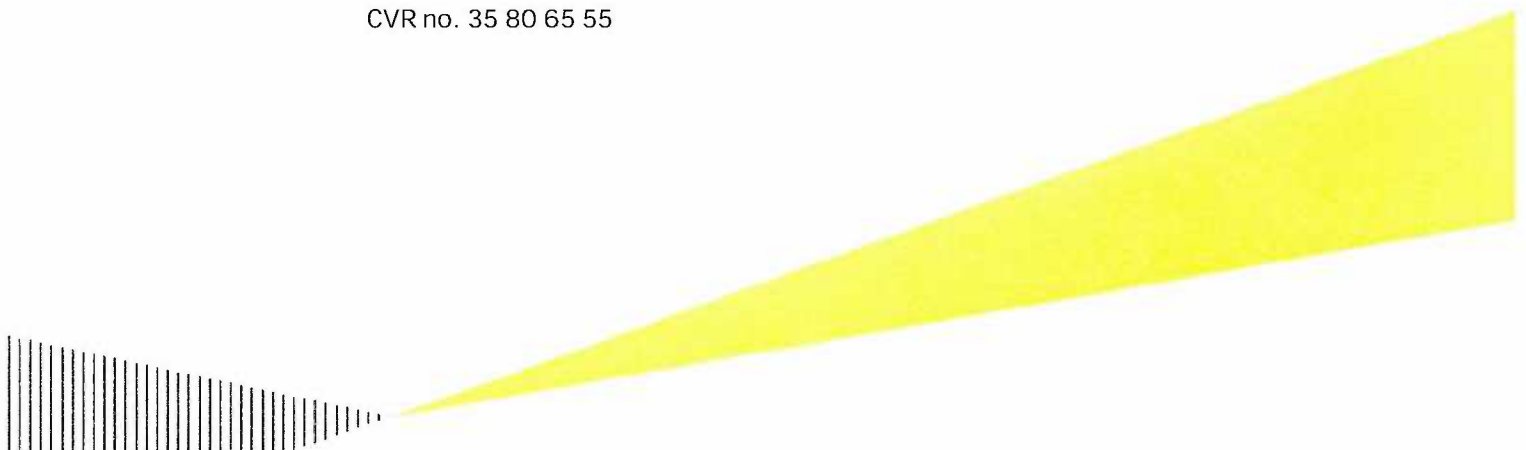


# Injecto A/S

c/o Hellerup Finans, Philip Heymans Allé 3, 4.  
2900 Hellerup, Denmark

CVR no. 35 80 65 55

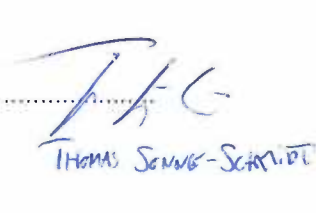
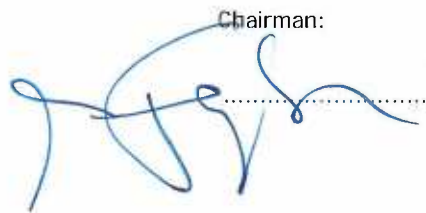


## Annual report

1 September 2015 - 31 August 2016

Approved at the Company's annual general meeting on 27 January 2017

Chairman:



THOMAS SCHWEG-SCHMIDT



Building a better  
working world

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Injecto A/S for the financial year 2015/16.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 August 2016 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 September 2015 - 31 August 2016.

In our opinion, the Management commentary includes a fair review of the development in the Group's and the Company's operations and financial conditions, their results of operations for the year, cash flows and financial position as well as a description of the most significant risks and uncertainties facing the Group and Company.

We recommend that the annual report be approved at the annual general meeting.

Hellerup, 12 January 2017

Executive Board:



Mikael Hans Andranik Hetting

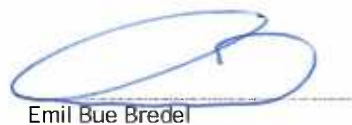
Board of Directors:



Marie Færev  
Chairman



Thomas Sonne-Schmidt



Emil Bue Brede

## Independent auditor's report

To the Shareholders of Injecto A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Injecto A/S for the financial year 1 September 2015 – 31 August 2016, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

*Management's responsibility for the consolidated financial statements and the parent company financial statements*

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' responsibility*

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

*Opinion*

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 August 2016 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 September 2015 – 31 August 2016 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

## Independent auditor's report (continued)

### Statement on the Management's review

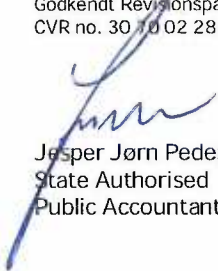
Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 12 January 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 10 02 28



Jesper Jørn Pedersen  
State Authorised  
Public Accountant

## Management commentary

### Company details

Name	Injecto A/S
Address, zip code, city	c/o Hellerup Finans Philip Heymans Alle 3, 4. DK-2900 Hellerup
CVR no.	35 80 65 55
Established	16 March 2014
Registered office	Gentofte, Denmark
First financial year	1 September 2015 - 31 August 2016
Financial year	1 September - 31 August
Website	<a href="http://www.injecto.eu">www.injecto.eu</a>
E-mail	<a href="mailto:info@injecto.eu">info@injecto.eu</a>
Telephone	+45 27 85 10 00
Board of Directors	Marie Foegh, Chairman Thomas Sonne-Schmidt Emil Bue Bredel
Executive Board	Mikael Hans Andranik Hetting
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management commentary

### Operating review

Injecto A/S' position as a knowledge-based company within the medical device industry with main focus on safe injection devices for prefilling with pharmaceutical drugs and vaccines for human beings was strengthened and enhanced significantly in the accounting period by the following events:

- (i) Our Injecto Syringe was awarded as the best innovation for efficient re-use and drug tampering prevention at Pharmapack in Paris in February 2016.
- (ii) Increased global focus on syringes safeguarded against reuse after the WHO in February 2015 set a 2020 target for every country in the world to adopt these kind of syringes for use in all areas of healthcare and hence no longer just in the global international organisations' immunisation campaigns based on the fully implemented Joint Statement back from 1998.
- (iii) The implementation of the Falsified Medicines Directive (Directive 2011/62/EU) and the new, delegated act on safety features (Commission Delegated Regulation (EU) 2016/161 - "the Delegated Regulation").
- (iv) The attraction created by the prestigious award at Pharmapack and our establishment of contact and constructive dialogue with leading global companies in the medical device and pharmaceutical industry.
- (v) Signing of Memorandum of Understanding and/or Letter of Intent with leading global companies, which are expected to materialise in commercial contracts of significant value.
- (vi) The finding that our concept can be used for syringes with glass barrels (despite these kind of syringes do not fulfil ISO 7886-3).
- (vii) Various product developments, including, but not limited to, the important finding and subsequent verification through several tests of our capability to remove lubrication (siliconisation) in the product by access to a patent applied piston (stopper), which is starting to become a game changer in the industry and will set new standards for prefillable syringes.
- (viii) Strengthening of the IP rights by the Danish Patent and Trademark Office's grant of patent on our cornerstone invention further described below.

Based on the positive developments described in items (i)-(viii), the occurred business opportunity of licence sales to manufacturers of glass syringes, a review of our business strategy and our decision to give up the previously pursued joint co-operation regarding production of our Injecto Syringes with barrels made of COC have postponed the need for making investments in production equipment and, hence, limited the projected cash outflow of DKK 18.1 million mentioned in our Management commentary in the last annual report.

Timing-wise, the aforementioned issues have implied that licence sales have overtaken our outsourced production and own sales of the Injecto Syringe and limited the capital demands and our need for a supplementary capitalisation and will, according to our budget for the current financial year from 1/9 2016 to 31/8 2017, create operating profit.

However, as we fully acknowledge our outsourced production and own sales and marketing of our Injecto Syringe at a reputable OEM manufacturer of medical devices as the coming key driving force in Injecto A/S, we are still looking into substantial investments in dedicated production equipment, allowing us through two different kinds of production methods to differentiate our concept for various prefillable syringe types and markets.

In order to limit the dilution of the existing shareholders' shareholding, we seek to optimise the timing of the investments and investment needs with due consideration to the value building without compromising the Company's long-term substantial growth potential. We are in contact with potential investors and strategic alliance partners, who will, in due co-operation with our Management and some of our leading shareholders, ensure that the coming investments in production equipment will not become dependable on the liquidity generated from our expected income from licence sales.

## Management commentary

### Operating review (continued)

Our main customers are still pharmaceutical companies, contractual filling companies for the pharmaceutical companies and medical device companies – as well as combinations thereof. The pharmaceutical companies which select the Injecto Syringe for one or more of their products are responsible for all approvals, since the syringe as parenteral packaging is, legally speaking, an integrated part of their product(s).

### IP rights

In our capacity as a knowledge-based company, we are very focused on and have protected our Injecto Syringe through a basic international patent application under guidance from our external professional patent agent from Awapatent ([www.awapatent.com](http://www.awapatent.com)). Based on the PCT application dated 4 June 2014, Injecto A/S was granted DK Patent 178284 by the Danish Patent and Trademark Office.

In December 2015, we entered the national phase of the patent process on the basis of the aforementioned PCT application under the PCT system where we, on the basis of the Injecto Syringe's substantial global potential, decided to pursue almost the widest possible patent protection by applying for patents in 122 countries that represent more than 5.9 billion of the world's total population of 7 billion people. We are also pursuing supplementary patenting of other inventions.

Our patented and patent applied technologies combined with knowhow about materials and material technology ensure competitive innovative products in which respect we repeat the following, acknowledged advantages to the Injecto Syringe in comparison with traditional syringes for prefilling, which advantages were mentioned in our last annual report:

- (i) It is protected against reuse in accordance with ISO 7886-3.
- (ii) It safeguards the pharmaceutical drug against counterfeiting and dilution.
- (iii) The plunger has been saved and been replaced by the needle cap in accordance with the Injecto-patented design where this cap has a dual functionality both as needle cap and as plunger.
- (iv) It is smaller and lighter than any syringe in the world and has major benefits when it comes to production costs, storage, handling, transportation, disposal and bio-waste.
- (v) It is safeguarded against unintended expulsion of the syringe content during transport and handling.
- (vi) The need for lubricant(s) in the Injecto syringe's barrel can be omitted by option.
- (vii) It is easier to fill with the relevant pharmaceutical drug at the production plant.
- (viii) It offers ease of use and greater safety for the administrator of the injection (and the patient).

In addition to the aforementioned advantages, it should be noted that a new piston type as mentioned above will now enable us to deliver a slightly changed concept where lubrication can be eliminated, which we expect to become a game changer in the industry for prefillable syringes and parenteral packaging.

### Main activities in the accounting period

During the accounting period, Management focused on the following main activities with support from the Board of the Directors and some of the active shareholders and external consultants:

- (i) Protection of the basic technology by patent application and patent strategy and one supplementary patent application.
- (ii) A clear and long-lasting patent strategy.
- (iii) Increased focus on license sales and limitation of the cash flow burden.
- (iv) Strengthening of our IP rights and decision to pursue patent protection in 122 countries with a total population of 5.9 billion people.



## Management commentary

### Main activities in the accounting period (continued)

- (v) Test and follow-up on a lubrication-free, pre-fillable syringe.
- (vi) Exhibition at Pharmapack with the awarded prize and a significant attraction.
- (vii) Negotiation and signing of LOI/MOU with leading global companies.
- (viii) Further negotiations and clarifications under the aforementioned LOI/MOU for the coming entrance of commercial contracts.
- (ix) Establishing contacts and continued dialogue with potential customers.
- (x) Identification of strategic partners and preparation of various strategic alliances.

The above list of activities is not exhaustive.

Management is still very focused on results under due consideration to diligence, financial awareness and responsibility. It is important for the Company to create the most value adding initiative over time by sound investments and value-building..

Based on the aforementioned management philosophy, we decided in the accounting period to keep a lean organisation and limit new hires, instead relying on external consultants.

The loss before depreciation in the amount of DKK 2,575 thousand, and the loss before tax in the amount of DKK 2,665 thousand, leading to a total loss of DKK 2,075 thousand, in the accounting period, were below budget, where the reasons for the deviations are described. We believe that our capitalisation of development costs and amortisation of patents over 20 years are realistic, since the costs have contributed to the core patent and patent applications and will be related to our future expected revenues and profits where we expect to receive full repayment of these costs. Our signing of LOI/MOU with leading companies and the pending negotiations about commercial licences exhibit that our IP rights have the expected maximum lifespan. It should be mentioned in this connection that prefillable syringes as a parenteral package in the pharmaceutical industry normally will be chosen as a long-term solution.

The number of members on the Board of Directors has been reduced in order to make place for new people with supplementary or new competencies. Management has, in full understanding with the Board and some of the leading shareholders, identified suitable candidates and initiated talks with them.

### Events after the accounting period

No events that could have a material adverse effect on Injecto A/S' position have taken place after the end of the accounting period.

On the positive side, we have attracted a former Portfolio Manager from one of our shareholders in full understanding and acceptance with this shareholder and employed him as Vice President for Business Development in order to ensure support to our daily management and focus and testing of potential business opportunities.

### Coming activities, expectations and risk factors

Management has positive expectations as to Injecto A/S' business activities in the coming accounting period where we believe that we will enter the commercial revenue and profit-generating phase.

The size of the investments for our own OEM production at SP Medical A/S and the size of the organisation we intend to build up will be dependable on the opportunities and our decisions with respect to potential strategic alliances where we have initiated talks with reputable companies from a global perspective.

Since our ambitions are also capital-demanding when it comes to strategy, we intend to pursue a further capitalisation of Injecto A/S where Management has a conservative approach in order to ensure the right timing and sufficient liquidity and avoid, or at least limit, unnecessary investments in a still difficult financial market for minor companies based on technology and growth ambitions.

## Management commentary

### Coming activities, expectations and risk factors (continued)

However, based on Injecto A/S' basic product, IP rights and support from the Board of Directors and some of the major shareholders, combined with the global development with the current substantial increase in the market for "the-ready-to-use devices", the expressed goal from the WHO according to a press release from 23 February 2015 about the implementation of syringes prevented against reuse within 2020 and the awareness of fight against drug tampering, we believe that Injecto A/S has all chances of becoming a successful company with a major growth potential over the coming years. The timing is good and the market should be mature for the product and more of our products in the pipeline.

Due to our coming planning and strategy with respect to own production and sales of COC Injecto Syringes, our projections of revenue streams and profit before tax from this production and sales are not included in our present projections, but will be an add-on to the aforementioned figures.

However, the expectations we have expressed with regard to the future should be viewed with due consideration to the following risk factors listed in order of priority:

- (i) Protection of IP rights.
- (ii) Protection against legal disputes about IP rights.
- (iii) Identification of and signing of agreements with the right strategic partners.
- (iv) Penetration of the market with due consideration to pharmaceutical companies' obligation to obtain permission from various public authorities in the relevant countries.
- (v) Timing and time to market.
- (vi) Timing and supplementary capitalisation of the Company.
- (vii) Sufficient resources and timing with respect to the build-up of the right organisation.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Income statement

Note	DKK	2015/16	18 months 2014/15
3	Revenue	566,667	0
	Other external expenses	-2,128,216	-2,440,142
	Gross margin	-1,561,549	-2,440,142
4	Staff costs	-1,030,785	-1,107,968
	Loss before depreciation	-2,592,334	-3,548,110
5, 6	Depreciation	-72,152	-21,100
	Operating loss	-2,664,486	-3,569,210
8	Finance income, etc.	0	151
9	Finance costs, etc.	-306	-40,828
	Loss before tax	-2,664,792	-3,609,887
10	Tax for the year	623,358	724,182
	Loss for the year	-2,041,434	-2,885,705
	Proposed distribution of loss		
	Retained earnings	-2,044,044	-2,880,598
	Non-controlling interests' share of the subsidiary's results of operations	2,610	-5,107
		-2,041,434	-2,885,705

Consolidated financial statements for the period 1 September 2015 – 31 August 2016

Statement of comprehensive income

Note	DKK	2015/16	2014/15
	Loss for the year	-2,041,434	-2,885,705
	Other comprehensive income after tax	-2,041,434	-2,885,705
	Total comprehensive income	-2,041,434	-2,885,705
	Proposed distribution of comprehensive income		
	Retained earnings	-2,044,044	-2,880,598
	Non-controlling interests' share of the subsidiary's results of operations	2,610	-5,107
		-2,041,434	-2,885,705

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Balance sheet

Note	DKK	2015/16	2014/15
	<b>ASSETS</b>		
	Non-current assets		
5	Development projects in progress	2,443,406	913,779
6	Fixtures and fittings, plant and equipment	92,920	11,383
		<u>2,536,326</u>	<u>925,162</u>
	Other non-current assets		
11	Deferred tax	1,347,540	758,231
		<u>1,347,540</u>	<u>758,231</u>
	Total non-current assets	<u>3,883,866</u>	<u>1,683,393</u>
	Current assets		
	Trade receivables	191,667	0
12	Other receivables	200,312	325,589
	Prepayments	20,521	60,704
		<u>412,500</u>	<u>386,293</u>
	Cash	2,286,397	6,946,803
	Total current assets	<u>2,698,897</u>	<u>7,333,096</u>
	<b>TOTAL ASSETS</b>	<u>6,582,763</u>	<u>9,016,489</u>
	<b>EQUITY AND LIABILITIES</b>		
13	Equity		
	Share capital	10,889,992	10,889,992
	Share-based payments	66,789	81,206
	Retained earnings	-4,924,642	-2,880,598
		<u>6,032,139</u>	<u>8,090,600</u>
	Shareholders' share of equity	6,032,139	8,090,600
	Non-controlling interests' share of the subsidiary's results of operations	-2,497	-5,107
	Total equity	<u>6,029,642</u>	<u>8,085,493</u>
	Liabilities		
	Current liabilities		
	Bank debt	0	395,233
	Payables to shareholders and Management	349	349
	Trade payables	331,292	320,663
14	Other payables	221,480	214,751
		<u>553,121</u>	<u>930,996</u>
	Total liabilities	<u>553,121</u>	<u>930,996</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>6,582,763</u>	<u>9,016,489</u>

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Statement of changes in equity

DKK	Share capital	Share premium account	Retained comprehensive income	Share-based payments	Total	Non-controlling interests' share of the subsidiary's results of operations	Total equity
Equity at 16 March 2014	90,000	0	0	0	90,000	0	90,000
Cash capital increase							
28 March 2014	3,750	396,250	0	0	400,000	0	400,000
Cash capital increase							
3 July 2014	14,063	1,485,937	0	0	1,500,000	0	1,500,000
Cash capital increase							
1 October 2014	14,062	1,485,938	0	0	1,500,000	0	1,500,000
Capital increase							
10 November 2014 -							
Bonus shares	3,368,125	-3,368,125	0	0	0	0	0
Cash capital increase							
10 July 2015	543,801	6,699,628	0	0	7,243,429	0	7,243,429
Cash capital increase							
4 August 2015	11,754	144,809	0	0	156,563	0	156,563
Capital increase							
28 August 2015 -							
Bonus shares	6,844,437	-6,844,437	0	0	0	0	0
Total comprehensive income in 2014/15							
Profit/loss for the year	0	0	-2,880,598	0	-2,880,598	-5,107	-2,885,705
Share-based payments	0	0	0	81,206	81,206	0	81,206
Equity at 31 August 2015	10,889,992	0	-2,880,598	81,206	8,090,600	-5,107	8,085,493
Total comprehensive income in 2015/16							
Profit/loss for the year	0	0	-2,044,044	0	-2,044,044	2,610	-2,041,434
Share-based payments	0	0	0	-14,417	-14,417	0	-14,417
Equity at 31 August 2016	10,889,992	0	-4,924,642	66,789	6,032,139	-2,497	6,029,642

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Cash flow statement

Note	DKK	2015/16	2014/15
	Loss before tax	-2,664,792	-3,609,887
5, 6	Adjustment for non-cash operating items, etc.: Depreciation, amortisation and impairment losses as well as loss from disposal of assets	72,152	21,100
	Finance income and costs	306	40,677
	Cash generated from operations (operating activities) before changes in working capital	-2,592,334	-3,548,110
	Changes in working capital	10,783	196,627
	Cash generated from operations (operating activities)	-2,581,551	-3,351,483
	Finance income and costs paid/received	-306	-40,677
	Income taxes paid	0	0
	Cash flows from operating activities	-2,581,857	-3,392,160
	Development projects in progress	-1,575,316	-913,779
6	Acquisition of property, plant and equipment	-108,000	-46,483
6	Disposal of property, plant and equipment	0	14,000
	Cash flows from investing activities	-1,683,316	-946,262
	Capital increase	0	10,889,992
	Change in bank loans and borrowings	-395,233	395,233
	Cash flows from financing activities	-395,233	11,285,225
	Net cash flows from operating, investing and financing activities	-4,660,406	6,946,803
	Cash and cash equivalents at 1 September 2015	6,946,803	0
	Cash and cash equivalents at 31 August 2016	2,286,397	6,946,803

Certain cash flow statement items cannot be directly deduced from the income statement or the balance sheet.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Overview of notes

#### Note

- 1 Accounting policies
- 2 Accounting estimates and judgements
- 3 Revenue
- 4 Staff costs
- 5 Development projects in progress
- 6 Fixtures and fittings, plant and equipment
- 7 Investments in subsidiaries
- 8 Finance income, etc.
- 9 Finance costs, etc.
- 10 Tax for the year
- 11 Deferred tax
- 12 Other receivables
- 13 Equity
- 14 Other payables
- 15 Financial risks and financial instruments
- 16 Contingent liabilities
- 17 Related parties disclosures/shareholder information
- 18 Incentive plans
- 19 Events after the reporting period
- 20 New financial reporting regulation



## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 1 Accounting policies

Injecto A/S is a public company based in Denmark. The annual report of Injecto A/S for 2015/16 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements in the Danish Financial Statements Act.

On 12 January 2017, the Board of Directors and the Executive Board discussed and approved the annual report of Injecto A/S for 2015/16. The annual report is presented to the shareholders of Injecto A/S for approval at the annual general meeting.

#### Basis of preparation

The annual report is presented in DKK.

The annual report has been prepared on the historical cost basis. The Company has no derivative financial instruments, financial instruments in the trading portfolio or financial instruments classified as available for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying amount before the changed classification and fair value less costs to sell.

The accounting policies set out below have been used consistently in respect of the financial reporting period and the comparative figures.

#### Changes in accounting policies

The changes within the IFRS requirements have not resulted in changes in the accounting policies, including the accounting presentation.

Consequently, the accounting policies used in the preparation of the annual report are consistent with those of last year.

#### Consolidated financial statements

The consolidated financial statements comprise the parent company, Injecto A/S, and subsidiaries controlled by Injecto A/S.

Subsidiaries are all entities controlled by the Group. The Group controls an entity when the group is exposed to, or entitled to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Subsidiaries are deconsolidated from the date when such control ceases.

Intercompany transactions, balances and unrealised gains from intra-group transactions are eliminated. The accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as finance income or costs.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as finance income or costs.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Revenue

Revenue from the sale of licences is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excl. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

##### Income statement

##### Other external expenses

Other external expenses comprise expenses relating to advertising, office premises, office expenses, bookkeeping, legal advisers, IT, etc.

##### Staff costs

Staff costs comprise direct costs for wages and salaries, social security, share-based payments and other staff-related costs, including education, lunch, etc.

##### Finance income and costs

Finance income and costs comprise interest income and expense, realised and unrealised gains and losses regarding receivables, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax for the year

Tax for the year comprises current tax and deferred tax adjustments in the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts taken directly to equity is recognised directly in equity.

##### Balance sheet

##### Development projects and patents

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or net selling price can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as research and development costs when incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses. Cost comprises costs directly attributable to the development of development projects.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life from the date when the asset is ready for use. The amortisation period is usually 3-20 years. The basis of amortisation is reduced by write-downs, if any. Amortisation charges are included in production costs.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Fixtures and fittings, plant and equipment

Fixtures and fittings, plant and equipment are measured at cost less accumulated depreciation.

The depreciation base is cost less the expected residual value after ended use.

The cost comprises the acquisition cost and costs directly related to the cost until the time where the asset is ready for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Fixtures and fittings, plant and equipment	2-5 years
--	-----------

Fixtures and fittings, plant and equipment are written down to the lower of the recoverable amount and the carrying amount.

Gains and losses on the disposal of fixtures and fittings, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains and losses are recognised in the income statement as depreciation.

##### Impairment of non-current assets

The carrying amount of other non-current assets is tested annually for evidence of impairment. When there is evidence that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement as depreciation.

Impairment of long-term assets is reversed only to the extent of changes in the assumptions and estimates underlying the impairment calculation. Impairment is only reversed to the extent that the asset's new carrying amount does not exceed the carrying amount of the asset after amortisation had the asset not been impaired.

Deferred tax assets are assessed annually and are only recognised when it is probable that they will be utilised.

##### Receivables and prepayments

Receivables are measured at amortised cost. Write-down is made for bad debt losses after individual assessment.

Prepayments comprise costs incurred concerning subsequent financial years.

##### Equity

##### Dividend

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity. Interim dividends are recognised as a liability at the date when the decision to pay interim dividends is made.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Share premium

Share premium comprises amounts in addition to the nominal share capital that have been paid by the shareholders in connection with capital increases and gains from the disposal of treasury shares. The reserve is part of the Company's distributable reserves.

##### Corporate income tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction. Deferred tax assets, if any, are measured at net realisable value.

Deferred tax assets are subject to annual impairment tests and are recognised only to the extent that it is probable that the assets will be utilised.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

##### Financial liabilities

Amounts owed to banks are recognised at the date of borrowing at the net proceeds received less transaction costs paid.

In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

##### Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated after the indirect method as the profit/loss before tax adjusted for non-cash operating items, changes in working capital, interest, dividends and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and other non-current assets as well as acquisition and disposal of securities not recognised as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, acquisition and disposal of treasury shares and payment of dividends to shareholders.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 1 Accounting policies (continued)

Cash and cash equivalents comprise bank deposits and cash.

Cash flows in other currencies than the functional currency are translated using average exchange rates unless these deviate significantly from the rate at the transaction date.

#### 2 Accounting estimates and judgements

##### Estimation uncertainty

Determining the carrying amount of certain assets and liabilities requires estimates, assessments and judgements over future events.

The estimates used are based on assumptions which Management assesses to be reliable, but which by nature are associated with uncertainty. The assumptions may be incomplete or incorrect, and unexpected events or circumstances may arise. Furthermore, the Company is subject to risks and uncertainties which may result in the fact that actual results may differ from these estimates.

It might be necessary to change previous years' estimates and assumptions as a result of changes in matters affecting previous estimates and assumptions or because of new knowledge or subsequent events.

The method and assumptions for assessments are unchanged compared to last year.

##### Development projects and patents

Injecto A/S has capitalised a total of DKK 2,443 thousand with respect to development projects and patent costs at 31 August 2016.

These costs derive from the development activity of "the Injecto Syringe", which is a safe injection device for prefilling with pharmaceutical drugs and vaccines.

Management of Injecto A/S conducted very thorough negotiations with major key players in the market during the last financial year. Based on the current level of negotiations, Injecto A/S is expected to enter into one contract with a customer or a strategic partnership in the next financial year. A Letter of Intent has been signed, backing up the value of the development projects and patents.

Injecto A/S is therefore not foreseeing any concerns regarding the assured recoupability of the capitalised total development and patented costs of DKK 2,443 thousand.

##### Deferred tax assets

The Company realised a loss in the financial year 2015/16. The recognition of deferred tax assets is associated with uncertainty linked to the underlying estimates of future revenue and profits. The recognition is based on the expectations as to the budget year 2016/17 and realistic projections for the coming years. The estimate is based on expectations that in the financial year 2016/17 the Company will start selling the AD injection devices to the medical industry. Management considers the expectations realistic.

At 31 August 2016, Management estimates that loss before tax totalling DKK 2,665 thousand can be set off against tax on future income over the next five years.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

DKK	2015/16	2014/15
3 Revenue		
Licenses	566,667	0
4 Staff costs		
Wages and salaries	916,253	984,400
Social security, etc.	2,873	3,240
Other staff costs	126,076	39,122
Share-based payments	-14,417	81,206
	1,030,785	1,107,968

Staff costs include remuneration to the Board of Directors and Executive Board in the amount of DKK 1,030,783.

Over the financial year, the Company had one employee on average.

Some members of the Board of Directors are eligible for a warrant programme. For further information about the warrant programme, please see note 18.

DKK	2015/16	2014/15
5 Development projects in progress		
Cost at 1 September 2015	913,779	0
Additions during the year	1,575,316	913,779
Disposals during the year	0	0
	2,489,095	913,779
Depreciation at 1 September 2015	0	0
Depreciation of disposals	0	0
Depreciation for the year	-45,689	0
	-45,689	0
Carrying amount at 31 August 2016	2,443,406	913,779
Depreciation, development projects in progress	45,689	0
	45,689	0
Depreciation period	3-20 years	3-20 years

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

DKK		2015/16	2014/15
6	Fixtures and fittings, plant and equipment		
	Cost at 1 September 2015	32,483	0
	Additions during the year	108,000	46,483
	Disposals during the year	0	-14,000
		140,483	32,483
	Depreciation at 1 September 2015	-21,100	0
	Depreciation of disposed assets	0	0
	Depreciation for the year	-26,463	-21,100
		-47,563	-21,100
	Carrying amount at 31 August 2016	92,920	11,383
	Depreciation, fixtures and fittings, plant and equipment	26,463	21,100
		26,463	21,100
	Depreciation period	2-5 years	2-5 years
7	Investments in subsidiaries		
	Name	Registered office	Voting rights
	Injecto Corp.	Cresskill, USA	85%
			Ownership
			85%
	DKK	2015/16	2014/15
8	Finance income, etc.		
	Other interest income	0	90
	Foreign currency translation adjustment	0	61
		0	151
9	Finance costs, etc.		
	Interest expense to credit institutions	83	39,852
	Other interest expenses	223	849
	Foreign currency translation adjustment	0	127
		306	40,828

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

DKK	2015/16	2014/15
10 Tax for the year		
Deferred tax adjustment	-589,309	-758,231
Tax - Injecto Corp.	-34,049	34,049
	<u>-623,358</u>	<u>-724,182</u>
Analysis of tax for the year:		
Computed 22.0%/23.5% of the profit/loss before tax	-586,254	-848,324
Non-deductible expenses	-3,055	38,395
Franchise tax - Injecto Corp.	0	34,049
Value adjustment of deferred tax	0	51,698
	<u>-589,309</u>	<u>-724,182</u>
Current tax rate	<u>22.1%</u>	<u>20.1%</u>
11 Deferred tax		
Deferred tax at 1 September 2015	758,231	0
Deferred tax for the year	589,309	758,231
Deferred tax at 31 August 2016	<u>1,347,540</u>	<u>758,231</u>
Deferred tax is recognised as follows in the balance sheet:		
Deferred tax (asset)	<u>1,347,540</u>	<u>758,231</u>
Deferred tax at 31 August 2016, net	<u>1,347,540</u>	<u>758,231</u>
Deferred tax relates to:		
Development projects and patents	10,052	0
Fixture and fittings, plant and equipment	1,397	2,855
Write-down on investments	3,797	0
Tax loss carry-forwards	1,332,294	755,376
	<u>1,347,540</u>	<u>758,231</u>
12 Other receivables		
VAT, etc.	182,881	308,158
Other	17,431	17,431
	<u>200,312</u>	<u>325,589</u>



## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 13 Equity

The share capital consists of 10,889,992 fully paid-in shares of nominally DKK 1. No shares are given special rights. There are no limitations in the negotiability or the right to vote.

Currently, no particular dividend or solvency policy has been established for the Company. The Company's objective is to be self-financing and thus not obtain external financing. In the short term, 1-2 years, the dividend policy is determined in consideration of the Company's financial development in general.

The Company's budgeted operating expenses for the coming year, which exceed our current cash funds on a full-year basis, are expected to be financed through licence income. If, against expectations, such licence income is delayed or not generated at all, the liquidity requirement will be financed by way of the shareholders'/Management's supplementary capital contributions through exercise of some of their warrants.

DKK	2015/16	2014/15
14 Other payables		
Staff-related debt	221,480	180,702
Other	0	34,049
	<u>221,480</u>	<u>214,751</u>

#### 15 Financial risks and financial instruments

No standalone department regarding the Company's risk management has yet been established. This is maintained in the Management Team in the Company. The Board of Directors has not yet provided written principles for overall risk management, including, but not limited to, specific areas such as foreign exchange risk, interest rate risk, credit risk and cash flow management.

##### Currency risks

The Company's sales and profits will be connected to the international exploitation in various global markets. This does naturally carry a currency fluctuation exposure, as the payments will be made in international currencies. The market risk relating to foreign exchange stems from the aforementioned future commercial transactions included in the global exploitation. As we are not expecting payments to be denominated in one single currency, we will aim for foreign exchange contracts or other instruments available in the market, minimising the currency exposure.

##### Interest rate risks

The Company is not expecting any imminent long-term borrowings with floating rates and is, as such, not exposed to any interest rate fluctuations.

##### Liquidity risks

Careful, responsible liquidity risk management includes the controlled and secured cash sufficiency and the availability of necessary funding of the operational strategy, laid down by the Board of Directors of Injecto A/S.

At 31 August 2016, Injecto A/S was holding app. DKK 2,286 thousand in cash, and no bank overdraft facilities or long-term loans are applicable. The sum of DKK 2,286 thousand is expected to be sufficient, driving Injecto A/S onwards according to the ordinary strategy of obtaining a sales or licence agreement with any of the identified partners with whom negotiations are currently being conducted.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 15 Financial risks and financial instruments (continued)

Management monitors month-end reports with cash flow forecasts for Injecto A/S' liquidity reserve. It will call for another investment financing plan should the Executive Board and the Board of Directors decide to consider further investment into actual scaled-up production lines and also the necessity of investing into further patent protection. This increased cash demand will possibly lead to a further capitalisation of the Company or be carried by an advance carrying licence deal.

##### Credit risks

Credit risks could potentially derive from deposits with banks and other financial institutions, as well as credit exposures to licensed third parties, obtaining the possible territorial or global licensed right to Injecto A/S' products.

Credit risk is managed at company management level.

There is no risk exposure foreseen towards wholesale or retail, as Injecto A/S has not entered into any contracts relating to this. Should this become applicable, Injecto A/S will obtain independent rating for the relevant wholesale client.

If there is no independent rating of a potential client, being either a licensed third party, a wholesale client or a retail client, the risk control at top level management will assess the credit quality of the customer, taking into account its financial position, past experience and other available factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. Compliance with credit limits is regularly monitored by Management.

##### Financial instruments

The carrying amount of financial instruments corresponds to the fair value.

The Company does not make use of derivate financial instruments.

#### 16 Contingent liabilities

The Company has no contingent liabilities.

#### 17 Related parties/shareholder information

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

- Tina Hetting Holding ApS, Mosehøjvej 21, DK-2920 Charlottenlund
- ASYRINGE LIMITED, Flat/Rm A 7/F China Overseas Bldg., 139 Hennessy Rd, Wanchai, Hong Kong
- Sprøjtefabrikken ApS, H.P. Ørums Gade 27, 2., DK-2100 Copenhagen Ø
- Hellerup Finans A/S, Philip Heymans Alle 3, 4., DK-2900 Hellerup

None of Injecto A/S' related parties has a controlling interest.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 17 Related parties/shareholder information (continued)

##### The Board of Directors and the Executive Board

Injecto A/S' related parties with significant influence comprise the Company's Board of Directors and Executive Board. Management's remuneration is mentioned in note 3.

##### Related party transactions

The Company has paid legal and consultancy fees to shareholders in the Company as well as remuneration to the Board of Directors and the Executive Board.

Except from this, the Company did not carry through any related party transactions during 2015/16. It is the Executive Board's opinion that all related party transactions are carried through on an arm's length basis.

#### 18 Incentive plans

##### Outstanding warrants at 31 August 2015:

DKK	Outstanding at 16 March 2014	Additions during the period	Options exercised	Outstanding at 31 August 2015
Board of Directors	0	149,796	0	149,796
Shareholders	0	1,878,453	0	1,878,453
Total	0	2,028,249	0	2,028,249
Weighted average exercise price	0	2.41	0	2.41
Numbers of warrants which can be exercised at 31 August 2015				2,028,249
at a weighted average exercise price of DKK				4,845,272

The total recognised cost of the warrant programmes for the Board of Directors was DKK 81,206 in the financial year 2014/15.

##### Specification of parameters for the Black-Scholes model:

DKK	March 2015	June 2015
Average share price	1.38	4.95
Average exercise price at grant	2.39	4.95
Expected volatility rate	60 %	60 %
Expected life (years)	2.5-6.0	3.5
Expected dividend per share	0	0
Risk-free interest rate p.a.	0.15	0.73

The expected volatility is based on the risk assessed by Management.

## Consolidated financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 18 Incentive plans (continued)

Outstanding warrants at 31 August 2016:

DKK	Outstanding at 1 September 2015	Additions during the period	Cancellations during the period	Options exercised	Outstanding at 31 August 2016
Board of Directors	149,796	0	-6,730	0	143,066
Shareholders	1,878,453	0	0	0	1,878,453
Total	<u>2,028,249</u>	<u>0</u>	<u>-6,730</u>	<u>0</u>	<u>2,021,519</u>
Weighted average exercise price	<u>2.41</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.39</u>
Numbers of warrants which can be exercised at 31 August 2016					<u>2,028,249</u>
at a weighted average exercise price of DKK					<u>4,845,272</u>

The total recognised income of the warrant programme for the Board of Directors was DKK 14,417 in the financial year 2015/16, due to cancellations during the period.

Specification of parameters for the Black-Scholes model:

DKK	March 2015
Average share price	1.38
Average exercise price at grant	2.39
Expected volatility rate	60 %
Expected life (years)	2.5-6.0
Expected dividend per share	0
Risk-free interest rate p.a.	0.15

The warrant program for the shareholders is not recognised in the income statement, as it is a matter between the Company and its shareholders.

The expected volatility is based on the risk assessed by Management.

#### 19 Events after the reporting period

No events have occurred after 31 August 2016 which could change the presentation and view of the annual report for 2015-16.

#### 20 New financial reporting regulation

A series of new standards and interpretations, which are not compulsory for Injecto A/S for purposes of the preparation of the annual report for 2015/16, have been issued. None of these is expected to significantly affect the preparation of the annual report for 2016/17.

Parent company financial statements for the period 1 September 2015 –  
31 August 2016

Income statement

Note	DKK	2015/16	2014/15
3	Revenue	566,667	0
	Other external expenses	-2,110,958	-2,440,142
	Gross margin	-1,544,291	-2,440,142
4	Staff costs	-1,030,785	-1,107,968
	Loss before depreciation	-2,575,076	-3,548,110
5, 6	Depreciation	-72,152	-21,100
	Operating loss	-2,647,228	-3,569,210
8	Finance income, etc.	0	151
	Write-down on investments	-17,258	0
9	Finance costs, etc.	-306	-40,828
	Loss before tax	-2,664,792	-3,609,887
10	Tax for the year	589,309	758,231
	Loss for the year	-2,075,483	-2,851,656
Proposed distribution of loss			
	Retained earnings	-2,075,483	-2,851,656
		-2,075,483	-2,851,656



Parent company financial statements for the period 1 September 2015 –  
31 August 2016

Statement of comprehensive income

Note	DKK	2015/16	2014/15
	Loss for the year	-2,075,483	-2,851,656
	Other comprehensive income after tax	0	0
	Total comprehensive income	-2,075,483	-2,851,656
	Proposed distribution of comprehensive income	-2,075,483	-2,851,656
	Retained earnings	-2,075,483	-2,851,656

# Parent company financial statements for the period 1 September 2015 – 31 August 2016

## Balance sheet

Note	DKK	2015/16	2014/15
	ASSETS		
	Non-current assets		
5	Development projects in progress	2,443,406	913,779
6	Fixtures and fittings, plant and equipment	92,920	11,383
		<u>2,536,326</u>	<u>925,162</u>
	Other non-current assets		
7	Investments in subsidiaries	0	312
11	Deferred tax	1,347,540	758,231
		<u>1,347,540</u>	<u>758,543</u>
	Total non-current assets	<u>3,883,866</u>	<u>1,683,705</u>
	Current assets		
	Trade receivables	191,667	0
	Intercompany receivables	11,345	0
12	Other receivables	200,312	325,589
	Prepayments	20,521	60,704
		<u>423,845</u>	<u>386,293</u>
	Cash	2,275,052	6,946,491
	Total current assets	<u>2,698,897</u>	<u>7,332,784</u>
	TOTAL ASSETS	<u>6,582,763</u>	<u>9,016,489</u>
	EQUITY AND LIABILITIES		
13	Equity		
	Share capital	10,889,992	10,889,992
	Share-based payments	66,789	81,206
	Retained earnings	-4,927,139	-2,851,656
	Total equity	<u>6,029,642</u>	<u>8,119,542</u>
	Liabilities		
	Current liabilities		
	Bank debt	0	395,233
	Payables to shareholders and Management	349	349
	Trade payables	331,292	320,663
14	Other payables	221,480	180,702
		<u>553,121</u>	<u>896,947</u>
	Total liabilities	<u>553,121</u>	<u>896,947</u>
	TOTAL EQUITY AND LIABILITIES	<u>6,582,763</u>	<u>9,016,489</u>

## Parent company financial statements for the period 1 September 2015 – 31 August 2016

### Statement of changes in equity

DKK	Share capital	Share premium account	Retained comprehensive income	Share-based payments	Total
Equity at 1 September 2015	90,000	0	0	0	90,000
Cash capital increase 28 March 2014	3,750	396,250	0	0	400,000
Cash capital increase 3 July 2014	14,063	1,485,937	0	0	1,500,000
Cash capital increase 1 October 2014	14,062	1,485,938	0	0	1,500,000
Capital increase 10 November 2014 - Bonus shares	3,368,125	-3,368,125	0		0
Cash capital increase 10 July 2015	543,801	6,699,628	0	0	7,243,429
Cash capital increase 4 August 2015	11,754	144,809	0	0	156,563
Capital increase 28 August 2015 - Bonus shares	6,844,437	-6,844,437	0	0	0
Total comprehensive income in 2014/15					
Profit/loss for the year	0	0	-2,851,656	0	-2,851,656
Share-based payments	0	0	0	81,206	81,206
Equity at 31 August 2015	10,889,992	0	-2,851,656	81,206	8,119,542
Total comprehensive income in 2015/16					
Profit/loss for the year	0	0	-2,075,483	0	-2,075,483
Share-based payments	0	0	0	-14,417	-14,417
Equity at 31 August 2016	10,889,992	0	-4,927,139	66,789	6,029,642



## Parent company financial statements for the period 1 September 2015 – 31 August 2016

### Overview of notes

#### Note

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## Parent company financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 1 Accounting policies

Separate financial statements for the parent company are included in the annual report, as the Danish Financial Statements Act requires separate parent company financial statements for IFRS entities.

The parent company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements in the Danish Financial Statements Act.

The accounting policies applied in the preparation of the parent company financial statements differ from the accounting policies applied in the preparation of the consolidated financial statements (see note 1 to the consolidated financial statements) as follows:

##### Investments in subsidiaries

In the parent company financial statements, investments in subsidiaries are measured at cost. Cost comprises the purchase price at fair value and any costs directly attributable to the acquisition.

If there is evidence of impairment, impairment tests are conducted as described in the accounting policies for the consolidated financial statements. Write-down is made to the lower of the recoverable amount and the carrying amount.

## Parent company financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 2 Accounting estimates and judgements

##### Estimation uncertainty

Determining the carrying amount of certain assets and liabilities requires estimates, assessments and judgements over future events.

The estimates used are based on assumptions which Management assesses to be reliable, but which by nature are associated with uncertainty. The assumptions may be incomplete or incorrect, and unexpected events or circumstances may arise. Furthermore, the Company is subject to risks and uncertainties which may result in the fact that actual results may differ from these estimates.

It might be necessary to change previous years' estimates and assumptions as a result of changes in matters affecting previous estimates and assumptions or because of new knowledge or subsequent events.

The method and assumptions for assessments are unchanged compared to last year.

##### Development projects in progress

Injecto A/S has capitalised a total of DKK 2,443 thousand with respect to development projects and patent costs at 31 August 2016.

These costs derive from the development activity of "the Injecto Syringe", which is a safe injection device for prefilling with pharmaceutical drugs and vaccines.

Management of Injecto A/S conducted very thorough negotiations with major key players in the market during the last financial year. Based on the current level of negotiations, Injecto A/S is expected to enter into one contract with a customer or a strategic partnership in the next financial year. A Letter of Intent has been signed, backing up the value of the development projects and patents.

Injecto A/S is therefore not foreseeing any concerns regarding the assured recoupability of the capitalised total development and patented costs of DKK 2,443 thousand.

##### Deferred tax assets

The Company realised a loss for the financial year 2015/16. The recognition of deferred tax assets is associated with uncertainty linked to the underlying estimates of future revenue and profits. The recognition is based on the expectations as to the budget year 2016/17 and realistic projections for the coming years. The estimate is based on expectations that in the financial year 2016/17 the Company will start selling the AD injection devices to the medical industry. Management considers the expectations realistic.

At 31 August 2016, Management estimates that the loss before tax totalling DKK 2,665 thousand can be set off against tax on future income over the next five years.

Parent company financial statements for the period 1 September 2015 –  
31 August 2016

Notes to the financial statements

DKK	2015/16	2014/15
3 Revenue		
Licenses	566,667	0
4 Staff costs		
Wages and salaries	916,253	984,400
Social security, etc.	2,873	3,240
Other staff costs	126,076	39,122
Share-based payments	-14,417	81,206
	1,030,785	1,107,968

Staff costs include remuneration to the Board of Directors and Executive Board in the amount of DKK 1,030,783.

Over the financial year, the Company had one employee on average.

Some members of the Board of Directors are eligible for a warrant programme. For further information about the warrant programme, please see note 18.

DKK	2015/16	2014/15
5 Development projects and patents		
Cost at 1 September 2015	913,779	0
Additions during the year	1,575,316	913,779
Disposals during the year	0	0
	2,489,095	913,779
Depreciation at 1 September 2015	0	0
Depreciation of disposals	0	0
Depreciation for the year	-45,689	0
	-45,689	0
Carrying amount at 31 August 2016	2,443,406	913,779
Depreciation, development projects and patents	45,689	0
	45,689	0
Depreciation period	3-20 years	3-20 years

Parent company financial statements for the period 1 September 2015 –  
31 August 2016

Notes to the financial statements

DKK				2015/16	2014/15	
6	Fixtures and fittings, plant and equipment					
	Cost at 1 September 2015			32,483	0	
	Additions during the year			108,000	46,483	
	Disposals during the year			0	-14,000	
				140,483	32,483	
	Depreciation at 1 September 2015			-21,100	0	
	Depreciation of disposals			0	0	
	Depreciation for the year			-26,463	-21,100	
				-47,563	-21,100	
	Carrying amount at 31 August 2016			92,920	11,383	
Depreciation, fixtures and fittings, plant and equipment				26,463	21,100	
				26,463	21,100	
Depreciation period				2-5 years	2-5 years	
7	Investments in subsidiaries					
	Name	Registered office	Voting rights	Ownership	Profit	Equity
	Injecto Corp.	Cresskill, USA	85%	85%	12,268	-16,946
DKK				2015/16	2014/15	
8	Finance income, etc.					
	Other interest income			0	90	
	Foreign currency translation adjustment			0	61	
				0	151	
9	Finance costs, etc.					
	Interest expense to credit institutions			83	39,852	
	Other interest expenses			223	849	
	Foreign currency translation adjustment			0	127	
				306	40,828	

Parent company financial statements for the period 1 September 2015 –  
31 August 2016

Notes to the financial statements

DKK	2015/16	2014/15
10 Tax for the year		
Deferred tax adjustment	-589,309	-758,231
	<u>-589,309</u>	<u>-758,231</u>
Analysis of profit/loss for the year:		
Computed 22%/23.5% of the profit/loss before tax	-586,254	-848,324
Non-deductible expenses	-3,055	38,395
Value adjustment of deferred tax	0	51,698
	<u>-589,309</u>	<u>-758,231</u>
Current tax rate	<u>22.1%</u>	<u>21.0%</u>
11 Deferred tax		
Deferred tax at 1 September 2015	758,231	0
Deferred tax for the year	589,309	758,231
Deferred tax at 31 August 2016	<u>1,347,540</u>	<u>758,231</u>
Deferred tax is recognised as follows in the balance sheet:		
Deferred tax (asset)	1,347,540	758,231
Deferred tax at 31 August 2016	<u>1,347,540</u>	<u>758,231</u>
Deferred tax relates to:		
Development projects and patents	10,052	0
Fixture and fittings, plant and equipment	1,397	2,855
Write-down on investments	3,797	0
Tax loss carry-forwards	1,332,294	755,376
	<u>1,347,540</u>	<u>758,231</u>
12 Other receivables		
VAT, etc.	182,881	308,158
Other	17,431	17,431
	<u>200,312</u>	<u>325,589</u>

## Parent company financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 13 Equity

The share capital consists of 10,889,992 fully paid-in shares of nominally DKK 1 each. No shares are given special rights. There are no limitations in the negotiability or the right to vote.

Currently, no particular dividend or solvency policy has been established for the Company. The Company's objective is to be self-financing and thus not obtain external financing. In the short-term, 1-2 years, the dividend policy is determined in consideration of the Company's financial development in general.

The Company's budgeted operating expenses for the coming year, which exceed our current cash funds on a full-year basis, are expected to be financed through licence income. If, against expectations, such licence income is delayed or not generated at all, the liquidity requirement will be financed by way of the shareholders'/Management's supplementary capital contributions through exercise of some of their warrants.

	DKK	2015/16	2014/15
14 Other payables			
Staff-related debt		221,480	180,702
		<u>221,480</u>	<u>180,702</u>

#### 15 Financial risks and financial instruments

No standalone department regarding the Company's risk management has yet been established. This is maintained in the Management Team in the Company. The Board of Directors has not yet provided written principles for overall risk management, including, but not limited to, specific areas such as foreign exchange risk, interest rate risk, credit risk and cash flow management.

##### Currency risks

The Company's sales and profits will be connected to the international exploitation in various global markets. This does naturally carry a currency fluctuation exposure, as payments will be made in international currencies. The market risk relating to foreign exchange stems from the aforementioned future commercial transactions included in the global exploitation. As we are not expecting payments to be denominated in one single currency, we will aim for foreign exchange contracts or other instruments available in the market, minimising the currency exposure.

##### Interest rate risks

The Company is not expecting any imminent long-term borrowings with floating rates and is, as such, not exposed to any interest rate deviation.

##### Liquidity risks

Careful, responsible liquidity risk management includes the controlled and secured cash sufficiency and the availability of necessary funding of the operational strategy, laid out by the Board of Directors of Injecto A/S.

At 31 August 2016, Injecto A/S was holding app. DKK 2,275 thousand in cash, and no bank overdraft facilities or long-term loans are applicable. The sum of DKK 2,275 thousand is expected to be sufficient, driving Injecto A/S onwards according to the ordinary strategy of obtaining a sales or licence agreement with any of the identified partners with whom negotiations are currently being conducted.

## Parent company financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 15 Financial risks and financial instruments (continued)

Management monitors month-end reports with cash flow forecasts for Injecto A/S' liquidity reserve. It will call for another investment financing plan should Management and the Board of Directors decide to consider further investment into actual scaled-up production lines and also the necessity of investing into further patent protection. This increased cash demand will possibly lead to a further capitalisation of the Company or be carried through as an advance carrying licence deal.

##### Credit risks

Credit risks could potentially derive from deposits with banks and other financial institutions, as well as credit exposures to licensed third parties, obtaining the possible territorial or global licensed right to Injecto A/S' products.

Credit risk is managed at company management level.

There is no risk exposure foreseen towards wholesale or retail, as Injecto A/S has not entered into any contracts relating to this. Should this become applicable, Injecto A/S will obtain an independent rating for the relevant wholesale client.

If there is no independent rating of a potential client, being either a licensed third party, a wholesale client or a retail client, the risk control at top level management will assess the credit quality of the customer, taking into account its financial position, past experience and other available factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. Compliance with credit limits is regularly monitored by Management.

##### Financial instruments

The carrying amount of financial instruments corresponds to the fair value.

The Company does not make use of derivate financial instruments.

#### 16 Contingent liabilities

The Company has no contingent liabilities.

#### 17 Related parties/shareholder information

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

- Tina Hetting Holding ApS, Mosehøjvej 21, DK-2920 Charlottenlund
- ASYRINGE LIMITED, Flat/Rm A 7/F China Overseas Bldg., 139 Hennessy Rd, Wanchai, Hong Kong
- Sprøjtefabrikken ApS, H.P. Ørums Gade 27, 2., DK-2100 Copenhagen Ø
- Hellerup Finans A/S, Philip Heymans Alle 3, 4., DK-2900 Hellerup

None of Injecto A/S' related parties has a controlling interest.



## Parent company financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 17 Related parties/shareholder information (continued)

##### The Board of Directors and the Executive Board

Injecto A/S' related parties with significant influence comprise the Company's Board of Directors and Executive Board. Management's remuneration is mentioned in note 3.

##### Related party transactions

The Company has paid legal and consultancy fees to shareholders in the Company as well as remuneration to the Board of Directors and Executive Board.

Except from this, the Company did not carry through any related party transactions during 2015/16. It is the Executive Board's opinion that all related party transactions are carried through on an arm's length basis.

#### 18 Incentive plans

##### Outstanding warrants at 31 August 2015:

DKK	Outstanding at 16 March 2014	Additions during the period	Options exercised	Outstanding at 31 August 2015
Board of Directors	0	149,796	0	149,796
Shareholders	0	1,878,453	0	1,878,453
Total	0	2,028,249	0	2,028,249
Weighted average exercise price	0	2.41	0	2.41
Numbers of warrants which can be exercised at 31 August 2015				2,028,249
at a weighted average exercise price of DKK				4,845,272

The total recognised cost of the warrant programmes for the Board of Directors was DKK 81,206 in the financial year 2014/15.

##### Specification of parameters for the Black-Scholes model:

DKK	March 2015	June 2015
Average share price	1.38	4.95
Average exercise price at grant	2.39	4.95
Expected volatility rate	60 %	60 %
Expected life (years)	2.5-6.0	3.5
Expected dividend per share	0	0
Risk-free interest rate p.a.	0.15	0.73

The expected volatility is based on the risk assessed by Management.

## Parent company financial statements for the period 1 September 2015 – 31 August 2016

### Notes to the financial statements

#### 18 Incentive plans (continued)

Outstanding warrants at 31 August 2016:

DKK	Outstanding at 1 September 2015	Additions during the period	Cancellations during the period	Options exercised	Outstanding at 31 August 2016
Board of Directors	149,796	0	-6,730	0	143,066
Shareholders	1,878,453	0	0	0	1,878,453
<b>Total</b>	<b>2,028,249</b>	<b>0</b>	<b>-6,730</b>	<b>0</b>	<b>2,021,519</b>
Weighted average exercise price	2.41	0	0	0	2.39
Numbers of warrants which can be exercised at 31 August 2016					2,028,249
at a weighted average exercise price of DKK					4,845,272

The total recognised income of the warrant programme for the Board of Directors was DKK 14,417 in the financial year 2015/16, due to cancellations during the period.

Specification of parameters for the Black-Scholes model:

DKK	March 2015
Average share price	1.38
Average exercise price at grant	2.39
Expected volatility rate	60 %
Expected life (years)	2.5–6.0
Expected dividend per share	0
Risk-free interest rate p.a.	0.15

The warrant program for the shareholders is not recognised in the income statement, as it is a matter between the Company and its shareholders.

The expected volatility is based on the risk assessed by Management.

#### 19 Events after the reporting period

No events have occurred after 31 August 2016 which could change the presentation and view of the annual report for 2015/16.

#### 20 New financial reporting regulation

A series of new standards and interpretations, which are not compulsory for Injecto A/S for purposes of the preparation of the annual report for 2015/16, have been issued. None of these is expected to significantly affect the preparation of the annual report for 2016/17.