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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 2022

The annual report has been submitted and approved by the general meeting on the 24 July 2023.

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Jan Quistgaard  
Chairman of the meeting



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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 2022.

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 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

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, 21 July 2023

**Managing Director**

Jan Quistgaard



## Independent auditor's report

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### To the Shareholders of Medilet ApS

#### Adverse opinion

We have audited the financial statements of Medilet ApS for the financial year 1 January - 31 December 2022, 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, due to the significance of the matter described in the paragraph "Basis for adverse opinion", the financial statements do not give a true and fair view of the company's assets, equity and liabilities, and financial position at 31 December 2022, nor of the profit of operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### Basis for Adverse Opinion

Management has presented the 2022 financial statements based on going concern. Note 1 in the financial statements on uncertainties concerning the company's ability to continue as a going concern shows that, in addition to maintaining the existing financing, new financing from investors is also required for the company to maintain operations and carry out planned activities. The company has not been able to provide documentary proof to us that such financing agreements are currently confirmed.

In accordance with the Danish Financial Statements Act, the 2022 financial statements should have been prepared considering the forthcoming lack of financing and thereby dissolution of the company, and the recognition and measurement of the company's assets and liabilities should have been adjusted accordingly. It has not been possible to assess the impact of this on the financial statements.

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 Adverse 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.



## Independent auditor's report

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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.

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.



## Independent auditor's report

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- 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.

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.

As evident from the paragraph "Basis for Adverse Opinion", our opinion on the financial statements is modified due to the financial statements being presented on the going concern basis, as required agreements for new financing and continuation of existing agreements with investors are not currently completed.

In our opinion, the Management's review comprises material misstatements in relation to the amounts and other elements affected by the fact that the 2022 financial statements have been presented assuming going concern.

Copenhagen, 21 July 2023

### 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 Kjerulff  
Statsautoriseret Revisionsaktieselskab  
Østbanegade 123  
2100 København Ø



## Management's review

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

The principal activities of Medilet ApS are a medical device company with a focus 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, a unique technology that during the development period will further improve the technology with more features compared to the dual chamber syringe products on the market. So, compared to the leading existing technology, this technology offers unique benefits breaking new ground especially for home care patients with a 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 medical device 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 4.5 million and a loan of DKK 2.74 million and seeking a new private placement of DKK 33 million from ongoing negotiations with a new international investor. By this, Medilet will secure the ongoing development that will lead to licensing agreements with pharma customers.

### **Financial Resources**

As mentioned in note 1 in the financial statement, the company's liabilities exceed its assets. 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.





## Management's review

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### *Capital resources*

Medilect'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>2022</u>	<u>2021</u>
<b>Gross loss</b>	<b>-332.517</b>	<b>-21.919</b>
3 Other financial costs	-645	0
<b>Pre-tax net profit or loss</b>	<b>-333.162</b>	<b>-21.919</b>
Tax on net profit or loss for the year	73.220	4.822
<b>Net profit or loss for the year</b>	<b>-259.942</b>	<b>-17.097</b>
<b>Proposed distribution of net profit:</b>		
Allocated from retained earnings	-259.942	-17.097
<b>Total allocations and transfers</b>	<b>-259.942</b>	<b>-17.097</b>



## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Non-current assets</b>		
4 Concessions, patents, licenses, trademarks, and similar rights acquired	4.178.721	4.178.721
5 Development projects in progress and prepayments for intangible assets	8.895.759	8.895.759
Total intangible assets	<u>13.074.480</u>	<u>13.074.480</u>
<b>Total non-current assets</b>	<b><u>13.074.480</u></b>	<b><u>13.074.480</u></b>
<b>Current assets</b>		
Other receivables	160	5.032
Total receivables	<u>160</u>	<u>5.032</u>
Cash on hand and demand deposits	414	1.618
<b>Total current assets</b>	<b><u>574</u></b>	<b><u>6.650</u></b>
<b>Total assets</b>	<b><u>13.075.054</u></b>	<b><u>13.081.130</u></b>



## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	125.000	125.000
Reserve for development costs	2.713.598	2.713.598
Retained earnings	-3.228.804	-2.968.862
<b>Total equity</b>	<b>-390.206</b>	<b>-130.264</b>
<b>Provisions</b>		
Provisions for deferred tax	2.565.762	2.638.982
<b>Total provisions</b>	<b>2.565.762</b>	<b>2.638.982</b>
<b>Liabilities other than provisions</b>		
Bank loans	29	29
Trade payables	2.891.258	2.893.758
Other payables	8.008.211	7.678.625
Total short term liabilities other than provisions	10.899.498	10.572.412
<b>Total liabilities other than provisions</b>	<b>10.899.498</b>	<b>10.572.412</b>
<b>Total equity and liabilities</b>	<b>13.075.054</b>	<b>13.081.130</b>

- 1 **Uncertainties concerning the enterprise's ability to continue as a going concern**
- 2 **Uncertainties concerning recognition and measurement**



## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
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
	<u>0</u>	<u>0</u>	<u>-13.852</u>	<u>-13.852</u>
Equity 1 January 2022	125.000	2.713.598	-2.968.862	-130.264
Profit or loss for the year brought forward	0	0	-259.942	-259.942
	<u>125.000</u>	<u>2.713.598</u>	<u>-3.228.804</u>	<u>-390.206</u>



## 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. 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.

### 2. Uncertainties concerning recognition and 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.

### 3. Other financial costs

	<u>2022</u>	<u>2021</u>
Other financial costs	<u>645</u>	<u>0</u>
	<b><u>645</u></b>	<b><u>0</u></b>
	<u>31/12 2022</u>	<u>31/12 2021</u>

### 4. Concessions, patents, licenses, trademarks, and similar rights acquired

Cost 1 January	<u>4.178.721</u>	<u>4.178.721</u>
<b>Cost 31 December</b>	<b><u>4.178.721</u></b>	<b><u>4.178.721</u></b>
<b>Carrying amount, 31 December</b>	<b><u>4.178.721</u></b>	<b><u>4.178.721</u></b>



## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>5. Development projects in progress and prepayments for intangible assets</b>		
Cost 1 January	8.895.759	8.878.001
Additions during the year	<u>0</u>	<u>17.758</u>
<b>Cost 31 December</b>	<b><u>8.895.759</u></b>	<b><u>8.895.759</u></b>
<b>Carrying amount, 31 December</b>	<b><u>8.895.759</u></b>	<b><u>8.895.759</u></b>



## 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.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses.





## Accounting policies

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### **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.

## 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.



## 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.

### **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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Navnet returneret af dansk MitID var:

Jan Quistgaard

Direktør

ID: be5a73ca-4124-46ad-8342-9923ed420a95

Tidspunkt for underskrift: 24-07-2023 kl.: 11:52:33

Underskrevet med MitID



## Iver Haugsted

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Navnet returneret af dansk NemID var:

Iver Haugsted

Revisor

ID: 1127991245060

Tidspunkt for underskrift: 26-07-2023 kl.: 07:26:00

Underskrevet med NemID

NEM ID

## Jan Quistgaard

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Navnet returneret af dansk MitID var:

Jan Quistgaard

Dirigent

ID: be5a73ca-4124-46ad-8342-9923ed420a95

Tidspunkt for underskrift: 26-07-2023 kl.: 08:35:59

Underskrevet med MitID



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