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KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET  
REVISIONSAKTIESELSKAB

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# Medilet ApS

c/o Jan Quistgaard, Tuborg Bakkedrag 2 1. tv., 2900 Hellerup

Company reg. no. 32 89 14 70

## Annual report

**1 January - 31 December 2021**

The annual report has been submitted and approved by the general meeting on the 20 June 2022.

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Jan Quistgaard  
Chairman of the meeting



## Contents

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	<b><u>Page</u></b>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Management's review	6
<b>Financial statements 1 January - 31 December 2021</b>	
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies	12

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



## **Management's statement**

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Today, the managing director has presented the annual report of Medilet ApS for the financial year 1 January - 31 December 2021.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 20 June 2022

**Managing Director**

Jan Quistgaard



## **Independent auditor's report**

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### **To the Shareholders of Medilet ApS**

#### **Opinion**

We have audited the financial statements of Medilet ApS for the financial year 1 January - 31 December 2021, which comprise income statement, statement of financial position, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the results of the company's activities for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company 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.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.



## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 company'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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

### **Statement on the Management's Review**

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.



## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that Management's Review is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the Management's Review.

Copenhagen, 20 June 2022

### **Christensen Kjarulff**

Statsautoriseret Revisionsaktieselskab

Company reg. no. 15 91 56 41

### **Iver Haugsted**

State Authorised Public Accountant

mne10678



## Company information

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### **The company**

Medilet ApS  
c/o Jan Quistgaard  
Tuborg Bakkedrag 2 1. tv.  
2900 Hellerup

Company reg. no. 32 89 14 70  
Established: 3 May 2010  
Domicile: Gentofte  
Financial year: 1 January - 31 December

### **Managing Director**

Jan Quistgaard

### **Auditors**

Christensen Kjørulff  
Statsautoriseret Revisionsaktieselskab  
Store Kongensgade 68  
1264 København K



## Management's review

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### **The principal activities of the company**

The principal activities of the company Medilet ApS are a new medical device company started in June 2014 and the focus will primarily be on the formulation and development of medical device products.

Medilet ApS concentrates on research and development and manufacturing, aiming at products and processes that are patentable and have a broad appeal.

The Company has today developed its first medical device system, a novel dual chamber syringe, Dualet, a unique technology protected by worldwide patents and new applications will be filed during the development period with more features that will further improve the technology compared to the dual chamber syringe products on the market. So, compared to the leading existing technology, Dualet offers unique benefits breaking new ground especially for home care patients with its unusual simple and extremely safe technology.

The market for dual chamber syringes is dominated by one company in a market growing extremely fast to reach >\$3.3 billion in few years.

The business strategy is to be able alone or with a co-developer to control most aspects of the drug development efforts from product formulation to clinical testing, regulatory submissions, and manufacturing. Consequently, Medilet will increasingly focus its resources on a range of Dualet products securing licensing agreements with major pharmaceutical companies securing significant royalty and product revenues.

### **Uncertainties about recognition or measurement**

Medilet is a R&D company and therefore with a built-in uncertainty about recognition and measuring of the actual and activated patent and R&D costs. All costs incurred will be carried at cost. The real value of assets for the company is not known until the company's products are closer to be finalized and ready for marketing.

### **Development in activities and financial matters**

Following the deadlock by the Covid-19 period Medilet is now gearing up by extending the seed loan of DKK 4.2 million and a loan of DKK 2.740 million and seeking a new private placement of DKK 30 million from ongoing discussions with two new investors. By this, Medilet will secure the ongoing product development that will lead to new licensing agreements with pharma customers.

### *Capital resources*

Medilet's continued operation is conditional on injections of the above-mentioned activities.





## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross loss</b>	<b>-21.919</b>	<b>-23.513</b>
<b>Pre-tax net profit or loss</b>	<b>-21.919</b>	<b>-23.513</b>
Tax on net profit or loss for the year	4.822	5.186
<b>Net profit or loss for the year</b>	<b>-17.097</b>	<b>-18.327</b>
<b>Proposed appropriation of net profit:</b>		
Allocated from retained earnings	-17.097	-18.327
<b>Total allocations and transfers</b>	<b>-17.097</b>	<b>-18.327</b>



## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Non-current assets</b>		
3 Concessions, patents, licenses, trademarks, and similar rights acquired	4.178.721	4.178.720
4 Development projects in progress and prepayments for intangible assets	8.895.759	8.878.001
Total intangible assets	<u>13.074.480</u>	<u>13.056.721</u>
<b>Total non-current assets</b>	<b><u>13.074.480</u></b>	<b><u>13.056.721</u></b>
<b>Current assets</b>		
Other receivables	5.032	29.176
Total receivables	<u>5.032</u>	<u>29.176</u>
Cash on hand and demand deposits	1.618	3.778
<b>Total current assets</b>	<b><u>6.650</u></b>	<b><u>32.954</u></b>
<b>Total assets</b>	<b><u>13.081.130</u></b>	<b><u>13.089.675</u></b>



## Balance sheet at 31 December

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All amounts in DKK.

### Equity and liabilities

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity</b>		
Contributed capital	125.000	125.000
Reserve for development costs	2.713.598	2.699.746
Retained earnings	-2.968.862	-2.937.913
<b>Total equity</b>	<b>-130.264</b>	<b>-113.167</b>
<b>Provisions</b>		
Provisions for deferred tax	2.638.982	2.639.897
<b>Total provisions</b>	<b>2.638.982</b>	<b>2.639.897</b>
<b>Liabilities other than provisions</b>		
Bank loans	29	0
Trade payables	2.893.758	2.898.070
Other payables	7.678.625	7.664.875
Total short term liabilities other than provisions	10.572.412	10.562.945
<b>Total liabilities other than provisions</b>	<b>10.572.412</b>	<b>10.562.945</b>
<b>Total equity and liabilities</b>	<b>13.081.130</b>	<b>13.089.675</b>

### 1 Uncertainties concerning the enterprise's ability to continue as a going concern



## Statement of changes in equity

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Reserve for development costs</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2020	125.000	2.661.079	-2.880.919	-94.840
Profit or loss for the year brought forward	0	0	-18.327	-18.327
Transferred to retained earnings	0	38.667	0	38.667
	0	0	-38.667	-38.667
Equity 1 January 2021	125.000	2.699.746	-2.937.913	-113.167
Profit or loss for the year brought forward	0	0	-17.097	-17.097
Transferred to retained earnings	0	13.852	0	13.852
	0	0	-13.852	-13.852
	<b>125.000</b>	<b>2.713.598</b>	<b>-2.968.862</b>	<b>-130.264</b>



## Notes

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All amounts in DKK.

### 1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company's liabilities exceed its assets by DKK 130.264 as of 31 December 2021. This indicates uncertainties which could give rise to doubts about the company's activity as a going concern.

The continued operation of the company is depending on the maintenance of financing from the company's investors.

Management believes that the company's financing will be maintained in the future. The management has prepared the annual accounts on a going concern basis.

	<u>2021</u>	<u>2020</u>
<b>2. Staff costs</b>		
Average number of employees	<u>2</u>	<u>2</u>
	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>3. Concessions, patents, licenses, trademarks, and similar rights acquired</b>		
Cost 1 January	4.178.721	4.043.591
Additions during the year	<u>0</u>	<u>135.129</u>
<b>Cost 31 December</b>	<u><b>4.178.721</b></u>	<u><b>4.178.720</b></u>
<b>Carrying amount, 31 December</b>	<u><b>4.178.721</b></u>	<u><b>4.178.720</b></u>
<b>4. Development projects in progress and prepayments for intangible assets</b>		
Cost 1 January	8.878.001	8.855.838
Additions during the year	<u>17.758</u>	<u>22.163</u>
<b>Cost 31 December</b>	<u><b>8.895.759</b></u>	<u><b>8.878.001</b></u>
<b>Carrying amount, 31 December</b>	<u><b>8.895.759</b></u>	<u><b>8.878.001</b></u>



## Accounting policies

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The annual report for Medilet ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Income statement**

#### **Gross loss**

Gross loss comprises external costs and depreciation and impairment of non-current assets

Other external costs comprise costs for administration.

#### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.



## Accounting policies

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### Statement of financial position

#### **Intangible assets**

##### **Development projects, patents, and licences**

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

#### **Goodwill**

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

#### **Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible fixed assets as well as equity investment in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.



## Accounting policies

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Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

### **Equity**

#### **Reserve for development costs**

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

#### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.





## Accounting policies

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### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

## Jan Quistgaard

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Som Direktør NEM ID  
PID: 9208-2002-2-481042011872  
Tidspunkt for underskrift: 23-06-2022 kl.: 09:10:11  
Underskrevet med NemID

## Iver Haugsted

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Som Revisor NEM ID  
RID: 1127991245060  
Tidspunkt for underskrift: 23-06-2022 kl.: 13:15:00  
Underskrevet med NemID

## Jan Quistgaard

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Som Dirigent NEM ID  
PID: 9208-2002-2-481042011872  
Tidspunkt for underskrift: 23-06-2022 kl.: 13:32:50  
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