

Annual Report for

Oxcia AB

556932-4717

The financial year
2015-01-01 - 2015-12-31

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Directors' Report

The Board of Directors and the managing director of Oxcia AB, 556932-4717, hereby submit the Annual Report 2015, for the company 3rd financial year.

Company overview

Oxcia AB, is located in Solna and operates within the premises of Karolinska Institute, Solna. The company's business strategy is to support early research from the academy in biochemistry and the pharmaceutical chemistry through product development and commercialization. The current activities include notably to help with business and patent strategies and be responsible for negotiations with potential business partners. The company has strong skills in business development, business negotiations, legal and patent issues - all with a focus on life sciences. Behind Oxcia stands 70s scientists, most from Karolinska Institutet.

Important events 2015

The company has focused on implementing its commitments under the 2014 service agreement with Thomas Helledays Foundation for Medical Research (Foundation).

Extensive discussions have been held with several pharmaceutical companies aiming to out licence the so-called MTH1 project. However, after an overall assessment, it was decided that the research and development will continue to be operated as academic research at least until clinical data is available. The project is expected to enter clinical phase 2016/2017

In September, the Foundation extended the Oxcia mandate to include an additional cancer project in the early phase, the so-called dCTPase project. The Oxcia mission is to find a commercial partner to take over the project in 2016. Active negotiations with pharmaceutical companies are under way around the project.

In December, the company moved to new premises at Karolinska Institutet in Solna.

Important events 2016

In January, the Foundation extended the Oxcia mandate to include additional cancer project in early phases. Cooperation with the Foundation now include three projects.

In January, the Foundation strengthened the company's financing and through a conditional shareholder contribution of SEK 1 million and through a new loan of SEK 1 million.

In March, the company received preliminary decision from Almi Företagspartner that it is prepared to grant Oxcia a five-year loan of SEK 2 million.

Development of company operations, result and position

Amounts in SEK

	2015-12-31	2014-12-31	2013-12-31
Net sales	47 000	-	-
Balance Sheet Total	3 653 812	690 886	50 084
Return on capital employed %	-4,3	N/A	N/A
Equity ratio, %	8,8	9,6	99,9

Definitions: see note

The company is in a starting face and has not had any operations previous years

Proposed allocation of company profit or loss

The Board of Directors proposes that the unappropriated earnings, SEK 220 467, are distributed as follows:

	<i>Amounts in SEK</i>
Ackumulated loss	-33 461
Shareholders contribution	400 000
This years loss	-146 072
Total	220 467

distributes to be carried forward 220 467.

Regarding the results and position in general, reference is made to the subsequent results and balance sheet with the associated notes

Income Statement

<i>Amounts in SEK</i>	<i>Note</i>	<i>2015-01-01- 2015-12-31</i>	<i>2014-01-01- 2014-12-31</i>
Net sales		47 000	-
		<u>47 000</u>	<u>-</u>
Operating expenses			
Other external costs		-140 742	-33 528
Employee benefit expenses	2	-52 347	-
Other operating expenses		-8	-
Operating profit		<u>-146 097</u>	<u>-33 528</u>
Profit from financial items			
Other interest income and similar income		25	-
Profit after financial items		<u>-146 072</u>	<u>-33 528</u>
Profit before tax		<u>-146 072</u>	<u>-33 528</u>
Net profit for the year		<u>-146 072</u>	<u>-33 528</u>

Balance Sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2015-12-31</i>	<i>2014-12-31</i>
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
Capitalized expenditure for development and similar	3	3 480 894	416 261
		3 480 894	416 261
Total fixed assets		3 480 894	416 261
Current assets			
<i>Current receivables</i>			
Other receivables		67 385	201 142
Prepaid expenses and accrued income		2 454	-
		69 839	201 142
Cash and bank balances		103 079	73 483
Total current assets		172 918	274 625
TOTAL ASSETS		3 653 812	690 886

Balance Sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2015-12-31</i>	<i>2014-12-31</i>
EQUITY AND LIABILITIES			
Equity	4		
<i>Restricted equity</i>			
Share capital (1 000 000 shares)		100 000	100 000
		100 000	100 000
<i>Non-restricted equity</i>			
Profit or loss brought forward		366 539	67
Profit for the year		-146 072	-33 528
		220 467	-33 461
Total equity		320 467	66 539
Non-current liabilities	5		
Other non current liabilities		3 100 000	-
		3 100 000	-
Current liabilities			
Accounts payable - trade		76 937	6 951
Other current liabilities		3 265	-
Accrued expenses and deferred income		153 143	617 396
		233 345	624 347
TOTAL EQUITY AND LIABILITIES		3 653 812	690 886

Pledged assets and contingent liabilities

Securities pledged

	<i>2015-12-31</i>	<i>2014-12-31</i>
<i>Pledges and securities</i>	<i>None</i>	<i>None</i>

Contingent liabilities

<i>Contingent liabilities</i>	<i>None</i>	<i>None</i>
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Notes

Note 1 Accounting principles

Amounts in SEK unless otherwise stated

General accounting principles

The annual report has been prepared in accordance with the Annual Accounts Act and the Accounting Standards Board's general guidelines BFNAR 2012:1 Annual and Group Reports (K3).

Valuation principles etc.

Assets, provisions and liabilities are valued based on cost unless otherwise stated.

Judgments and estimates

Preparation of financial statements and application of accounting policies, are often based on management judgments, estimates and assumptions deemed to be reasonable at the time the assessment is made. Estimates and assumptions are based on historical experience and several other factors, which under prevailing circumstances are considered reasonable. The results of these are used to assess the carrying amounts of assets and liabilities that are not otherwise evident from other sources. The actual outcome may differ from these estimates.

Translation of foreign currency items

Receivables and payables in foreign currencies are valued at the closing rate. Exchange gains and losses on operating receivables and liabilities are reported in operating result while exchange gains and losses on financial receivables and liabilities are reported as financial items.

Revenue Recognition

Revenue is recognized at the fair value of the company has received or will receive. This means that the company recognizes revenue at nominal value (invoice amount) if the company receives compensation in cash directly at the delivery. Deductions are made for discounts.

The sales of goods are normally recognized as revenue when the significant risks and rewards associated with ownership of the goods have been transferred from the company to the buyer.

Depreciations

Depreciation commences when the project has been completed.

Note 2 Employees and personnel costs

Salaries and other remunerations and social costs, including retirement costs

	2015-01-01- 2015-12-31	2014-01-01- 2014-12-31
Salaries and other remuneration:	47 500	-
Social costs	4 847	-

Salaries and expenditures relates to one parttime male employee .

Note 3 Capitalised expenditure for development work and similar

	2015-12-31	2014-12-31
<i>Accumulated cost of acquisitions</i>		
- At beginning of year	416 261	-
-Miscellaneous investments	3 064 633	416 261
At the end of the year	3 480 894	416 261
<i>Accumulated depreciation</i>		
At the end of the year	-	-
Carrying amount at year-end	3 480 894	416 261

The acquisition value has been reduced with a public contribution from Vinnova of 450 000 SEK received year 2014 och 2015. The item also includes interest on long term debt of 76,660 kronor.

Note 4 Equity

	2015-12-31	2014-12-31
Specification of restricted and unrestricted equity:		
Share capital	100 000	100 000
Total restricted equity	100 000	100 000
Accumulated profit	-33 461	67
Shareholders contribution	400 000	-
Profit for the year	-146 072	-33 528
Total unrestricted equity	220 467	-33 461
Total equity	320 467	66 539

Conditional reimbursement obligation for shareholders' contributions amounted to SEK 400 000 (SEK 0). The company's shares are divided into 400 000 A shares representing 10 votes and 600 000 B shares representing 1 vote.

Note 5 Other longterm liabilities

The item is a loan from Thomas Helledays Stiftelse för Medicinsk Forskning. The loan has an interest of 3 % and is expected to be paidback in 2016 and 2017.

Not 6 Tax

The Company's result pre tax is -146 072 kr (-33 528 kr) and there are no material items effecting the relation between the taxcost for the year and the accounted taxcost. The taxcost for the year is 0 kr (0 kr).

Signatures

Solna the 2016

Ulrika Warpman Berglund
Chairman of the Board

Jan Zetterberg
Managing Director

Johannes Linde

Annika Jenmalm Jensen

My Audit Report was submitted on 2016

Ernst & Young AB

Magnus Karlström
Authorized public accountant