precision Cancer Medicine. IndiTreat can help National Healthcare Assessment Bodies, insurance companies (payers) and healthcare providers to manage the health expenditure for cancer patients.



The IndiTreat strategy

The IndiTreat commercialization strategy can be divided into two tracks that both tap into the market opportunity of precision medicine. These two tracks are:

1. Individualization of cancer treatment

European Markets 2020/2021

At the time of launch, 2cureX will capitalize on the already established clinical partnerships and networks throughout Europe. With the CE-IVD label in place there is a significant commercial opportunity.

IndiTreat will be offered to cancer hospitals and patients as a fee for service. Each patient's tumor will be tested for sensitivity towards a large panel of approved drugs and drug combinations. Shortly after testing, the hospital can offer patients the identified treatment.

The business model for Individualized cancer treatment follows a classical pay per patient structure; a model that the hospital system is used to handle. The price per test is linked to volume of tests conducted.

Following a European market introduction, opportunities in other markets like US and Asia will be explored.

2. Patient stratification in clinical drug trials

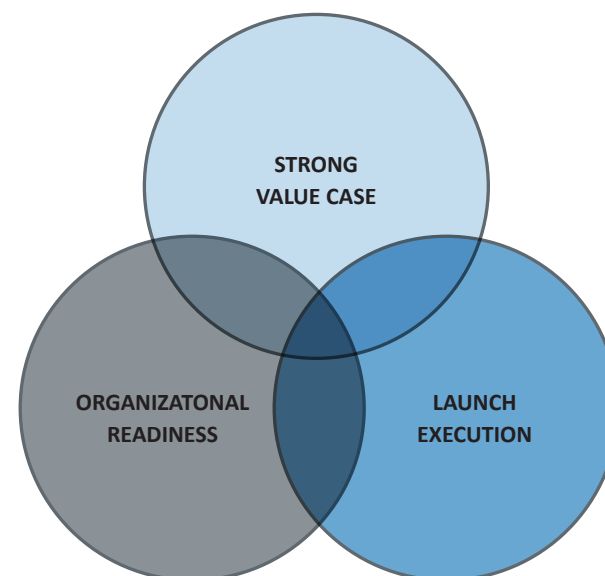
In the second track of 2cureX's commercialization, "*Patient stratification*", we offer the IndiTreat test to biotech and pharma companies to select the patients that are most likely to respond to the drug candidate in their clinical trials. 2cureX has one such agreement in place, with US based Gibson Oncology, and is evaluating additional partnerships.

IndiTreat-based selection of responding patients will increase the significance of the clinical trial drug response, lower the number of patients needed and thereby lower costs. 2cureX offers patient stratification in agreements comprising fees and upside (*future royalties and milestone payments*).

2cureX follows a 3-step strategy

Since 2017 2cureX has followed a 3-step strategy to secure the launch of IndiTreat:

1. Building a strong value case 2006-2018
2. Establish organizational readiness 2017-2020
3. Execute market launch in 2020



“In the second half of 2020 we will begin to reap the rewards of our investment in commercialization and help the actual ‘customers’ – the patients”

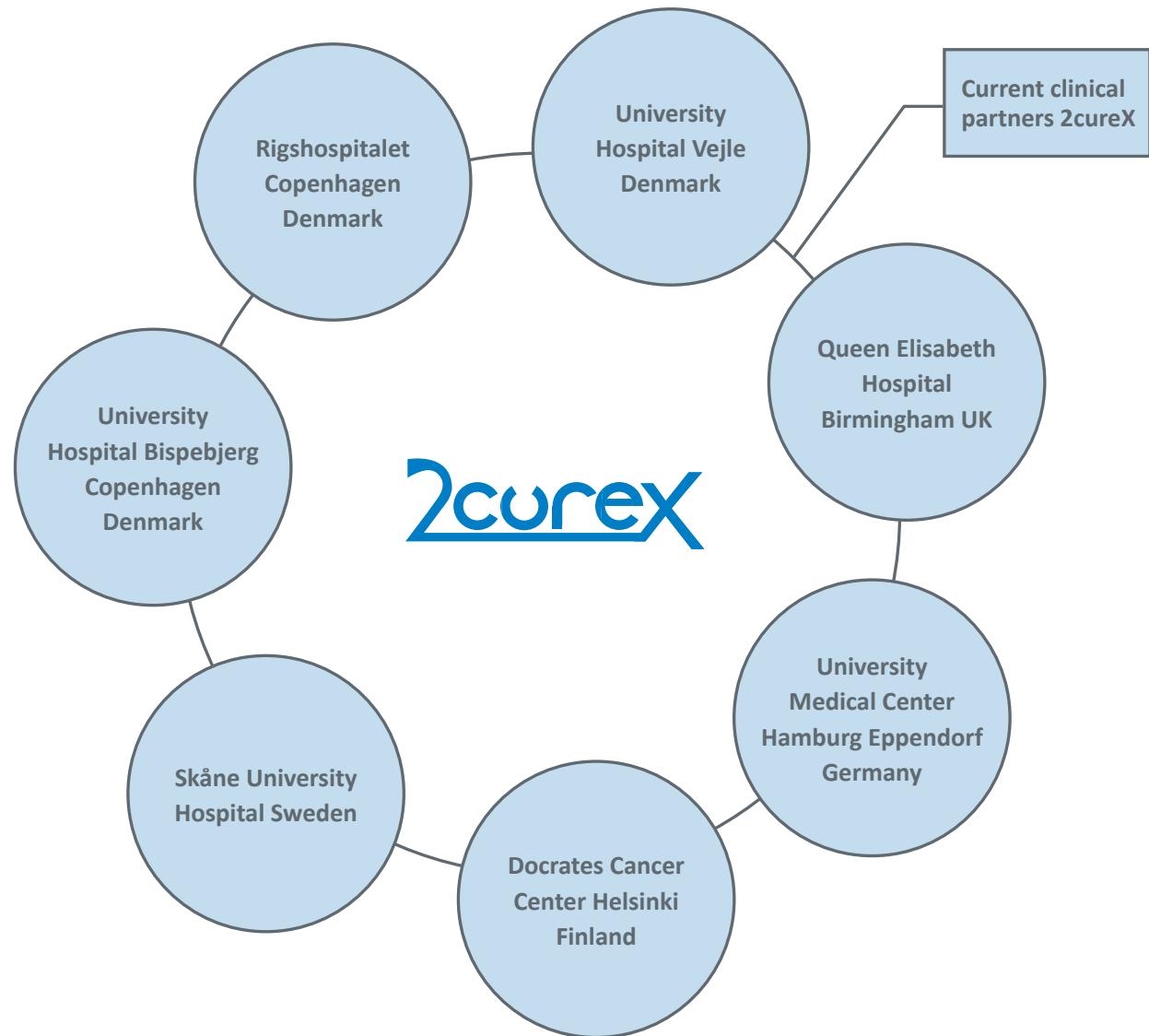
Maarten van der Linden, CBO, 2cureX

Building a strong value case for IndiTreat

2cureX originates from the clinical environment and has established strong and long-lasting relationships with Key Opinion Leaders (KOL) in different markets.

IndiTreat is the result of an active collaboration with clinicians at multiple international cancer institutions, a network that is continuously growing. As we speak, these clinical centers are gaining valuable experience regarding IndiTreat and patients are receiving cancer treatment according to IndiTreat test results.

2cureX will continue to reach out to KOL's and build networks in the field of precision medicine in order to push the implementation of Functional Precision Medicine forward. The organization will focus on its clinical strategy to make sure that IndiTreat is supported by compelling evidence and supported by renowned clinical institutions.



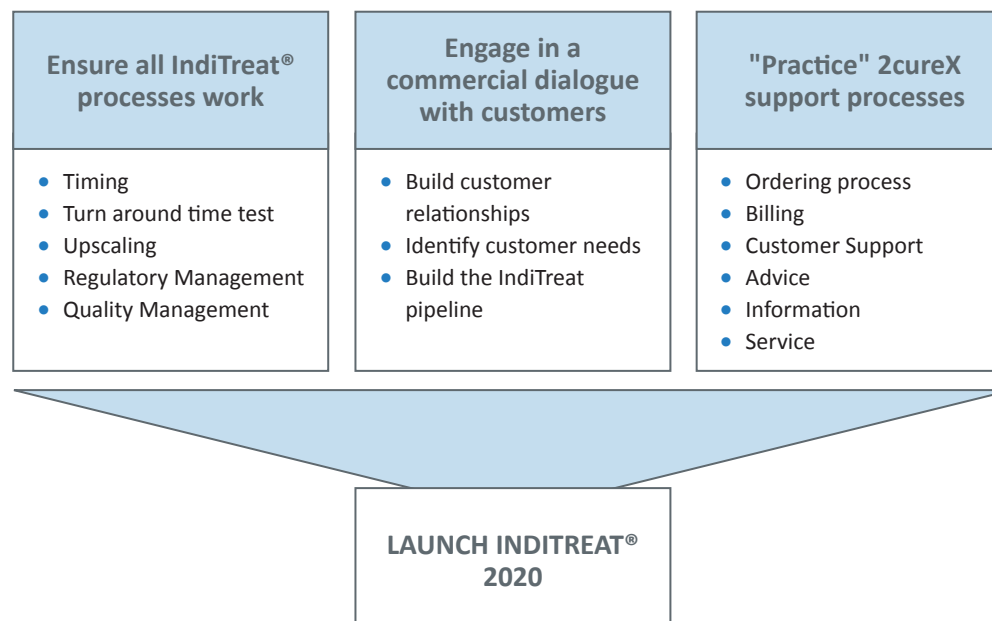
Establish organizational readiness to launch IndiTreat

In 2019 2cureX started an Early Access program with the purpose of defining the offering, logistics and other details associated with the performance of IndiTreat for different customer profiles. The goal with the Early Access program is to ensure that our organization secures experience in delivering the IndiTreat test, captures essential information and key factors such as local logistics, reimbursement, market access practices and clinical guidelines necessary to succeed in the market.

Execute launch of IndiTreat

The main objective for 2020 is to launch and make IndiTreat available for colorectal cancer patients. In preparing for launch 2cureX has in 2019 been in dialogue with three customer types in the European market that will be key to a successful launch of IndiTreat.

1. *Oncologists at public and private hospitals*
2. *Commercial laboratories that provide tissue testing services to hospitals*
3. *Distributors of IVD products that provide cancer tests to hospitals*



As part of the launch preparation activities, 2cureX signed agreements with four different customers/partners:

Docrates Cancer Center , Helsinki Finland – October 2019	<i>Private cancer hospital</i>
YourRad AB , Gothenburg Sweden – March 2020	<i>IVD Distributor</i>
Paralax Life Science Group , Bulgaria – March 2020	<i>IVD Distributor</i>
Skåne University Hospital , Lund Sweden – April 2020	<i>Public cancer hospital</i>

Patents and intellectual property

The success of 2cureX in commercializing the IndiTreat test is highly dependent on our ability to protect present and future intellectual property. 2cureX is a pioneer in the Functional Precision Medicine field and has therefore been able to establish a strong patent portfolio.

The issued and granted patents cover basic elements of combining compounds (e.g. drugs) with cells on different matrixes, the IndiTreat test itself and IndiTreat used to identify drug candidates.

Patent number	Country	Topic	Status	In force until
EP1761783	Europe, CA, IN, AU	High volume screening of drugs/cells in same support	Granted in 2009	2024
EP1759212	Europe, AU, CA	High volume screening of drugs/cells in same support	Granted in 2009	2024
US8, 318, 717	USA	Novel drug candidates	Granted in 2012	2025
US13 / 441, 091	USA	High volume screening of drugs/cells in same support	Granted in 2015	2026
EP3164709	Europe	Intergration of patient tissue handling and tumoroid based screening	Granted in 2018	2035
US15 / 321, 888	USA, HK	Intergration of patient tissue handling and tumoroid based screening	Granted in 2018	2035

2CUREX IN BRIEF

2cureX is a Medtech company that has developed the IndiTreat® test for individualizing the treatment of cancer patients. 2cureX strives to establish IndiTreat as a global standard for Functional Precision Medicine.

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.

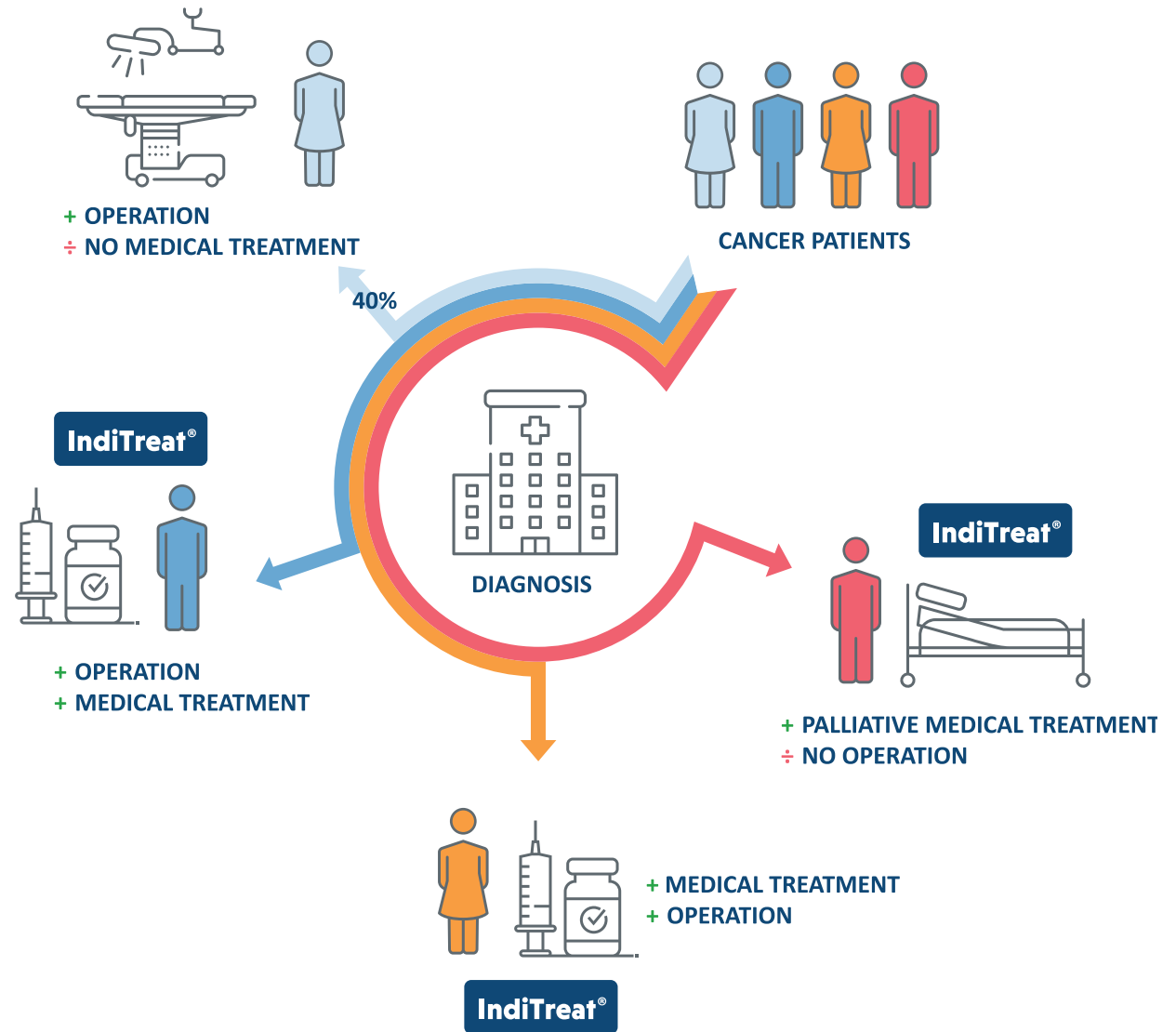
From its inception, 2cureX has been closely connected to major cancer hospitals in the Nordic countries, Germany and the UK. 2cureX has been in direct contact with patients and physicians from day one, in order to contribute to the best possible management of the disease.

After an intensive build-up phase with clinical testing and partnership building in 2019, 2cureX is now ready to commercialize IndiTreat in the second half of 2020.

IndiTreat® qualifies the right treatment

The key product of 2cureX is the IndiTreat test that allows the physician to identify a medical treatment that is effective for a particular cancer patient.

At the same time the test reveals drugs to which the patient is resistant, which is almost equally important to save time, cost and avoid unnecessary side effects. IndiTreat is patent protected in major markets. Additionally, IndiTreat has received CE-IVD certification which allows commercialization in Europe.



2cureX offers the IndiTreat test to cancer hospitals and oncology clinics. The testing method is based on taking a small tumor-sample from a patient and sending it to one of 2cureX's labs for analysis. A detailed drug-sensitivity report will be available for the treating physician at 2cureX's secure server after approximately 14 days. The test results will guide the physician to the most appropriate treatment for the individual patient. In colorectal cancer, 40% of the diagnosed patients will receive a curable surgical operation. The remaining 60% of the patients will be eligible to IndiTreat testing.

The business model for IndiTreat follows a classical pay per patient structure; a model the hospital system is used to handle. The price per test is linked to the volume of tests conducted.

Clinical studies provide evidence for improved patient outcome

2cureX conducts multiple clinical studies with IndiTreat at clinical centers in Germany, UK and Denmark. The studies are carried out primarily in colorectal cancer but also in pancreatic- and ovarian cancer. Positive interim data from 2cureX's clinical trial in colorectal cancer were released in early 2019. The trial is conducted at Vejle University Hospital (Denmark) expected to be finalized in Q3 2020.

The clinical trials will deliver proof statements of the value of IndiTreat and continuously explore and strengthen the potential of the IndiTreat test. Clinical studies are a vital part of our product development program to ensure a long-term competitive advantage.

European setup collaborating worldwide

2cureX has a strong network of partners in Europe and is planning to commercialize the IndiTreat test in the European market in second half of 2020. The total available market in Europe for the IndiTreat test, in the three cancers where 2cureX is operating, is estimated at 12 billion SEK. A subsequent market introduction in the US and Asian markets will follow later.

2cureX has office and laboratory facilities in Copenhagen and in Hamburg. In both places we are in direct interaction with major cancer centres. Even though treatment of cancer is conducted according to international guidelines, we do see regional differences that are important to know when introducing IndiTreat into the hospital workflow.



Our German facility is collaborating closely with University Medical Center Hamburg-Eppendorf (UKE).

UKE is one of the largest hospitals in northern Germany. The hospital is covering all cancer entities. Beyond being part of our ongoing clinical studies in colorectal, ovarian and pancreatic cancer, UKE is also collaborating with 2cureX to extend our IndiTreat technology into new areas like Immunotherapy. Immunotherapy for cancer is the fastest growing area for medical cancer therapy.

2cureX has together with UKE received funding from the Federal Ministry of Education and Research (BMBF) to build an IndiTreat Immunotherapy test that can stratify patients into sensitive and resistant patients.



“There is a tremendous medical need to improve cancer treatment outcome. IndiTreat being a prominent Functional Precision Medicine tool, has indeed the potential to improve life of many cancer patients”

Henrik Harling CMO, 2cureX

CORPORATE GOVERNANCE

The 2cureX group consists of a holding company, 2cureX AB (publ) (Sweden) that is listed at Nasdaq First North Growth Market, and two operational companies 2cureX A/S (Denmark) and 2cureX GmbH (Germany). 2cureX AB and 2cureX A/S have the same Board of Directors who has the overall responsibility of the governance structure for the 2cureX group.

Corporate governance is linked to compliance with Nasdaq First North Growth Market Rulebook and laws and regulations relevant for 2cureX.

Key aspects of the governance structure relate to shareholder's meetings, Article of Association, the composition of the Board of Director's and Board's annual wheel. The board of Directors has implemented relevant policies and procedures for 2cureX.

BOARD MEMBERS



Povl-André Bendz

Chairman of 2cureX AB and 2cureX A/S

Povl-André Bendz (B. 1962) is an Executive and Investor. Povl-André has an M.Sc. from Copenhagen Business School and long experience from commercial and financial assignments within Medtech and Biotech. Povl-André has previously been CEO and owner at Upfront Chromatography for 3 years, Executive Vice President and CFO at the Danish company Delta Technology for nine years and has long experience of board work.

Povl-André has been the chairman of 2cureX AB since 2017 and 2cureX A/S since 2014.

2cureX share ownership and warrants

51,282 shares via own company

67,232 warrants

Other board assignments

Agilco Aps; IMATRA Holding S.A.

Thornæs Destilleri ApS

Independence

Independent of management, the company and major shareholders.



Jørgen Drejer

Board Member of 2cureX AB and 2cureX A/S

Jørgen Drejer (B. 1955) is CSO and principal owner of the company Saniona AB.

Jørgen is an experienced entrepreneur and has previously founded a large number of biotech companies. Jørgen is a member of the Danish Academy of Engineering Sciences and has also been a director of the Danish Research Council for Independent Research. Jørgen holds a doctorate in neurobiology from Copenhagen University and is the author of more than 75 scientific articles.

Jørgen has been a board member of 2cureX AB since 2017 and 2cureX A/S since 2017.

2cureX share ownership and warrants

12,820 shares; 33,272 warrants

Other board assignments

Saniona AB

Independence

Independent of management, the company and major shareholders.



Camilla Huse Bondesson

Board Member of 2cureX AB and 2cureX A/S

Camilla Huse Bondesson (B. 1958) is Executive and board member in Medtech companies.

Camilla has an Executive MBA from Stockholm University. Currently, she is Chairman of the Board of Gradientech AB, Immuneed AB and TdB Labs AB. Camilla has over thirty years of international operational and strategic experience from senior positions at companies in the biotechnology field, including as General Manager of Behring Diagnostica AB, International Product Manager for Biacore, Marketing Director of Amersham Biosciences (current GE Healthcare Life Sciences) and VP Marketing for Gyros AB. Since 2004 Camilla is working as a consultant and partner at Conlega, a consulting company focusing on Life Science.

Camilla has been a board member of 2cureX AB since 2019 and 2cureX A/S since 2019.

2cureX share ownership and warrants

33 472 shares

Other board assignments

Gradientech AB; Immuneed AB; TdB Labs AB

Independence

Independent of management, the company and major shareholders



Timm Jessen

Board member of 2cureXAB and 2cureX A/S

Timm Jessen (B. 1962) is co-founder of 2cureX and CEO of Topas Therapeutics.

Timm is co-founder and CEO of Topas Therapeutics. Timm started his commercial career in Hoechst AG, where he was a member of the company’s biotechnology management and strategy team. Timm has also served as CSO and COO for Ecotec, where he played an important role in the company’s strategic decision to initiate drug development programs. Timm is independent against both company and major owners. Timm is co-founder and CEO of Topas Therapeutics GmbH in Hamburg.

Timm has been a board member of 2cureX A/S since 2006 and 2cureX AB since 2017.

2cureX share ownership and warrants

583 902 shares

Other board assignments

Topas Therapeutics GmbH

Independence

Independent of management, the company and major shareholders



Ole Thastrup

Board member and CEO of 2cureX AB and 2cureX A/S

Ole Thastrup (B. 1953) is co-founder, principal owner and CEO of 2cureX. He has been a board member of 2cureX since 2006. Ole is also Professor at the University of Copenhagen. Prior to 2cureX Ole was Head of Carlsberg Biosector where he was responsible for Carlsberg’s biomedical research. Before that, Ole was the scientific founder and Chief Scientific Officer of BioImage A/S (now Thermo Fischer BioImage) that was spun out of Novo Nordisk A/S. Ole is inventor of several families of globally issued patents. He had advised several venture funds and is member of granting institutions (e.g. Novo Nordisk Foundation).

2cureX share ownership and warrants

3 778 304 shares via own company

Other board assignments

OT311 ApS

Independence

Affiliated to management, the company and major shareholders

MANAGEMENT



Ole Thastrup
CEO

See description above under Board members



Carit J. Andersen
Chief Financial Officer

Carit Jacques Andersen (B. 1964) joined 2cureX in 2019 as CFO.

Carit holds an M.Sc. in Business Administration. Carit has over 25 years of experience in financial controlling and has previously been active in both the private and public sector. Previous assignments include the role as CFO at AstraZeneca A/S.

2cureX share ownership and warrants
11,715 shares



Grith Hagel
Head of Project Management

Grith Hagel (B. 1959) is co-founder of 2cureX in 2006.

Grith has a comprehensive experience in developing and running drug screening campaigns. Grith is the inventor of several patents on advanced cell-based, high throughput screening technologies.

Grith Hagel was co-founder of Biolmage A/S that was spun-out of Novo Nordisk. She was responsible for the development of functional cell-based assays, and for their transfer to partners like Amersham plc (now GE Healthcare).

2cureX share ownership and warrants
619,735 shares



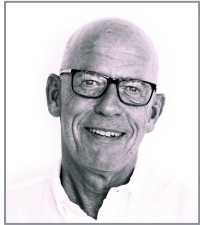
Maarten van der Linden
Chief Business Officer

Maarten van der Linden (B. 1969) joined 2cureX in 2018.

Maarten has 15 years of experience in the international Life Science and diagnostic industry. Maarten was recently Senior Director of Marketing for the EMEA region at Abbott Laboratories where he in three consecutive years outperformed the diagnostic market growth with a focus on Molecular Diagnostics and especially the oncology market.

Before that, Maarten was Senior Director of Global marketing at Agilent Technologies in Denmark and Regional Business Manager for new Products at Merck, Sharp & Dohme covering multiple disease areas, including oncology. Maarten holds an Executive MBA Henley Business School, UK.

2cureX share ownership and warrants
7,464 shares
46,662 warrants



Henrik Harling
Chief Medical Officer

Henrik Harling (B. 1953) joined 2cureX in 2019 as CMO.

Henrik is experienced surgeon and researcher within colorectal cancer and Head of Digestive Disease Center at Bispebjerg University Hospital 2000-2016. He is one of the founders of the Danish Colorectal Cancer Group (DCCG) and Chairman of the Danish Colorectal Cancer Register from 1994 to 2010. DCCG is setting guidelines for colorectal cancer treatment and involved in deciding on implementation of new diagnostic technologies in Denmark.

2cureX share ownership and warrants
23,430 shares



Jürgen Kupper
Managing Director (2cureX GmbH)

Jürgen Kupper (B. 1965) joined 2cureX in 2015.

He began his career at Evotec AG in 1999. Jürgen's previous experience include COO of Evotec Technologies, Product Leader for Live Cell Imaging at PerkinElmer and managing director of the diagnostic center at the University Medical Center Hamburg-Eppendorf (UKE). Jürgen holds a Ph.D. in Biophysics from Brandeis University, USA.

2cureX share ownership and warrants
150,501 warrants

CLINICAL ADVISORY BOARD



Nils Brünner

Nils is an experienced oncologist and Professor in drug design and cancer research at the University of Copenhagen and at The Danish Cancer Society. Nils is one of the founders of Scandion Oncology A/S and Oncology Venture A/S and has extensive knowledge of colorectal cancer and drug development.



Dion Morton

Dion is professor at the Queen Elisabeth Hospital in Birmingham. Dion is a leading colorectal cancer expert at the hospital in Birmingham where he is responsible for the Center for Experimental Cancer Medicine.



Andreas Block

Andreas is an experienced oncologist and head of the clinical trials department at the University Medical Center Hamburg-Eppendorf. Andreas has been a board member at the Hamburg University Hospital Ethical Committee since 2015. Andreas has extensive experience in pharmaceutical and cancer research.



MANAGEMENT REPORT

The Board of Directors and the Chief Executive Officer of 2cureX AB (publ), 559128-0077, hereby present the annual report of the parent company and the consolidated accounts for the financial year 2019-01-01 – 2019-12-31.

The result of the year's operations is shown by the following financial accounts which shall be adopted by the Annual General Meeting.



The operations in general

The business model of the 2cureX Group is to offer clinics to use the proprietary and patented IndiTreat® method to evaluate which cancer drug treatments elicit the best response in the individual patients. 2cureX intends to market IndiTreat® commercially, charging a fee per conducted test. The Group intends to establish sites in the countries of operation and thus to have laboratories available on the markets where the Group is active. Tissue samples will be sent to the laboratories where the ex vivo tests are carried out by 2cureX's personnel. The Group is also assessing the possibilities to conduct operations together with local partners on potential markets in the future.

The parent company is seated in Malmö, Skåne county.

Group

The Group includes the wholly owned Danish subsidiary 2cureX A/S. 2cureX A/S has a wholly owned German subsidiary operating as 2cureX GmbH. All operations are conducted through 2cureX A/S and 2cureX GmbH, and the only operational activities of 2cureX AB is to own the subsidiary 2cureX A/S. Apart from what is stated above, 2cureX AB does not have any participations in other companies.

Employee stock options

The Annual General Meeting held on 28 May 2018 resolved to establish a Series 2018/2020 and a Series 2018/2021 warrant program for the Group's employees and key personnel. The employee warrants, which in total amount to 360,000 warrants, carry the right to subscribe for newly issued shares in 2cureX AB in the period 28 May 2020 to 28 September 2020 and in the period 1 April 2021 to 28 September 2021, respectively.

Each subscription warrant entitles the holder to subscribe for 1 share, at a subscription price of 8.86 SEK per share. Upon full exercise of the issued warrants, the share capital would increase by 36,000 SEK. The employee warrants will be subject to the usual conversion terms in connection with new share issues, etc. The Group's result for 2019 has been impacted by costs to the amount of 335 KSEK (551 KSEK) in the form of personnel costs.

Research and development

IndiTreat is currently being clinically validated for three major cancers: colorectal, ovarian and pancreatic cancer. Colorectal cancer will be the primary indication when IndiTreat is launched.

Expected future development

Like all other companies, 2cureX has been impacted by the COVID-19 virus. The true extent of the COVID-19 virus crisis is still unknown, but 2cureX continues to take all measures available to protect its staff and at the same time be able to maintain activity. Considering the Group's robust financial position, the ability to continue as a going concern is deemed to be beyond doubt.

Significant events during the financial year

Q1

- Carit J. Andersen appointed CFO
- Colorectal cancer trial met endpoints in interim analysis
- Clinical trial launched in Preventive Cancer Medicine with Univ. Hospital Bispebjerg, CPH

Q2

- 2cureX signed agreement with US-based biotech company, Gibson Oncology LLC
- 2cureX raised SEK 24,7 million in a Rights Issue
- Henrik Harling appointed CMO

Q3

- Patients are successfully being enrolled in pancreas trial
- IndiTreat Early Access program presented

Q4

- 2cureX signed agreement with Docrates, the largest cancer hospital in the Nordics
- The core IndiTreat patent granted in Hong Kong
- The core IndiTreat patent granted in the US
- 2cureX present IndiTreat immuno-oncology test at ESMO conference
- 2cureX launch the web-site IndiTreat.com for patients and doctors

For details of Highlight for 2019 and beginning of 2020 see appendix 1.

Result and financial position

Net sales in 2019 amounted to 0 KSEK (0 KSEK). The Company had no sales during 2019; all income is attributable to various contributions and public grants.

The result for 2019 totaled -7,933 KSEK (-7,264 KSEK). The result for the period has been impacted by the key element of the operations, namely the conduct of clinical trials initiated to validate the IndiTreat® technology. A significant part of the clinical operations is funded by an EU grant called MicroCaT, recognized as Other operating income in the income statement.

The Group's cash and cash equivalents amounted to 33,720 KSEK (20,063 KSEK) as of 31 December 2019. Cash flow in 2019 amounted to 13,961 KSEK (-48 KSEK). Cash flow from operating activities in 2019 amounted to -7,864 KSEK (1,150 KSEK). The monthly burn rate is approximately -1.5 MSEK, which is in line with the expectations.

The Group's solidity as of 31 December 2019 amounted to 74 percent (57).

Multi-annual overview (KSEK), Group	2019	2018	2017	2016
Net sales	0	0	47	0
Earnings/loss after financial items	-9 411	-8 542	-3 995	-2 651
Total assets	37 841	24 026	22 846	10 080
Equity ratio (%)	74,2	56,7	88,6	65,6
Average number of employees	11	9	8	8
Basic and diluted earnings per share (SEK)	-0,68	-0,70	-0,37	-0,22

Multi-annual overview (KSEK), Parent Company	2019	2018	2017 (3 mth)
Net sales	0	0	47
Result after financial items	-1 917	-11 446	-1 024
Balance sheet total	30 208	19 878	22 165
Solidity (%)	99,0	48,6	92,9
Average number of employees	0	0	0
Earnings and diluted earnings per share (SEK)	-0,17	-1,10	-0,11

Shares

There is one class of shares in 2cureX AB (publ). The Company's share is listed on Nasdaq First North Growth Market under the ticker "2CUREX". As of 31 December 2019, the number of shares amounted to 12,420,000 (10,350,000). The average number of shares during 2019 amounted to 11,609,014 (10,350,000).

Shareholders	Number of shares	Votes and capital (%)
OT311 ApS	3 778 304	30,4
Clear Stream Banking S.A.	1 692 859	13,6
Försäkringsaktiefbolaget Avanza Pension	1 007 746	8,1
FORCE Technology	877 314	7,1
Grith Hagel	619 735	5,0
Other shareholders	4 444 042	35,8
	12 420 000	100,0

Development of the share capital	Year	Number of shares	Quota value	Total number of shares	Total share capital
Company formation	2017	8 000 000	0,10	8 000 000	800 000
New share issue	2017	2 350 000	0,10	10 350 000	1 035 000
New share issue	2019	2 070 000	0,10	12 420 000	1 242 000

Risk factors

The Board of Directors decides on the level of risk in the operations, and the decisions are made taking the CEO's proposals into account. The financial risks can primarily be divided into the following categories: market risks (including currency risks, interest rate risks and price risks), credit risks and liquidity risks. The risks that the Group faces are detailed below.

Currency risks

The Group's revenue mostly comprises of received grants and contributions generated in local currency. This entails that the revenue is recognized in SEK, DKK and EUR. Acquisitions are also denominated in the local currency. The Group is thus not considered to be exposed to any significant currency risks aside from the translation in conjunction with the preparation of the consolidated accounts.

Interest rate risks

The Group's interest rate risks are restricted to bank deposits. The interest rate risk is considered to be in balance.

Credit risks

The Group strives to have counterparties of the highest possible credit standards. The majority of the Group's sales can be carried out with a low level of credit risk.

Liquidity risks

The Group is addressing its liquidity situation continuously. The Group's financial position is good, and the Board's assessment is that liquidity is sufficient to ensure continued operations. However, future financing needs may arise, and the Board therefore continuously evaluates possible financing opportunities. Liquidity is currently not considered to be a major risk area.

Appropriation of profit or loss, (SEK)

Proposed appropriations of the Parent Company's result

The following funds are available to the Annual General Meeting:

Other contributed capital	42 222 905
Retained earnings	-11 645 915
Result for the period	-1 917 349
	28 659 641

The Board of Directors proposes the following distribution:

To be carried forward	28 659 641
	28 659 641

FINANCIAL OVERVIEW



FINANCIAL OVERVIEW THE GROUP

INCOME STATEMENT – THE GROUP

(KSEK)	Note	2019 1/1-31/12	2018 1/1-31/12
Operating income			
Net sales		0	0
Other operating income	3	11 982	7 675
Total operating income		11 982	7 675
Operating expenses			
Other external expenses		-9 376	-6 838
Personnel costs	4	-10 919	-8 842
Depreciation of tangible fixed assets		-436	-431
Total operating expenses		-20 731	-16 111
Operating profit		-8 749	-8 436
Profit/loss from financial items			
Financial expenses and other financial items	7	-662	-106
Total financial items		-662	-106
Earnings/loss after financial items		-9 411	-8 542
Tax on earnings for the year	8	1 478	1 278
Earnings/loss for the year		-7 933	-7 264
Earnings per share (SEK)		-0,68	-0,70
Average number of shares		11 609 014	10 350 000
No. of shares at the end of the period		12 420 000	10 350 000

BALANCE SHEET – THE GROUP

(KSEK)	Note	31/12-2019	31/12-2018
Assets			
Fixed assets			
Tangible fixed assets			
Capitalized development expenditure	9	0	0
Equipment, tools and fixtures	10	1 015	1 384
Total fixed assets		1 015	1 384
Total fixed assets		1 015	1 384
Current assets			
Other receivables		1 363	1 278
Current tax receivable		1 456	1 200
Prepaid expenses and deferred income		287	101
Cash and bank balances	16	33 720	20 063
Total current assets		36 826	22 642
Total assets		37 841	24 026
Equity and liabilities			
Equity	12		
Share capital		1 242	1 035
Other contributed capital		38 023	16 385
Other equity		-3 256	3 465
The result of the period		-7 933	-7 264
Total equity		28 076	13 621
Current liabilities			
Accounts payable		1 598	523
Other liabilities		568	397
Accrued expenses and deferred income	14	7 599	9 485
Total short-term liabilities		9 765	10 405
Total equity and liabilities		37 841	24 026

CASH FLOW – THE GROUP

(KSEK)	Note	2019 1/1-31/12	2018 1/1-31/12
Operating activities			
Operating profit		-8 749	-8 436
Adjusted for non-cash flow items	15	1 385	963
Interest paid	7	-662	-106
Tax received		1 318	227
Cash flow from operating activities before changes in working capital		-6 708	-7 379
Cash flow from changes in working capital			
Changes in operating receivables		-348	793
Change in operating liabilities		-808	7 736
Cash flow from operating activities		-7 864	1 150
Investment activities			
Investment in tangible assets		-59	-1 198
Sale of tangible fixed assets		39	0
Cash flow from investment activities		-20	-1 198
Financing activities			
Rights issue		21 845	0
Cash flow from financing activities		21 845	0
Cash flow for the year		13 961	-48
Cash and cash equivalents at beginning of year		20 063	19 985
Exchange rate differences in cash and cash equivalents		-304	126
Cash and cash equivalents at end of year		33 720	20 063

CHANGE OF EQUITY – THE GROUP

1/1-2018 – 31/12-2018

(KSEK)	Share capital	Other contri- buted capital	Other equity	Result of the period	Total
At the beginning of the period (1/1-2018)	1 035	16 385	5 953	-3 136	20 237
Outline of previous year's results			-3 136	3 136	0
Issue of warrants			508		508
Translation difference			140		140
The result of the period				-7 264	-7 264
At the end of the period (31/12-2018)	1 035	16 385	3 465	-7 264	13 621

CHANGE OF EQUITY – THE GROUP

1/1-2019 – 31/12-2019

(KSEK)	Share capital	Other contri- buted capital	Other equity	Result of the period	Total
At the beginning of the period (1/1-2019)	1 035	16 385	3 465	-7 264	13 621
Outline of previous year's results			-7 264	7 264	0
Rights issue	207	24 529			24 736
Issue costs		-2 891			-2 891
Issue of warrants			316		316
Translation difference			227		227
The result of the period				-7 933	-7 933
At the end of the period (31/12-2019)	1 242	38 023	-3 256	-7 933	28 076

FINANCIAL OVERVIEW PARENT COMPANY

INCOME STATEMENT – PARENT COMPANY

(KSEK)	Note	2019 1/1-31/12	2018 1/1-31/12
Operating income			
Net sales		0	0
Total operating income		0	0
Operating expenses			
Other external expenses		-1 694	-1 519
Staff costs		-265	0
Total operating expenses		-1 959	-1 519
Operating profit		-1 959	-1 519
Profit/loss from financial items			
Earnings/loss from associated companies	5	-316	-9 865
Other financial income and other financial items	6	399	0
Financial expenses and other financial items	7	-41	-62
Total financial items		42	-9 927
Profit before tax		-1 917	-11 446
Tax on earnings for the year	8	0	0
Earnings/loss for the year		-1 917	-11 446

BALANCE SHEET – PARENT COMPANY

1 / 2

(KSEK)	Note	31/12-2019	31/12-2018
Assets			
Fixed assets			
Financial assets			
Investment in subsidiaries	11	5 000	5 000
Receivables from subsidiaries	13	22 376	0
Total financial assets		27 376	5 000
Total fixed assets		27 376	5 000
Current assets			
Other receivables		64	484
Prepaid expenses and deferred income		234	100
Cash and bank balances	16	2 534	14 294
Total current assets		2 832	14 878
Total assets		30 208	19 878

forts.

BALANCE SHEET – PARENT COMPANY

2 / 2

(KSEK)	Note	31/12-2019	31/12-2018
Equity and liabilities			
Equity	12		
Restricted equity			
Share capital		1 242	1 035
Total restricted equity		1 242	1 035
Non-restricted equity			
Premium fund		42 223	20 585
Balanced result		-11 646	-516
Earnings/loss for the year		-1 917	-11 446
Total non-restricted equity		28 660	8 623
Total equity		29 902	9 658
Current liabilities			
Accounts payable		0	47
Liabilities to subsidiaries		0	10 023
Other liabilities		156	0
Accrued expenses and deferred income	14	150	150
Total short-term liabilities		306	10 220
Total equity and liabilities		30 208	19 878

CASH FLOW STATEMENT – PARENT COMPANY

(KSEK)	Note	2019 1/1-31/12	2018 1/1-31/12
Operating activities			
Operating profit		-1 959	-1 519
Adjusted for non-cash flow items	15	316	508
Interest received		399	0
Interest paid		-41	-62
Cash flow from operating activities before changes in working capital		-1 285	- 1 073
Cash flow from changes in working capital			
Changes in operating receivables		430	-253
Change in operating liabilities		-35	-1 214
Cash flow from operating activities		-890	-2 540
Investment activities			
Loan to subsidiary		-32 715	0
Cash flow from investment activities		-32 715	0
Financing activities			
Rights issue		21 845	0
Cash flow from financing activities		21 845	0
Cash flow for the year		-11 760	-2 540
Cash and cash equivalents at beginning of year		14 294	16 834
Cash and cash equivalents at end of year	16	2 534	14 294

CHANGE OF EQUITY – PARENT COMPANY

1/1-2018 – 31/12-2018

(KSEK)	Share capital	Other contri- buted 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	0
Issue of warrants			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

CHANGE OF EQUITY – PARENT COMPANY

1/1-2019 – 31/12-2019

(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
Issue of warrants			316		316
The result of the period				-1 917	-1 917
At the end of the period (31/12-2019)	1 242	42 223	-11 646	-1 917	29 902

ADDITIONAL DISCLOSURES

NOTE 1

Accounting and valuation policies

The Group and the Parent Company apply the Swedish Annual Accounts Act as well as the Swedish Accounting Standards Board BFAR 2012:1 annual report and consolidated (K3) in the preparation of financial reports.

Reporting currency

The annual report is prepared in Swedish kronor. Amounts are stated in KSEK unless specified otherwise.

Consolidated financial statements

The consolidated accounts cover the parent company and those subsidiaries in which the parent company directly or indirectly holds more than 50 percent of the voting rights or otherwise has a controlling influence. The consolidated accounts have been prepared according to the purchase method, which entails that equity in the subsidiaries at the time of acquisition is eliminated in full. The Group's equity thus only includes the portion of equity of each subsidiary that has been added after the acquisition.

If the consolidated cost of acquisition of the subsidiaries' shares exceed the fair value of the net assets according to the acquisition analysis, the difference is recognized as goodwill on consolidation.

Intra-group balances and internal profits are eliminated in full.

The translation of foreign subsidiaries is carried out using the current method. This means that the balance sheets are translated at the exchange rates on the balance sheet date, and the income statements are translated at the average exchange rates during the period. The arising translation differences are recognized directly in equity.

Cash flow statement

The cash flow statement is drawn up using the indirect method, with adjustments made for the effects of non-cash transactions. In addition to cash and bank balances and group account balances, cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue recognition

The Group's revenue mostly comprises received contributions and grants which are recognized as revenue for the period in which the work associated with the received contributions and grants is performed. When applicable, the revenue can be offset against the cost that the grant or contribution is intended to cover. If the contribution or grant is subject to terms that may lead to a repayment obligation, the recognition of revenue takes place only when it is possible to foresee with a sufficient degree of probability that the contribution or grant will not be recovered.

Internally generated intangible fixed assets

The capitalization model is used for recognizing development expenses, meaning that such expenses are recognized as intangible fixed assets when all of the factors below have been fulfilled:

- It is technically and financially possible to complete the asset
- There is intent and prerequisite to use or sell the asset
- It is likely that the asset will generate revenue or give rise to cost savings
- The expenses can be reliably calculated

The cost of an internally generated intangible asset comprises all directly attributable development expenditure that is required for the asset to be used in the manner intended by the management.

As of the balance sheet date, all internally generated intangible fixed assets are amortized in full.

Tangible fixed assets

Tangible fixed assets are recognized at cost less depreciation according to plan on the basis of the estimated useful life of each asset. The following depreciation periods are applied by the parent company as well as the group companies.

Equipment, tools, fixtures and fittings: 5 years

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency are translated at the exchange rate at the balance sheet date. The difference between cost and the value at the balance sheet date is recognized through the income statement. To the extent that receivables and liabilities in foreign currency are subject to hedging, they are translated using the forward rate.

Impairment losses

If an indication is found of fall in value of an asset, the asset's recoverable amount is determined. If the carrying amount exceeds the recoverable amount, the asset is written down to the lower amount. The recoverable amount is defined as the highest of the fair value and the value in use. The value in use is defined as the present value of the estimated future cash flows that the asset will generate.

Impairment losses are recognized through the income statement.

Income taxes

Reporting of income taxes include current tax and deferred tax. Taxes are reported in the income statement, unless the tax is attributable to an event or transaction that is reported directly in equity. In such events, related tax effects are also recognized in equity. Deferred tax is recognized according to the balance sheet method for all material temporary differences. Temporary differences arise when the book value differs from the tax value of an asset or a liability. Deferred tax liabilities are calculated on the basis of the tax rates that are decided or announced at the balance sheet date, currently 21.4 percent. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The Group recognizes tax reliefs relating to R&D work in Denmark in accordance with the Danish tax rules.

Financial instruments

Financial assets and liabilities are recognized using the cost model. Long-term receivables and short-term liabilities are measured at amortized cost, which corresponds to the present value of the remaining payments discounted using the effective interest rate calculated at the time of acquisition. Short-term receivables are recognized at cost or net realizable value, whichever is lowest. Current liabilities, which are expected to be settled within 12 months, are measured at the nominal amount.

Borrowings

The Group has no borrowings as of 31 December 2019.

Accounts payable

Accounts payable are payment obligations related to goods or services acquired from suppliers in the course of the operating activities. Accounts payable are classified as short-term liabilities if they fall due for payment within one year.

Employee stock options

The Annual General Meeting on 28 May 2018 resolved to establish a Series 2018/2020 and a Series 2018/2021 warrant program for the Group's employees and key personnel. The employee warrants, totaling 360,000 warrants, carry the right to subscribe for newly issued shares in 2cureX AB in the period 28 May 2020 to 28 September 2020 and in the period 1 April 2021 to 28 September 2021, respectively.

Each subscription warrant entitles the holder to subscribe for 1 share, at a subscription price of 8.86 SEK per share. Upon full exercise of the issued warrants, the share capital would increase by 36,000 SEK. The employee warrants will be subject to the usual conversion terms in connection with new share issues, etc. The warrant program impacts the Group's result for 2019 in the form of personnel costs in the amount of 335 KSEK (551 KSEK), including associated social security contributions. The Group's future result will be impacted by additional personnel costs as the employee warrants are earned.

Accounting policies of the parent company

Participations in Group companies

In the parent company, participations in Group companies are initially recognized at cost, which includes any transaction expenses that are directly attributable to the acquisition of the shares. Share issue proceeds and shareholder contributions are added to the acquisition value. If the fair value is lower than the carrying amount, the shares are written down to the fair value if it can be assumed that the fall in value is permanent.

Equity

The parent company's equity is divided into restricted equity, consisting of share capital, and unrestricted equity, consisting of premium reserve, retained earnings and net profit for the year.

NOTE 2

Estimates and assessments

The preparation of financial reports requires the management to make judgements and estimates that affect the reported amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments. Those estimates and assessments that may lead to a risk of having to materially adjust the carrying amounts of assets and liabilities are primarily the valuations of shares in Group companies.

It is examined every year whether there are any indications that the value of the assets

is lower than the recognized value. If such an indication is found, the asset's recoverable amount is determined. This is the highest of the fair value of the asset less costs to sell and the value in use.

DISCLOSURES ON INDIVIDUAL ITEMS

NOTE 3

Other operating income

Group	2019	2018
Received contributions	11 982	7 675
Total other operating income	11 982	7 675

NOTE 4

Average number of employees, salaries and other remunerations

Average number of employees	2019			2018		
	Number of employees	Woman	Men	Number of employees	Woman	Men
<i>Parent Company</i>						
Sweden	0	0	0	0	0	0
<i>Subsidiaries</i>						
Denmark	7	3	4	5	3	2
Germany	4	2	2	4	2	2
Group in total	11	5	6	9	5	4
<i>Management</i>						
Board of Directors	5	1	4	5	1	4
CEO and other senior executives	2	0	2	2	0	2

Personnel costs	Salaries and remunerations	Social security costs	Salaries and remunerations	Social security costs
Parent company (of which pension costs)	233	31 (0)	0	0 (0)
Subsidiaries (of which pension costs)	9 605	569 (0)	7 629	522 (0)
Group, total (of which pension costs)	9 838	600 (0)	7 629	522 (0)

Specification of salaries and other remuneration for board members and the CEO for 2019

	Salary	Benefits	Pension	Total
Povl-André Bendz, <i>Chairman of the Board</i>	200	0	0	200
Jørgen Drejer, <i>Member of the board</i>	100	0	0	100
Camilla Huse Bondsson, <i>Member of the board</i>	100	0	0	100
Timm Jessen, <i>Member of the board</i>	0	0	0	0
Ole Thastrup, <i>CEO</i>	1 609	0	0	1 609

Specification of salaries and other remuneration for board members and the CEO for 2018

	Salary	Benefits	Pension	Total
Povl-André Bendz, <i>Chairman of the Board</i>	0	0	0	0
Jørgen Drejer, <i>Member of the board</i>	0	0	0	0
Camilla Huse Bondsson, <i>Member of the board</i>	0	0	0	0
Timm Jessen, <i>Member of the board</i>	0	0	0	0
Ole Thastrup, <i>CEO</i>	1 561	0	0	1 561

The CEO of the parent company is remunerated through subsidiaries.

The following individuals within the Group have been allotted employee warrants free of charge. The warrant program impacts the Group's result for 2019 in the form of personnel costs in the amount of 335 KSEK (551 KSEK), including associated social security contributions.

Jørgen Drejer	<i>Member of the board, 2cureX AB</i>	33 272 warrants
Povl-André Bendz	<i>Member of the board, 2cureX AB</i>	67 232 warrants
Jürgen Kupper	<i>Managing Director, 2cureX GmbH</i>	150 501 warrants
Maarten van der Linden	<i>Chief Business Officer, 2cureX AS</i>	46 662 warrants

NOTE 5

Profit from participations in Group companies

Parent Company	2019	2018
Impairment loss on holdings associated companies	-316	-9 865
Total	-316	-9 865

NOTE 6

Other interest income and similar items

Parent Company	2019	2018
Interest income from associated companies	399	0
Total	399	0

NOTE 7

Interest costs and similar items

	Group		Parent Company	
	2019	2018	2019	2018
Interest expenses	-662	-106	-41	-62
Total	-662	-106	-41	-62

NOTE 8

Tax on profit for the year

	Group		Parent Company	
	2019	2018	2019	2018
Current tax	1 478	1 278	0	0
Deferred tax liabilities	0	0	0	0
<i>Theoretical tax</i>				
Reported profit before tax	-9 411	-8 542	-1 917	-11 446
Tax according to the applicable tax rate, 21.4% (22%)	2 014	1 879	410	2 518
<i>Reconciliation of recognized tax</i>				
Difference between book and tax depreciation	0	131	0	0
Non-deductible costs	-7	-2	-316	-2 170
Effect of foreign tax	-41	0	0	0
Unvalued loss carryforwards	-487	-730	-94	-348
Total	1 478	1 278	0	0

Tax loss carryforwards amount to 4,838 KSEK (2,605 KSEK) for the parent company. Tax loss carryforwards for the Group amount to 16,564 KSEK (14,288 KSEK). Deferred tax assets have not been taken into account. Tax loss carryforwards are not limited in time.

NOTE 9**Capitalized development expenditure**

Group	31/12-2019	31/12-2018
Cost, opening balance	4 816	4 630
Translation differences for the year	73	186
<i>Accumulated cost, closing balance</i>	<i>4 889</i>	<i>4 816</i>
Amortization, opening balance	-4 816	-4 630
Translation differences for the year	-73	-186
<i>Accumulated amortization, closing balance</i>	<i>-4 889</i>	<i>-4 816</i>
Reported value	0	0

NOTE 10**Equipment, tools, fixtures and fittings**

Group	31/12-2019	31/12-2018
Cost, opening balance	2 865	1 602
Acquisitions for the year	59	1 198
Divestments for the year	-150	0
Translation differences for the year	-45	65
<i>Accumulated cost, closing balance</i>	<i>2 729</i>	<i>2 865</i>
Depreciation, opening balance	-1 481	-1 009
Depreciation for the year	-436	-431
Divestments for the year	127	0
Translation differences for the year	77	-41
<i>Accumulated depreciation, closing balance</i>	<i>-1 714</i>	<i>-1 481</i>
Reported value	1 015	1 384

NOTE 11**Participations in Group companies**

Parent Company	31/12-2019	31/12-2018
Cost, opening balance	14 865	5 000
Shareholder contributions	316	9 865
<i>Accumulated cost, closing balance</i>	<i>15 181</i>	<i>14 865</i>
Impairment, opening balance	-9 865	0
Impairment for the year	-316	-9 865
<i>Accumulated impairment, closing balance</i>	<i>-10 181</i>	<i>-9 865</i>
Reported value	5 000	5 000

<i>Specifications of subsidiaries</i>	<i>Reg. no.</i>	<i>Registered office</i>	<i>Number of shares</i>	<i>Share of capital and votes</i>	<i>Reported value</i>
2cureX A/S	29 41 88 88	Copenhagen	500 000	100%	5 000
2cureX GmbH	HRB 137736	Hamburg	25 000	(100%)	–

NOTE 12**Equity**

There are 12,420,000 shares, each with a quota value of 0.10 SEK.

NOTE 13**Receivables from Group companies**

Parent Company	31/12-2019	31/12-2018
Cost, opening balance	0	0
Changes for the year	22 376	0
<i>Accumulated cost, closing balance</i>	<i>22 376</i>	<i>0</i>
Reported value	22 376	0
<i>Distribution of receivables:</i>		
2cureX A/S	22 376	0
2cureX GmbH	0	0

NOTE 14**Accruals and deferred income**

	Group		Parent Company	
	2019	2018	2019	2018
Deferred EU grant	6 074	8 224	0	0
Personnel-related costs	649	330	0	0
Other accrued expenses	1 456	931	150	150
Total	7 599	9 485	150	150

NOTE 15**Non-cash items**

	Group		Parent Company	
	2019	2018	2019	2018
Depreciation	436	431	0	0
Issue of warrants	316	551	316	508
Realized results, tangible fixed assets	-20	0	0	0
Translation differences	653	-46	0	0
Total	1 385	936	316	508

NOTE 16**Cash and cash equivalents**

	Group		Parent Company	
	2019	2018	2019	2018
Bank balances	33 720	20 063	2 534	14 294
Total	33 720	20 063	2 534	14 294

NOTE 17

Appropriation of profit or loss

Proposed appropriations of the company's result (SEK)

The following funds are available to the Annual General Meeting:

Premium reserve	42 222 905
Retained earnings	-11 645 915
Net profit or loss for the year	-1 917 349
	28 659 641

The Board of Directors proposes the following distribution:

To be carried forward	28 659 641
	28 659 641

NOTE 18

Contingent liabilities

	31/12-2019	31/12-2018
Rental commitment	110	281
Total	110	281

NOTE 19

Related party transactions

The members of the board and other key individuals within the Group have been allotted employee options free of charge. No other related party transactions have occurred except for the remuneration on market conditions of the members of the board and other key individuals within the Group (see Note 4 for more information).

NOTE 20

Significant events after the reporting period

The Group and the parent company are aware of the complicated situation surrounding the COVID-19 outbreak and the risk that it may impact the Group and the parent company adversely. The current assessment is, however, that this impact will not have a significant effect on the financial position of the Group or the parent company. It is further assessed that measures such as conversions and cost savings quickly can be imposed to counteract deteriorating results.

- 2cureX's clinical trial in colorectal enrolled 75% of the patients
- The core IndiTreat patent granted in Australia
- Clinical partnership with Skåne Univ. Hospital, Sweden
- Grant from German BMBF to develop immunotherapy IndiTreat test

NOTE 21

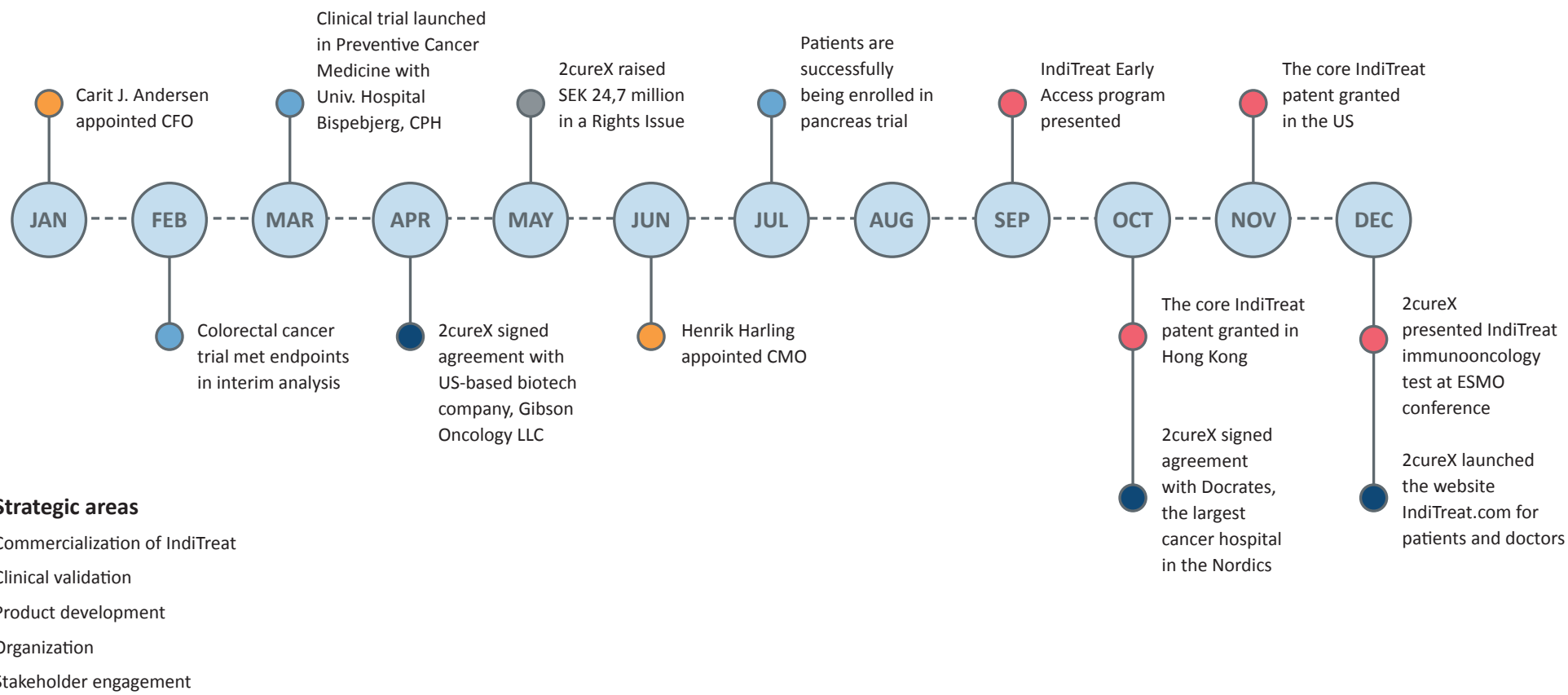
Parent Company

2cureX AB (publ), corporate registration number 559128-0077, is the parent company of a group and prepares consolidated accounts.

2cureX AB is seated in Malmö, Skåne county, with the address: c/o Mazars SET Revisionsbyrå AB, Box 159, 261 22 Landskrona, Sweden.

APPENDIX I

HIGHLIGHTS IN 2019



Q1

- Carit J Andersen was appointed as CFO. Carit has over 25 years of experience in financial controlling and has previously been active in both the private and public sector. Previous assignments include the role as CFO at AstraZeneca A/S.
- Positive interim data from 2cureX's colorectal cancer trial was released. This colorectal cancer trial is an interventional trial performed at Vejle University Hospital where the treatment of patients with metastatic cancer is guided by the IndiTreat test.
- University Hospital Bispebjerg, Copenhagen and 2cureX initiated a feasibility study to evaluate whether IndiTreat can be used in the pan-European screening program for detection of and treatment selection for early stages of colorectal cancer.

Q2

- Gibson Oncology LLC, USA signed an agreement with 2cureX using IndiTreat for stratification of patients in a clinical trial for a novel drug. Gibson Oncology will launch a clinical trial to evaluate a novel drug (LMP-400) for efficacy in metastatic colorectal cancer patients. IndiTreat will be used to select the patients sensitive to the drug.
- A successful Rights Issue with issuance of 2.070.00 new shares was concluded, bringing 24,7 MSEK into 2cureX. The interest for the rights issue was oversubscribed by 241 percent.
- Henrik Harling was appointed CMO. Henrik is an experienced surgeon within colorectal cancer and one of the founders of the Danish Colorectal Cancer Group (DCCG) that sets the guidelines for colorectal cancer treatment. In his role as CMO, Henrik will supervise the Company's multinational clinical studies and actively participate in the launch of IndiTreat®.

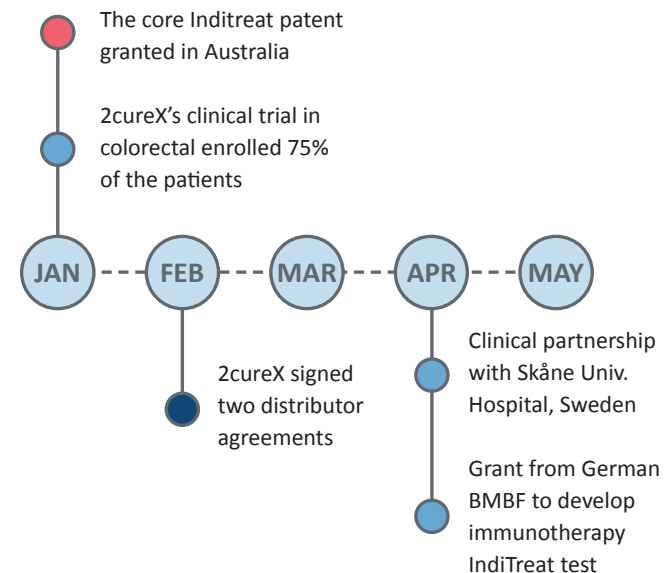
Q3

- The first seven patients were enrolled in the IndiTreat pancreas cancer trial at Vejle University Hospital. The patients are all late stage patients with metastatic disease and are not eligible for surgery. The hope is that IndiTreat can help identify medication that can shrink the tumor to make surgery possible.
- 2cureX presented an Early Access Program in preparation of the market launch of IndiTreat (second half of 2020). The purpose of the Early Access Program is to define the offering, logistics and other details for different customer profiles.

Q4

- The largest private cancer center in the Nordics, Docrates (Helsinki/Finland), and 2cureX signed an Early Access Agreement. Docrates is covering a broad spectrum of cancer diseases with regards to diagnostics, surgery and drug therapy. It is important for 2cureX to address both private and the public hospitals.
- A core patent on the IndiTreat test had previously been granted in Europe. In this quarter it was further granted in the US and in Hong Kong. A strong patent protection of IndiTreat is a cornerstone in a successful product launch.
- 2cureX presented progress on our IndiTreat Immunology test at the European Society of Medical Oncology (ESMO) congress in Geneva in December. Immunotherapy, being one of the fastest growing areas in oncology, is in strong need for a tool that can stratify patients based on their sensitivity to the highly expensive immunotherapy drugs.
- A product website (www.inditreat.com) for the IndiTreat test was launched. The site is meant for patients and physicians. It provides details about the test and information on how to gain access to the test.

Highlights after the reporting period



- 2cureX's clinical trial in colorectal cancer has successfully enrolled 75% of the patients needed to finalize the trial.
- A core patent on the IndiTreat test had previously been granted in Europe, US and Hong Kong and was now further granted in Australia.
- 2cureX established a clinical partnership with Skåne University Hospital, Sweden. This is 2cureX's first partnership with a major Swedish hospital.
- 2cureX received, together with its clinical partner, University Medical Center Hamburg-Eppendorf, a grant from Federal Ministry of Education and Research (BMBF), Germany for adapting IndiTreat to guide immunotherapy for ovarian cancer patients.

ANNUAL REPORT 2019

Malmö, 2 may, 2020

BOARD OF DIRECTORS

Povl-André Bendz
Chairman of the Board

Jørgen Drejer
Member of the board

Camilla Huse Bondesson
Member of the board

Timm Jessen
Member of the board

Ole Thastrup
Member of the Board and CEO

Cecilia Andrén Dorselius
Chartered Accountant

Our audit report was submitted on
Öhrlings PricewaterhouseCoopers AB

AUDITOR'S REPORT

To the general meeting of the shareholders of 2cureX AB (publ),
corporate identity number 559128-0077

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of 2cureX AB (publ) for the year 2019. The annual accounts and consolidated accounts of the company are included on pages 20-44 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-19. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website:

www.revisorsinspektionen.se/revisornsansvar.

This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of 2cureX AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- Has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- In any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar.

This description is part of the auditor's report.

Malmö 4 May 2020

Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius

Authorized Public Accountant



2CUREX AB (publ)

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