Adcendo ApS

Nordre Fasanvej 215
2000 Frederiksberg
CVR No. 38780093

Annual report 2024

The Annual General Meeting adopted the annual report on 22.05.2025

Lasse René Sørensen
Chairman of the General Meeting

Contents

Entity details

Entity

Adcendo ApS
Nordre Fasanvej 215
2000 Frederiksberg

Business Registration No.: 38780093
Registered office: Frederiksberg
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Laura Kay Shawver, Chair of the Board
Cariad Chester
Chun Chi Carolyn Ng
Nandita Shangari Batra
Pieter Jeroen Bakker
Ohad Hammer
Iyona Rajkomar
Roy Dennis Baynes
Michael Friedrich Pehl

Executive Board

Michael Friedrich Pehl
Christoffer Fagernæs Nielsen
Pernille Kristine Hemmingsen
Dominik Mumberg
Lone Harild Ottesen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Adcendo ApS for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 22.05.2025

Executive Board

Michael Friedrich Pehl

Christoffer Fagernæs Nielsen

Pernille Kristine Hemmingsen

Dominik Mumberg

Lone Harild Ottesen

Board of Directors

Laura Kay Shawver
Chair of the Board

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Roy Dennis Baynes

Michael Friedrich Pehl

Independent auditor's report

To the shareholders of Adcendo ApS

Opinion

We have audited the financial statements of Adcendo ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 22.05.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Sejer Pedersen
State Authorised Public Accountant
Identification No (MNE) mne14986

Jens Serup
State Authorised Public Accountant
Identification No (MNE) mne45825

Management commentary

Primary activities

Adcendo is a global clinical-stage biotech company dedicated to developing transformative first and best-in-class antibody-drug conjugate (ADC) therapies for cancers with high unmet medical need.

Our team of highly specialized experts pioneer the development of groundbreaking novel ADCs through a combination of deep understanding of novel target biology, optimized linker payload technologies, and rationally designed clinical development plans.

We collaborate with a network of international scientific and clinical experts, technology & manufacturing partners, and life sciences investors.

Development in activities and finances

Operational Highlights

In 2024, Adcendo ApS achieved significant milestones, transitioning into a clinical-stage biotechnology company. The company initiated two first-in-human clinical trials:

ADCE-D01: A first-in-class antibody-drug conjugate (ADC) targeting uPARAP, overexpressed in mesenchymal cancers such as soft tissue sarcoma. The Phase I/II ADCElerate-01 trial completed regulatory review in the US with trial initiation activities ongoing and is undergoing regulatory review in the EU.

ADCE-T02: An ADC targeting Tissue Factor, a clinically validated target in various solid tumors. The Phase I Tiffany-01 trial began enrollment in Australia.

These advancements were bolstered by a global licensing agreement with Multitude Therapeutics Inc., granting Adcendo exclusive development and commercialization rights for ADCE-T02 outside Greater China.

Financial Performance

In 2024, Adcendo strengthened its financial position through two key financing events:

Series A Extension: In May, the company raised an additional €16 million, bringing the total Series A funding to €98 million. This extension was led by Dawn Biopharma, a platform controlled by KKR, with participation from existing investors.

Series B Financing: In November, Adcendo completed an oversubscribed $135 million Series B round. The financing was led by TCGX, with new investments from TPG Life Sciences Innovations, Orbimed Advisors, Venrock Healthcare Capital Partners, Surveyor Capital, and Logos Capital, alongside existing investors.
These funds are allocated to advance Adcendo's ADC pipeline, including programs ADCE-B05 and A0401, and to support clinical development through proof-of-concept stages.

The income statement for the financial year 2024 shows a loss of DKK 284m and the Company's balance sheet per 31 December 2024 shows an equity of DKK 661m.

The Company's financial position complies with management's expectations and is considered satisfactory.

Organizational developments

To support its growth, Adcendo expanded its leadership team and board of directors. Notably, in April 2025, Laura Shawver, Ph.D., was appointed Chair of the Board, and Roy Baynes, M.D., Ph.D., joined as an independent, non-executive director and Fang Z. Ni, Pharm.D. was appointed as Chief Financial Officer.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		**(237,296,088)**	**(140,539,637)**
Staff costs	1	(52,879,817)	(35,430,908)
Depreciation, amortisation and impairment losses	2	(8,067,156)	(413,652)
Operating profit/loss		**(298,243,061)**	**(176,384,197)**
Other financial income	3	10,717,530	3,982,471
Other financial expenses	4	(1,764,593)	(3,403,844)
Profit/loss before tax		**(289,290,124)**	**(175,805,570)**
Tax on profit/loss for the year	5	5,500,000	5,500,000
Profit/loss for the year		**(283,790,124)**	**(170,305,570)**
Proposed distribution of profit and loss			
Retained earnings		(283,790,124)	(170,305,570)
Proposed distribution of profit and loss		**(283,790,124)**	**(170,305,570)**

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Acquired licences		261,190,906	0
Intangible assets	6	**261,190,906**	**0**
Other fixtures and fittings, tools and equipment		2,612,197	2,158,042
Leasehold improvements		2,105,391	0
Property, plant and equipment	7	**4,717,588**	**2,158,042**
Deposits		3,180,958	162,801
Financial assets	8	**3,180,958**	**162,801**
Fixed assets		**269,089,452**	**2,320,843**
Other receivables		5,689,839	2,251,959
Income tax receivable		5,500,000	5,500,000
Prepayments	9	19,598,610	7,262,782
Receivables		**30,788,449**	**15,014,741**
Cash		**416,864,900**	**118,274,159**
Current assets		**447,653,349**	**133,288,900**
Assets		**716,742,801**	**135,609,743**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		884,844	331,977
Share premium		1,208,141,978	370,570,207
Retained earnings		(548,081,623)	(264,291,499)
Equity		**660,945,199**	**106,610,685**
Convertible and dividend-yielding debt instruments		0	8,468,272
Other payables		17,903,093	0
Non-current liabilities other than provisions	10	**17,903,093**	**8,468,272**
Trade payables		25,369,202	12,814,355
Other payables		12,525,307	7,716,431
Current liabilities other than provisions		**37,894,509**	**20,530,786**
Liabilities other than provisions		**55,797,602**	**28,999,058**
Equity and liabilities		**716,742,801**	**135,609,743**
Contingent liabilities	11		

Statement of changes in equity for 2024

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	331,977	370,570,207	(264,291,499)	106,610,685
Increase of capital	552,867	837,571,771	0	838,124,638
Profit/loss for the year	0	0	(283,790,124)	(283,790,124)
Equity end of year	**884,844**	**1,208,141,978**	**(548,081,623)**	**660,945,199**

The Company has granted warrants to the Executive Management, consultants and employees under various share-based incentive programs. According to the Company's articles of association, the board of directors is authorised to issue warrants granting the right to subscribe for up to nominally DKK 120,661 Common Shares of DKK 1 each.

At December 31, 2024, the Board of Directors have been granted 75,598 warrants in total.

Warrants granted under the equity incentive plans are classified as equity settled and generally vest over four years' service periods in periodic instalments with graded vesting profiles. Warrants are also exercisable upon an exit event (e.g. IPO or trade sale), which triggers an immediate vesting, or at any time determined by the Board of Directors.

Notes

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	48,066,593	34,735,907
Pension costs	4,567,731	636,042
Other social security costs	245,493	58,959
	52,879,817	**35,430,908**

Average number of full-time employees	**36**	**27**

	Remuneration of Management 2024 DKK	Remuneration of Management 2023 DKK
Total amount for management categories	14,845,502	10,385,738
	14,845,502	**10,385,738**

2 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	7,336,759	0
Depreciation of property, plant and equipment	730,397	413,652
	8,067,156	**413,652**

3 Other financial income

	2024 DKK	2023 DKK
Other interest income	4,334,521	3,486,791
Exchange rate adjustments	6,383,009	495,680
	10,717,530	**3,982,471**

4 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	1,764,593	0
Exchange rate adjustments	0	2,735,596
Other financial expenses	0	668,248
	1,764,593	**3,403,844**

5 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	(5,500,000)	(5,500,000)
	(5,500,000)	**(5,500,000)**

6 Intangible assets

	Acquired licences DKK
Additions	268,527,665
Cost end of year	**268,527,665**
Amortisation for the year	(7,336,759)
Amortisation and impairment losses end of year	**(7,336,759)**
Carrying amount end of year	**261,190,906**

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,712,371	0
Additions	1,108,334	2,181,609
Cost end of year	**3,820,705**	**2,181,609**
Depreciation and impairment losses beginning of year	(554,329)	0
Depreciation for the year	(654,179)	(76,218)
Depreciation and impairment losses end of year	**(1,208,508)**	**(76,218)**
Carrying amount end of year	**2,612,197**	**2,105,391**

8 Financial assets

	Deposits DKK
Cost beginning of year	162,801
Additions	3,018,157
Cost end of year	**3,180,958**
Carrying amount end of year	**3,180,958**

9 Prepayments

The prepayments mainly consist of prepayments for R&D-costs, which includes payments for materiel to be used in the R&D-process.

10 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK
Other payables	17,903,093
	17,903,093

11 Contingent liabilities

Acquired Licenses and Rights

Adcendo has certain contingent commitments under license agreements that may become due in the future. The table below indicates potential development and revenue-related payments that Adcendo may be required to make once specific milestones events are achieved:

(million DKK)	31 Dec 2024
Future potential Development or Regulatory Milestones	2,264
Future potential Sales Milestones	5,292
Future potential Royalty Payments	2,088
Total	**9,644**

These milestone payments generally become due and payable only upon the achievement of certain development, clinical, regulatory and commercial milestones. The events triggering such payments or obligations have not yet occurred.

Both the amounts and the timing of the actual payments are uncertain.

Leases

The Company has rental and lease commitments of DKK 7,702,032. (2023: DKK 250,345).

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the Transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises other operating income and external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for Research & Development, manufacturing of drugs, premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses
Depreciation and amortisation comprise depreciation of property, plant and equipment, Leashold improvements and amortisation of acquired licenses.

Other financial income
Other financial income comprises interest income from cash and realized and unrealized exchange gains on foreign currency transactions.

Other financial expenses
Other financial expenses comprise interest expense from loan liabilities and realized and unrealized exchange losses on foreign currency transactions.

Tax on profit/loss for the year
The income tax for the period comprises current and deferred tax.

Balance sheet

Acquired licenses
Licenses acquired separately are initially measured at cost. Subsequently, licenses are amortised over their useful lives on a straight-line basis. The useful life has been estimated to 18 years. The amortisation period and method are reviewed at each reporting date.

Adcendo has decided to exclude from the initial measurement of acquired licenses variable payments which depend on a future event such as development and regulatory milestone payments. The obligation for such variable payments is recognised as a liability when incurred. If the variable payments are triggered by the use of the license, the cost is recognised as an expense when incurred. If the variable payments relate to the cost of the license, the cost is recognised as an adjustment to the carrying amount of the license.

The carrying amount is subject to annual impairment tests in order to identify any indications of impairment beyond those expressed by amortisation.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	0 %
Leasehold improvements	5 years	0 %

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equaling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable
Current tax assets for the current and prior periods shall be measured at the amount expected to be recovered from the taxation

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.