Injecto Group A/S

Strandvejen 60, 2900 Hellerup, Denmark

CVR no. 35 80 65 55

Annual report

1 September 2022 – 31 August 2023

Approved at the Company's annual general meeting on 1 February 2024

Chairman:

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Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Injecto Group A/S for 2022/23.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 financial position of the Group and the Parent Company at 31 August 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 September 2022 –31 August 2023.

Furthermore, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company may be exposed to.

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

Hellerup, 17 January 2024
Executive Board:

Torben Helmer Knudsen
Chief Executive Officer

Board of Directors:

Marie Foegh Chair	Thomas Sonne-Schmidt	Emil Bue Bredel

Independent auditor's report

To the shareholders of Injecto Group A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Injecto Group A/S for the financial year 1 September 2022 –31 August 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 August 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 September 2022 –31 August 2023 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

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's review, and we do not express any assurance conclusion thereon.

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

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Independent auditor's report

Management's responsibilities for the 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 IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent 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 in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, 17 January 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jesper Jørn Pedersen
State Authorised
Public Accountant
mne21326

Management's review

Company details

Name	Injecto Group A/S
Address, zip code, city	Strandvejen 60, DK-2900 Hellerup
CVR no.	35 80 65 55
Established	16 March 2014
Registered office	Gentofte, Denmark
First financial year	16 March 2014 –31 August 2015
Financial year	1 September –31 August
Website	www.injecto.eu
E-mail	info@injecto.eu
Telephone	+45 27 85 10 00
Board of Directors	Dr Marie Foegh, Chair Thomas Sonne-Schmidt Emil Bue Bredel
Executive Board	Torben Helmer Knudsen
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Description of Injecto Group A/S and its subsidiaries' main activities in the accounting period

We maintain our position as a knowledge-based company with strong patent families for the protection of our proprietary product categories: lubrigone plunger stoppers ("plungers") and our award-winning easyject syringe for pre-filling prevented against reuse.

We also maintain our values, profile, vision, and mission outlined on our webpage with an increased priority of an even bigger contribution to the environment by our PFAS-free solutions, use of recyclable materials and with energy savings in our production.

As our results for the financial year and the supporting comments below indicate we are still on our way into the commercialisation stage.

Our continued investments in patent protection, enhancement of technology and expansion of production of lubrigone plungers at our OEM manufacturer, SP Medical A/S, are capital demanding, but with our lean and cost-efficient organisation combined with a diligent outsourcing we have succeeded in limiting our costs and stayed within budget. Furthermore, the investments will contribute to coming long-term revenue streams with high profit margins.

Position and commercial activities

The financial position of the Injecto Group A/S was strengthened in November 2022 and in July 2023 by subscription to respectively 7,087,601 and 5,000,000 new shares in a new B-Share Class at ratio 100, which B-Shares were only offered to our existing shareholders. 1,620,960 B-Shares were paid by conversions of two loans while the remaining 10,466,641 B-Shares were paid in cash by a total injection of DKK 10,466,641 into the company and strengthened our liquidity.

Injecto Group A/S has the right to repurchase the B-Shares wholly or partly until 1 December 2025, where such a repurchase automatically will change the B-Shares to A-Shares. This opportunity will in the interest of all shareholders allow Injecto Group A/S to use such A-Shares as its own shareholding and hence as a financial instrument to attract more capital if required in connection with the expected substantial growth of the company's valuation. The difference between A- and B-Shares appears from Injecto Group A/S' articles of association.

Our board of Directors has been granted a statutory authority to issue up to 10 million additional B-Shares, of which authority 5 million is still remaining after the capitalisation in July 2023.

Injecto Group A/S' nominal share capital was further increased with a strengthening of the company's equity in connection with the company's acquisition of the Danish company, VetInject A/S, on 31 August 2023, which company holds an exclusive license to Injecto Group A/S' patents for the veterinarian market. The purchase of VetInject A/S in the amount of DKK 10,772,421 took place by 10,772,421 newly issued C-Shares in a new and third share class in Injecto Group A/S in exchange for the shares in VetInject A/S. The difference between A-, B- and the new C-Shares appears from Injecto Group A/S' articles of association. Injecto Group A/S has the right to repurchase the C-Shares wholly or partly until 31 August 2028, where such a repurchase automatically will change the C-Shares to A-Shares and in the interest of all shareholders allow Injecto Group A/S to use such A-Shares as its own shareholding and hence as a financial instrument in connection with the expected substantial growth of the company's valuation.

Acquisition of VetInject A/S

In August 2023, Injecto Group A/S acquired VetInject ApS with the intention of pursuing the business opportunities of Injecto Group A/S' technology rights in the market for injectable pharma for the veterinarian market.

In connection with the acquisition, the owners of VetInject A/S received shares in Injecto Group A/S in a new share class with C-Shares for the transfer of the ownership to 100 percent of the entire issued share capital in VetInject A/S to Injecto Group A/S.

Management's review

Acquisition of VetInject A/S (continued)

Through the acquisition, the equity was increased by the valuation of VetInject A/S' assets that mainly consist of a license contract, by DKK 10,772 thousand. In this respect, it should be noted that Injecto Group A/S' Board of Directors and Management believe it was a conservative valuation due to the global awareness of future pandemics caused by zoonoses.

Financial review

Due to the ongoing build-up of our technology and company we have in the accounting period had a loss before tax in the amount of DKK 9,329,809 and equity in the amount of DKK 55,064,449.

The total loss has not affected the financial position of Injecto Group A/S, since the loss is fully covered by the capital injection of DKK 10,466,641 and the conversion of the two loans from two of our major shareholders.

During the year we have mainly focused on the following business activities:

IP rights

- We have benefitted from the last years' granted patent protection on all product categories based on Injecto Group A/S' patents and have during the year been granted new patents in various additional countries as expected, where we rely on the Patent Prosecution Highway (PHP).
- Provided some of our co-operation partners with written confirmation from our Patent Attorney re. our freedom to operate.
- Positive follow-up of our supplementary filed patent applications last year, e.g. our patent application on a plunger and stopper solution for medical containers for deep-freezing below minus 80 °C and a patent application on a special mounting technique of our lubrigone plungers that will be time saving and with minor changes and for minor costs can be fitted into existing filling and mounting lines for pre-fillable injection devices.

The Lubrigone plungers

- Established contact with one of the global leading pharma companies, who based on tests have concluded that our lubrigone plunger is the only available solution in the market that will meet the pharma company's requirements for a silicone-oil free pre-fillable injection device solution for its biologics exposed to the impact from freezing to minus 80 °C and subsequent thawing.
- Continued talks with the aforementioned pharma company and its co-operation partners about a specific project.
- Continued talks and co-operation with three leading global providers of pre-fillable injection devices with received invitation from two of them to enter into a strategic partnership.
- Expanded our contacts with leading pharma companies to provide a clear and compelling value-proposition for plungers in ISO measurements for silicone-free Pre-fillable Syringe Systems (PFS) in 0.5 ml, 1.0 ml (long) and 1-3 ml (2.25 ml) in the parenteral administration market.
- Expanded our contacts with global leading pharma companies and parenteral and medical device companies, including but not limited to pharma companies specialised in injectable pharma for ophthalmics.
- New enquiries from the Chinese market.
- The ongoing implementation of a production line of our lubrigone plunger in ISO measurement for 1-3 ml (2.25 ml) PFS at SP Medical A/S, which additional production line will increase our production capacity and enable us to supply the lubrigone plungers for PFS in all three basic ISO measurements, i.e. in 0.5 ml, 1.0 ml (long) and 1-3 ml (2.25 ml).

Management's review

The Lubrigone plungers (continued)

We still believe that the increasing rate of approvals for biologic formulations, which are much more sensitive to lubricants as compared to traditional pharma is a major driver for our lubrigone plungers. The awareness of silicone oil as having material adverse effects on ophthalmic injections by ocular inflammation and myodesopsia (floaters) and the increased awareness of skin granuloma (skin inflammation), autoimmune diseases, embolism (blocked arteries) and sclerotic lipogranuloma (inflammatory reaction in subcutaneous fat) is strengthening the competitive edge of our lubrigone plunger selection. The adverse effects are substantiated by patient therapies requiring multiple injections for a given therapy. Furthermore, our portfolio of lubrigone plungers are highly relevant for other privileged organs than eyes.

Our lubrigone plungers' capability to resisting the impact from freezing to minus 80 °C and the subsequent thawing give as previously mentioned our plunger a competitive edge over the traditionally used coated plungers for silicone free plunger solutions. We expect that this competitive edge will give us the best possible position to ensure that our lubrigone product will become the preferred plunger for the high-end of the market for biologics that requires a silicone-oil free solution and a preservation by freezing to minus 80 °C.

We expect that the break-through in the lucrative, but very demanding, high-end market, over the coming years will give our lubrigone plungers a kind of a "springboard" to the broader and less sophisticated "mass" plunger market for primarily silicone-oil free/limited solutions, which market is reluctant to accept new despite better solutions like our lubrigone plungers than the coated rubber plungers.

The awareness of PFAS-free solutions in most industries, which awareness has made the highly esteemed company, 3M, to announce that they in 2025 will no longer sell products with PFAS, cf. the following link: https://news.3m.com/2022-12-20-3M-to-Exit-PFAS-Manufacturing-by-the-End-of-2025 will contribute further to our lubrigone plungers' prevailing position over the coated rubber plungers. The expected ban of PFAS in Europe over time and the coming restrictions on the use and handling of PFAS will have a severe impact on the coated plungers that contain PFAS in addition to the general awareness of this product among responsible pharma companies and other decision makers in the industry for primary packaging for pharma.

The easyject syringe

- Since some of PATH's donators in addition to vaccines as mentioned in the last financial report was interested in finding the right cPAD (compact Pre-Fillable Auto Disable Syringe) for contraceptive injections PATH - with financial support from one of its major contributors - planned studies of easyject with a contraceptive drug product, including a leachable study that was expected to be completed in Q3 2022. However, due to challenges related to sourcing the contraceptive drug product from the pharma company, the study initiation was delayed to March 2023. We received positive feedback on the 3-month timepoint in June 2023. Subsequently, we have received positive feedback from the 6-month timepoint in September 2023, which however lead to a discussion regarding some constructive design changes of the original prototype.
- PATH and their donators additionally requested that a high-speed fill and finish machinability study should be performed with a placebo of the contraceptive drug product and have hence initiated Scope of Work #3 which includes production of new prototype tools and manufacturing of 8,000 complete easyject samples to be supplied in tubs and nests to a global supplier of pharmaceutical filling equipment. This work package is expected to be initiated in Q1-2024.
- Our co-operation with PATH (www.path.org) about our easyject syringe as the only cPAD has intensified further and resulted in a grant from Bill & Melinda Gates Foundation (BMGF) for the needed funding for the industrial production moulds required for the supply of the components for thousands of easyject syringes and the production of the thousands of easyject syringes for the coming fill and finish tests, which fill and finish tests are also funded by BMGF.
- A successful outcome of the coming fill and finish tests is a condition precedent for the project, thus bringing Injecto Group A/S even closer to the major funding packaging for the first production line with an expected yearly capacity of up to 50 million easyject syringes, which production line will become the first milestones in our ambition of providing 500 million easyject syringes per year.

Management's review

The easyject syringe (continued)

- The positive test results from a European pharmaceutical company have intensified the talk with this company about easyject as the preferred primary packaging solution for this pharma company's contraceptive injection
- If the easyject syringe is chosen by PATH and its stakeholders as the preferred cPAD we expect our initial production to have a yearly capacity of at least 50 million units also considering that they have identified the potential demand to be considerably higher and up to 500 million units annually in line with our expressed ambition above.

Supplementary activities

Despite our technical capability to deliver our technology to other parts of the market, including tailor fitted plunger solutions, due to our injection moulding process and various enquiries in this respect we have given priority to the core business activities related to our lubrigone plungers and our easyject syringe.

Therefore, our supplementary activities this year have been limited, but our value proposition in this business area was proven by our sales of a developed non-patented right under our NDA with a pharma company in Europe.

Our capability to supply our products in individual measurements enable us to prepare "tailor fitted" components for primary packaging solutions for the pharma industry and we are still willing to offer these services if the prospects of one or more projects have the sufficient business potential over time and the customer is willing to pay for our services in the beginning of such projects.

Our customers

The main customers for our lubrigone plungers are still the pharma companies who would like to offer their customers a lubricant free injection device solution as an integrated part of the parenteral packaging of their products. Due to the previously mentioned break-through technology wise in the high-end of the cell and gene technology, where a primary lubrication free solution that can resist the impact from freezing to minus 80 °C and thawing is required, we consider it likely that our coming sales will start from the top of the biologics market, but will spread to the mass markets below, where especially our capability to deliver a PFAS-free solution will be an appealing factor for pharma companies who shall choose a plunger solution for their injectable pharma.

We are in ongoing dialogue and are conducting studies with 8 pharma companies ranking in global top 30, including two European companies in top 5.

Additionally, we supply and co-operate with major providers (manufacturers) of pre-fillable injection devices, who will offer our lubrigone plungers for use in their injection systems, where we have established good and constructive non-exclusive relationships, but where some of the companies have asked for a strategic alliance.

We are in ongoing dialogue regarding strategic co-operation with 3 of the global top 5 suppliers of pre-fillable syringes for the pharmaceutical market.

The main customers for our easyject syringe are still pharma companies specialised in vaccines or contraceptives, where the NGOs, PATH, and key stakeholders are important co-operation partners due to their substantial influence on pharma companies, especially in connection with supplies to low- and middle-income countries (LMIC). The market for easyject is highly dependable on volumes and pricing where it appears from review in connection with PATH's test of easyject that it is even price wise in comparison with the combined use of empty injection syringes and vaccine in vials when the vaccine in question is one of the slightly more expensive vaccines and not the cheapest solution. This will be the case for a lot of new vaccines but also for some of the existing vaccines, especially some of the multivalent vaccines, where each vaccine contains protection against two or more infectious diseases.

Furthermore, easyject has competitive advantages related to user friendliness, dosage precision and less wastage.

In addition to the project with PATH and BMGF we have ongoing dialog and studies with 2 European pharma companies regarding the easyject solution, including a company in the global top 20.

Management's review

Capital requirements

In accordance with our announcement in the annual report from last year we have been faithful to our strategy and been reluctant to increase Injecto Group A/S' share capital based on investments from new major investors, despite we also this year have been approached by serious investors. We would still like to maintain the control and follow the established path until we are in profitable operation. We still have a preference of meeting our current shareholders' intention of building our company stronger by entering the commercial phase successfully and ensure that these shareholders will yield a satisfactory profit from their investment in our company in the early stages. This was also the reason why all of the minor shareholders in the company were offered the opportunity to subscribe to new issued shares in the B-share class at the same valuation as the loans were converted into share capital.

In order to maintain control of our business at the present stage we have maintained our decision of pursuing a more balanced approach to the capitalisation and leverage of the company than the previously announced bigger capitalisation and are hence focusing on attracting grants and further stepwise funding from one or more of our shareholders.

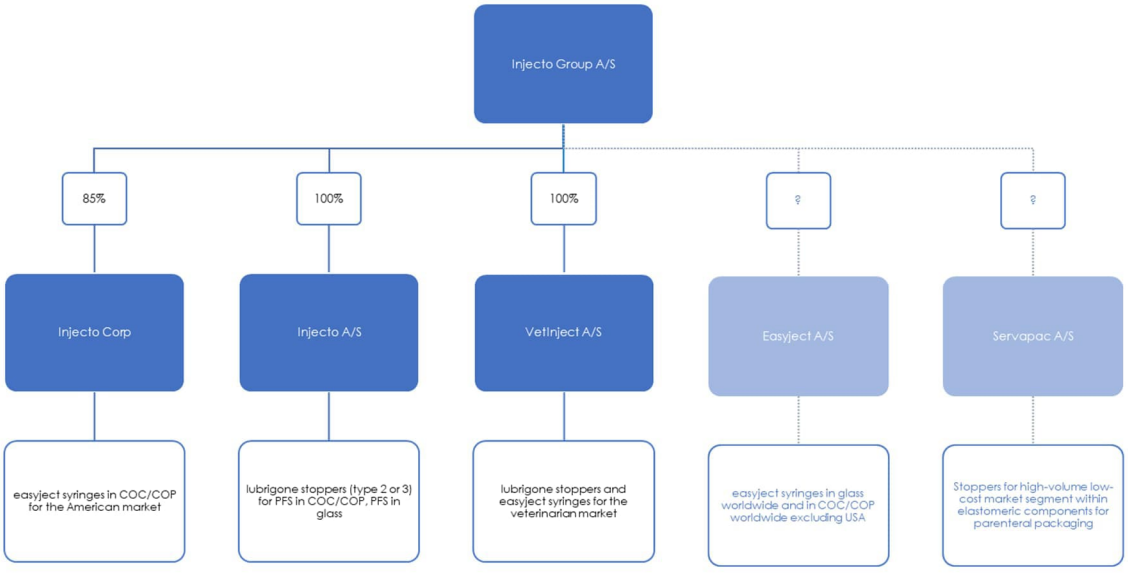
Furthermore, some of the coming projects could most likely also even before going into the commercialisation phase generate payments for our services and supplies and hence contribute to our operation of our company.

Notwithstanding the foregoing and dependable of the outcome and/or timing of the previously mentioned donation for the first easyject production and substantial investments from one or more right strategic investors could as mentioned previously be considered as a nice to have but not a need to have. This could also be a demand from one or more of the big pharma companies or other co-operation partners with respect to delivery safety.

Organisation with description of company structure

In August 2023 Injecto Group A/S appointed Vice President, Torben Helmer, as CEO, as replacement after illness prevented Mikael Hans Andranik Hetting from continuing this demanding job position.

We maintain to pursue our strategy with a parent company with subsidiaries to carry out the business activities in the chosen areas, cf. the following illustration (where the companies in light blue colours have not been established yet:



Management's review

Organisation with description of company structure (continued)

We still believe that this structure and organisation will contribute to best practice for the focus and risk adverseness with the best possible exploitation of our strong IP rights in diversified industries within parenteral packaging, related components, and medical devices. The IP rights will still belong to Injecto Group A/S, but each of the subsidiaries will be granted a production and sales license to carry out the focused business activities. Furthermore, this structure and organisation also contribute to the possibility of entering into strategic co-operations and invite strategic partners to invest directly into subsidiaries as their preferred investment and business area without losing focus and control of the other areas.

We firmly believe that there is a great market opportunity for our 100 %owned subsidiary, Injecto A/S, focusing on production and sales of lubrigone plungers in ISO measurements.

Despite we still believe that our subsidiary, Injecto A/S, over time should be able to obtain around 5 %of the plunger market for PFS, our sales expectations are more limited the first coming years due to the fact that we expect to enter the high-end market of biologics, where sales volumes due to both the new products and the very high prices will be more limited, but where higher sales prices could make up for the more limited sales volumes. Notwithstanding this more conservative approach, the awareness and especially the coming restrictions of the use of PFAS with an expected ban overtime will most likely contribute to Injecto A/S' sales of lubrigone plungers.

We believe that the previous briefly mentioned supplementary business areas to our lubrigone plunger and easyject syringe will contribute further to the building-up of Injecto Group A/S and the coming years' turnover and EBITDA.

Due to some enquiries on strategic alliances and the increasing number of zoonotic diseases we have decided to acquire VetInject A/S, who holds the exclusive license on our patents and technology for supplies in the veterinarian market. This means that we will no longer rely on an external payment of license fees, but we believe that having control of this sector, which is also increasing, will turn out to be a better business opportunity for our shareholders in the longer run. The fact that 75 %of new infectious diseases are related to zoonoses makes the combined effort in the human and veterinarian market of significant interest and could be of high relevance for our easyject syringe.

We believe that our activation of development costs and the depreciation of patents over 20 years are realistic since the costs have contributed to the core patents and patent applications and will be related to our future expected revenues and profits where we expect to receive a full repayment of these costs. The ongoing and steadily increasing interest from leading pharma companies exhibits that our IP rights have the expected maximum lifespan in which connection should be mentioned that our products as parenteral packaging in the pharmaceutical industry normally will be chosen as a long-term solution, exceeding the term of the patent protection period.

We are still following a strategy of creating the most value-adding initiative over time by sound investments and value building under due consideration to CapEx in order to meet the market's request with respect to product variety and scale-up and we intend to lower the risks by carrying out our business activities in subsidiaries. It should be noted that we in our capacity as supplier of parenteral packaging to the pharma industry will benefit from the substantial projected growth from approximately 1,100 billion EUR (1,250 billion USD in 2021) to approximately 1,900 billion EUR (2,150 billion USD) in 2027 with a CAGR of 7 %, cf. Report from 21 March 2021 from GlobeNewswire (ResearchandMarkets)

https://www.globenewswire.com/news-release/2021/03/31/2202135/28124/en/Global-Pharmaceuticals-Market-Report-2021-Market-is-Expected-to-Grow-from-1228-45-Billion-in-2020-to-1250-24-Billion-in-2021-Long-term-Forecast-to-2025-2030.html

Management's review

Events after the accounting period

No major events have occurred since the balance day.

The company's board of directors and the major shareholders wanted to ensure that all of the other existing shareholders could subscribe to new issued shares on the same terms and conditions and hence had the opportunity to avoid dilution. By these transactions and the pending last round of subscription to 5,000,000 B-Shares based on the board of director's decision in December 2023 the sufficient liquidity for the company has been and will be attracted to pursue its strategy in the current phase where the company is moving towards profit giving operation.

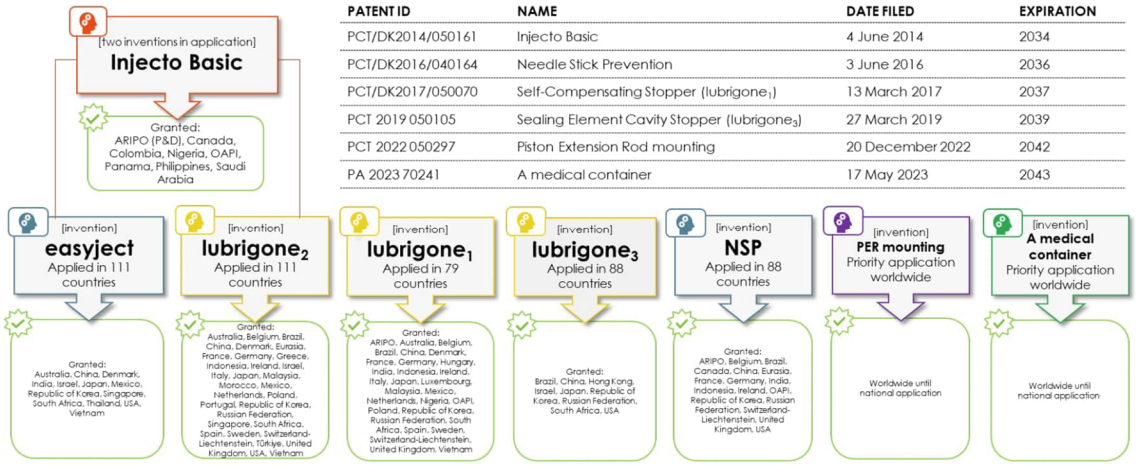
The fresh capital injections mentioned above together with the company's existing liquidity ensures Injecto Group A/S' budgeted liquidity need in the current accounting year and will be extended further by a firm cost control and a supplementary placement in the last round of B-Shares, where many shareholders have asked for the possibility of subscribing to additional shares in the new share class, where the board has been granted the right to offer subscription to new issued shares that will represent an additional equity of DKK 5,000,000.

Obtained a novelty search from through our Patent Attorney that confirms that we in accordance with our expectation with overwhelming probability will be granted a patent in all relevant designations on our patent on our invention related to our lubrigone plunger that can resist the impact from freezing below minus 80 °C and subsequently being exposed to thawing without compromising its functionality, which especially in the hight-end of biologics and especially in the fast growing cell- and gene technology will give us a prevailing position as the preferred or even only available primary packaging solution for pre-fillable injection devices in this field.

IP rights – overview of patents granted

Injecto Group A/S maintains its strong focus on patent protection in its capacity as an innovative technology-driven company with good support from AWA (www.awa.com).

As per 15 January 2024 the status of patents granted is:



PATENT ID	NAME	DATE FILED	EXPIRATION
PCT/DK2014/050161	Injecto Basic	4 June 2014	2034
PCT/DK2016/040164	Needle Stick Prevention	3 June 2016	2036
PCT/DK2017/050070	Self-Compensating Stopper (lubrigone$_1$)	13 March 2017	2037
PCT 2019 050105	Sealing Element Cavity Stopper (lubrigone$_3$)	27 March 2019	2039
PCT 2022 050297	Piston Extension Rod mounting	20 December 2022	2042
PA 2023 70241	A medical container	17 May 2023	2043

Management's review

Coming activities, expectations, and risk factors

We have decided to generate the group's revenue through revenue from our subsidiaries' production and sales of lubrigone plungers, other plungers and easyject syringes and will rely on an outsourced production at one or more reputable contract manufacturers starting with SP Medical A/S. We will not exclude that this revenue stream could be supplemented by one or more license sales despite we in general are reluctant to license sales.

The ongoing implementation of the company structure described above does not only contribute to business focus and risk adverseness but also offers the opportunity to invite strategic partners to become shareholders in one or more specific business units and furthermore creates flexibility with respect to sales of one or more business units wholly or partly.

Despite we are still giving high priority to bringing the company into commercial operation we are in line with the conservative industry more focused on entering into the right alliances and entering into development contracts and projects with leading pharma companies, where a patient approach in our opinion will contribute to the most successful revenue streams and profit margins over time rather than chasing a break-even. The right alliances and projects will enable us to attract the needed capital on the right terms and conditions and ensure the right and clever long-term strategy rather than being rushed by short term profit.

We still believe that our existing shareholders, and especially the majority shareholders, will support the company if needed in order to ensure a satisfactory valuation reflected by the substantial value of the company's IP rights, competitive product lines, alliances, pending development projects and commercial opportunities. It should be noted that we consider that the break-through of our lubrigone plunger in the high-end of biologics with the coming project and our expected establishment of the easyject and strategic alliance with PATH and key stakeholders will increase the valuation significantly.

However, our expressed expectations for the future should be viewed under due consideration to the following risk factors listed in order of priority:

- Successful attraction of grants and ongoing support from shareholders
- Protection of IP rights
- Identification of one or more agreement(s) with the right strategic partner(s)
- Penetration of the market under due consideration to pharmaceutical companies' obligation to obtain permission from various public authorities in the relevant countries
- Timing and time to market
- Sufficient resources and timing with respect to the build-up of the right organisation

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Income statement

		Group		Parent company	
Note	DKK	2022/23	2021/22	2022/23	2021/22
3	Revenue	1,812,998	718,471	100,000	136,191
	Other external expenses	-4,940,951	-5,011,091	3,285,203	-3,162,319
	Gross profit/loss	-3,127,953	-4,292,620	-3,185,203	-3,026,128
4	Other operating income	0	0	1,642,500	1,665,000
5, 6	Staff costs	-2,865,707	-3,726,860	-2,865,707	-3,726,860
	Profit/loss before depreciation	-5,993,660	-8,019,480	-4,408,410	-5,087,988
7	Depreciation	-3,357,352	-3,619,357	-2,881,707	-2,760,004
	Operating loss	-9,351,012	-11,638,837	-7,290,117	-7,847,992
9	Finance income, etc.	52,194	34,721	634,503	327,815
10	Finance costs, etc.	-30,991	-221,205	-481,184	-6,423,101
	Profit/loss before tax	-9,329,809	-11,825,321	-7,136,798	-13,943,278
11	Tax for the year	0	-1,290,757	0	-1,290,757
	Profit/loss for the year	-9,329,809	-13,116,078	-7,136,798	-15,234,035
	Attributable to:				
	Equity holders of the parent	-9,329,809	-13,116,078	-7,136,798	-15,234,035
	Non-controlling interests	0	0	0	0
		-9,329,809	-13,116,078	-7,136,798	-15,234,035
	Earnings per share:				
13	Basic, profit for the year attributable to ordinary equity holders of the parent company (EPS Basic)	-0.11	-0.20		
13	Diluted, profit for the year attributable to ordinary equity holders of the parent company (EPS-D)	-0.11	-0.20		

Statement of comprehensive income

Profit/loss for the year	-9,329,809	-13,116,078	-7,136,798	-15,234,035
Other comprehensive income after tax	0	0	0	0
Total comprehensive income	-9,329,809	-13,116,078	-7,136,798	-15,234,035
Attributable to:				
Equityholders of the parent	-9,329,809	-13,116,078	-7,136,798	-15,234,035
Non-controlling interests	0	0	0	0
	-9,329,809	-13,116,078	-7,136,798	-15,234,035
Total comprehensive income				
Retained earnings	-9,329,809	-13,116,078	-7,136,798	-15,234,035

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Balance sheet

		Group		Parent company	
Note	DKK	2022/23	2021/22	2022/23	2021/22
	ASSETS				
	Non-current assets				
14	License contracts	11,347,336	0	0	0
15	Development projects and patents	36,623,242	38,271,858	36,623,242	38,271,858
16	Fixtures and fittings, plant and equipment under construction	1,842,674	1,065,750	0	0
16	Fixtures and fittings, plant and equipment	385,361	769,444	164,987	73,425
17	Right-of-use assets	262,140	54,450	262,140	54,450
		50,460,753	40,161,502	37,050,369	38,399,733
	Other non-current assets				
8	Investments in subsidiaries	0	0	15,006,038	0
	Deposits	28,966	21,906	28,966	21,906
		28,966	21,906	15,035,004	21,906
	Total non-current assets	50,489,719	40,183,408	52,085,373	38,421,639
	Current assets				
	Trade receivables	384,733	945,188	10,568	847,651
	Intercompany receivables	0	0	661,991	0
18	Other receivables	1,041,025	160,934	524,359	11,345
	Deferred income	36,752	0	33,624	0
		1,462,510	1,106,122	1,230,542	858,996
	Cash	4,857,987	906,020	3,817,410	801,999
	Total current assets	6,320,497	2,012,142	5,047,952	1,660,995
	TOTAL ASSETS	56,810,216	42,195,550	57,133,325	40,082,634

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Balance sheet

		Group		Parent company	
Note	DKK	2022/23	2021/22	2022/23	2021/22
	EQUITY AND LIABILITIES				
19	**Equity**				
	Share capital	107,724,222	84,864,200	107,724,222	84,864,200
	Share premium	244,894	244,894	244,894	244,894
	Other reserves	5,848,292	4,778,995	6,263,449	4,778,995
	Retained comprehensive earnings	-58,747,532	-49,217,602	-58,766,785	-51,429,865
	Shareholders' share of equity	55,069,876	40,670,487	55,465,780	38,458,224
	Non-controlling interests	-5,427	-5,427	0	0
	Total equity	55,064,449	40,665,060	55,465,780	38,458,224
	Liabilities				
	Non-current liabilities				
20	Interest bearing loans and borrowings	130,325	150,000	130,325	150,000
		130,325	150,000	130,325	150,000
	Current liabilities				
20	Interest bearing loans and borrowings	285,148	159,658	285,148	159,658
	Trade payables	953,301	982,051	488,235	792,676
	Intercompany payables	0	0	450,000	0
21	Other payables	376,993	238,781	313,837	522,076
		1,615,442	1,380,490	1,537,220	1,474,410
	Total liabilities	1,745,767	1,530,490	1,667,545	1,624,410
	TOTAL EQUITY AND LIABILITIES	56,810,216	42,195,550	57,133,325	40,082,634

Consolidated financial statements for the period 1 September 2022–31 August 2023

Statement of changes in equity

	Group							
DKK	Share capital	Share premium account	Reserve for development	Other reserves	Retained comprehensive income	Total	Non-controlling interests	Total equity
Equity at 31 August 2021	58,748,394	0	5,618,413	0	-38,958,523	25,408,284	-5,427	25,402,857
Comprehensive income in 2021/22								
Loss for the year	0	0	-839,418	0	-12,276,660	-13,116,078	0	-13,116,078
Total comprehensive income in 2021/22	0	0	-839,418	0	-12,276,660	-13,116,078	0	-13,116,078
Transactions with shareholders in 2021/22								
Issue of share capital	4,778,420	21,208,280	0	0	0	25,986,700	0	25,986,700
Exercise of options	221,544	152,456	0	0	0	374,000	0	374,000
Premium shares	21,115,842	-21,115,842	0	0	0	0	0	0
Share-based payments	0	0	0	0	2,017,581	2,017,581	0	2,017,581
Total transactions with shareholders 2021/22	26,115,806	244,894	0	0	2,017,581	28,378,281	0	28,378,281
Equity at 31 August 2022	84,864,200	244,894	4,778,995	0	-49,217,602	40,670,487	-5,427	40,665,060
Comprehensive income in 2022/23								
Result for the year	0	0	1,484,454		-10,814,263	-9,329,809	0	-9,329,809
Total comprehensive income in 2022/23	0	0	1,484,454	0	-10,814,263	-9,329,809	0	-9,329,809
Transactions with shareholders in 2022/23								
Issue of share capital	22,860,022	0	0	0	0	22,860,022	0	22,860,022
Value adjustment equity in Injecto A/S	0	0	0	-415,157	0	-415,157	0	-415,157
Share-based payments	0	0	0	0	1,284,333	1,284,333	0	1,284,333
Total transactions with shareholders 2022/23	22,860,022	0	0	-415,157	1,284,333	23,729,198	0	24,144,355
Equity at 31 August 2023	107,724,222	244,894	6,263,449	-415,157	-58,747,532	55,069,876	-5,427	55,064,449

Parent company financial statements for the period 1 September 2022 – 31 August 2023

Statement of changes in equity

	Parent Company					
DKK	Share capital	Share premium account	Reserve for development	Reserve for own shares	Retained comprehen-sive income	Total
Equity at 31 August 2021	58,748,394	0	5,618,413	0	-39,052,830	25,313,977
Comprehensive income in 2021/22						
Loss for the year	0	0	-839,418	0	-14,394,617	-15,234,035
Total comprehensive income in 2021/22	0	0	-839,418	0	-14,394,617	-15,234,035
Transactions with shareholders in 2021/22						
Issue of share capital	4,778,420	21,208,280	0	0	0	25,986,700
Exercise of options	221,544	152,456	0	0	0	374,000
Premium shares	21,115,842	-21,115,842	0	0	0	0
Share-based payments	0	0	0	0	2,017,581	2,017,581
Total transactions with shareholders 2021/22	26,115,806	244,894	0	0	2,017,581	2,017,581
Equity at 31 August 2022	84,864,200	244,894	4,778,995	0	-51,429,866	38,458,223
Comprehensive income in 2022/23						
Result for the year	0	0	1,484,454	0	-8,621,252	-7,136,798
Total comprehensive income in 2022/23	0	0	1,484,454	0	-8,621,252	-7,136,798
Transactions with shareholders in 2022/23						
Issue of share capital	22,860,022	0	0	0	0	22,860,022
Exercise of options	0	0	0	0	0	0
Premium shares	0	0	0	0	0	0
Share-based payments	0	0	0	0	1,284,333	1,284,333
Total transactions with shareholders 2022/23	22,860,022	0	0	0	1,284,333	24,144,355
Equity at 31 August 2023	107,724,222	244,894	6,263,449	0	-58,766,785	55,465,780

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Cash flow statement

		Group		Parent company	
Note	DKK	2022/23	2021/22	2022/23	2021/22
	Profit/loss before tax	-9,329,809	-11,825,321	-7,136,798	-13,943,278
	Adjustment for non-cash operating items, etc.:				
5	Staff cost (warrants)	1,284,115	2,017,581	1,284,115	2,017,581
7	Depreciation, amortisation and impairment losses as well as loss from disposal of assets	3,357,352	3,619,357	2,881,707	2,760,004
9	Finance income	-52,194	-34,721	-634,503	-327,815
10	Finance costs	30,991	221,205	481,184	6,423,101
	Cash generated from operations (operating activities) before changes in working capital	-4,709,545	-6,001,899	-3,124,295	-3,070,407
	Changes in working capital	-246,926	-35,853	-434,226	2,330,101
	Cash generated from operations (operating activities)	-4,956,471	-6,037,752	-3,558,521	-740,306
	Finance income received	52,194	34,721	634,503	327,815
	Finance costs paid	-30,991	-221,205	-481,184	-6,423,101
	Cash flows from operating activities	-4,935,268	-6,224,236	-3,405,202	-6,835,592
15	Development projects and patents	-1,070,701	-1,391,512	-1,070,701	-1,391,512
16	Acquisition of fixture and fittings, plant and equipment	-868,468	-675,844	-91,562	-73,425
17	Addition Right-of-use assets	-370,080	0	-370,080	0
	Increase in deposits	-7,060	0	-7,060	0
	Changes in working capital from business combination	-989,872	0	-449,783	0
	Capital increase in Injecto A/S (cash)	0	0	-3,783,617	0
	Cash flows from investing activities	-3,306,181	-2,067,356	-5,772,803	-1,464,937
	Paid in issued share capital	10,466,641	26,360,700	10,466,641	26,360,700
	Converted debt to share capital	1,620,960	0	1,620,960	0
	Change in bank loans and borrowings	105,815	-19,324,703	105,815	-19,324,703
	Cash flows from financing activities	12,193,416	7,035,997	12,193,416	7,035,997
	Net cash flows from operating, investing and financing activities	3,951,967	-1,255,595	3,015,411	-1,264,532
	Cash and cash equivalents at 1 September 2022	906,020	2,161,615	801,999	2,066,531
	Cash and cash equivalents at 31 August 2023	4,857,987	906,020	3,817,410	801,999

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

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Overview of notes

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

1 Accounting policies

Injecto Group A/S is a privately-owned company based in Denmark. The financial statements for 1 September 2022 –31 August 2023 comprise the consolidated financial statements of Injecto Group A/S and its subsidiaries (the Group) as well as separate parent company financial statements.

The annual report of Injecto Group A/S for 2022/23 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 applying to reporting class B.

On 17 January 2024, the Board of Directors and the Executive Board discussed and approved the annual report of Injecto Group A/S for 2022/23. The annual report is presented to the shareholders of Injecto Group 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 Group has no derivative financial instruments, financial instruments in the trading portfolio or financial instruments classified as available for sale.

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.

Statement on going concern

In connection with the financial reporting, the Board of Directors and the Executive Board have assessed the group's ability to continue as going concern, and whether the going concern assumption is appropriate. In assessing whether the going concern assumption is appropriate The Board of Directors and the Executive Board have concluded there are no factors that can cast doubt about the Group's ability to continue as going concern.

The conclusion has been made on the basis of knowledge of the Group's combination of current financial position as well as after examination of budgets, including expectations for the development of liquidity; support from shareholders and the development of the capital base, etc. The Group will consider attracting supplementary capital by grants and/or issuance of new shares in addition or as loan facilities from one or more of the leading shareholders.

It is therefore considered reasonable and justified to base the going concern assumptions on the presentation of accounts.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

1 Accounting policies (continued)

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Injecto Group A/S, and subsidiaries controlled by Injecto Group 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.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interest

Injecto Group A/S decides whether it will measure the non-controlling interest at fair value or at the proportionate share of the acquiree's identifiable assets and liabilities. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

Goodwill is recognised when measuring the non-controlling interest at fair value. Goodwill will not be recognised measuring the non-controlling interest as the proportionate share method.

Non-controlling interest is measured transaction-by-transaction and disclosed in the notes with a description of the acquired companies.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Consolidated and parent financial statements for the period 1 September 2022 –31 August 2023

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

1 Accounting policies (continued)

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, 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.

Income statement

Revenue from contracts with customers

The Group is in the business of production and sales of primary packaging with main focus on PFS and component for PFS. Further the Group perform tailored development projects for customers and has licensed its technology to primary packaging and injection devices for animals to a third party.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

Sale of PFS and/or components for PFS

Revenue from sale of PFS or components for PFS is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sales, the Group considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

Sale of licenses and development projects

Revenue from licenses and development projects is recognised over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an input method in measuring progress of the installation services because there is a direct relationship between the Group's effort and the transfer of service to the customer.

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.

Other operating income and expenses

Other operating income and expenses comprise items secondary to the principal activities of the entities.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

1 Accounting policies (continued)

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

License contracts

The cost of license contracts acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, license contracts are carried at cost less any accumulated amortisation and accumulated impairment losses.

License contracts with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the license contract may be impaired. The amortisation period and the amortisation method for a license contract with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on license contract with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the license contract.

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 Group 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 the 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.

Following initial recognition of the development cost as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Development 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 for development project is usually 3 years. The basis of amortisation is reduced by write-downs, if any. Amortisation charges are included in production costs.

The Group made upfront payments to acquire patents. The patents have been granted for a period of up to 20 years by the relevant government agency with the option of renewal at the end of this period. The patents are amortised on a straight-line basis over the period of the patent. The amortisation period for patents has been decided to correspond to the patent protection of 20 years from international filing date despite some companies rely on a longer period. The basis of amortisation is reduced by write-downs, if any.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

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 acquisition 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.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-current assets.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

1 Accounting policies (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

1 Accounting policies (continued)

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

Receivables are measured at amortised cost. Write-down for bad and doubtful debts is made in accordance with the simplified expected credit loss model according to which the total loss is recognised immediately in the income statement at the same time as the receivable is recognised in the balance sheet based on the expected loss in the useful life of the receivable. Write-down is made for bad debt losses after individual assessment.

Prepayments

Prepayments are measured at cost. 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.

Other reserves

Other reserves comprise reserve for own shares and reserves for capitalised patents developed internally.

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.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

1 Accounting policies (continued)

Financial liabilities

Amounts owed to banks and lenders 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.

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 that 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. Finally the company’s commercial activities are dependent on pharma companies’ decision making categorized by many tests and steps. However, longer lead times are offset by long-term contracts. In step with the company’s commercialization the estimates will be more precise.

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.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

2 Accounting estimates and judgements (continued)

Development projects and patents

Injecto Group A/S has capitalised a total of DKK 36,623 thousand with respect to development projects and patent costs at 31 August 2023.

These costs derive from the development activity of "the easyject syringe" and the line of lubrigone plungers and the acquisition of two IP rights protected by patents (some already granted) in connection with a merger, where one patent concerns a plunger with reduced forces (lubrigone$_1$), and the other patent concerns an injector with an integrated needle stick prevention mechanism (NSP). Especially the growing market for vaccines and contraceptives, where the easyject syringe is a globally tailor fitted combined injection device and primary packaging, with demand for supplies of hundreds of millions of pre-fillable syringes, has been taken into consideration in connection with the valuation of the IP rights acquired through the merger, and we believe that the valuation is conservative in comparison with the expected market growth in vaccines in order to fight zoonotic diseases such as COVID-19 in this decade and the next decade. The syringe is an award-winning safe injection device for prefilling with pharmaceutical drugs and vaccines, while the lubrigone plunger is a ground-breaking product that can eliminate the use of silicone oil in all injection systems. Furthermore, the lubrigone plunger is coating free and is not exposed to PFAS related risks. Therefore, lubrigone plungers will benefit from the expected stricter regulation within the EU and other parts of the world for products containing PFAS with an expected ban over time.

The elimination of silicone oil is highly relevant for a lot of the new biologics and pharma for certain use e.g. ophthalmics, where silicone oil needs to be eliminated or minimised to protect against damages to the eye. Furthermore, silicone free injections are relevant for other privileged organs than the eye and will also contribute to a better primary packaging to many new biologics where the molecules are sensitive to impact from silicone oil and exposed to protein aggregation.

Despite Injecto Group A/S' commercial priority to the lubrigone plunger and the establishment of two industrial production lines at SP Medical A/S ready for supply of lubrigone$_3$ plungers for 1.0 ml (long) and 0.5 ml PFS, we have through the ongoing contact and cooperation with PATH (www.path.org) also had focus on the easyject syringe. In this respect, it should be noted that one of the plunger solutions protected by our patent portfolio is also highly relevant due to Injecto Group A/S' establishment of contact with PATH. As a result of the contact with this organisation, our easyject syringe will undergo further tests in the current financial year in the Neogrant Program as a global combined injection device and primary packaging. Based on the current level of negotiations, Injecto Group A/S is expected to enter into a contract with a customer or a strategic partnership in the next financial year regarding our products. Injecto Group A/S has established contact with 10 out of the world's Top-20 pharma companies and as mentioned previously in ongoing dialogue and conducting studies with 8 out of the world's Top-30 pharma companies regarding the lubrigone plunger. Furthermore, we have established contact with some of the leading sources in the vaccine industry regarding the easyject syringe.

We believe that the reference to our established contacts where some of the customers for plungers represent realistic production and sales of between 30-50 million plungers. Therefore, we have also established an industrial production of lubrigone$_3$ plungers for 1-3 ml (2.25 ml) which volume is especially relevant for biologics. Due to the lubrigone plungers' unique features and the substantial and increasing market for the easyject syringe tailor fitted as the preferred combination of an injection device and primary packaging for various vaccines in the steadily increasing vaccine market, where the products are protected by our patent portfolio fully supports that our depreciation of the IP rights is conservative, there is in our opinion is no need for further or any extraordinary depreciations. On the contrary, the fact that some of the patents are developed internally, which hence means that they have not been obtained to a fair market price in the current market, makes it even more obvious that our IP rights is not below the disclosed value in our annual report.

Injecto Group A/S does therefore not foresee concerns regarding the assured recuperability of the capitalised total development and patent costs apart from the timelines related to pharma companies' internal testing and regulatory issues.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

2 Accounting estimates and judgements (continued)

Deferred tax assets

The Group realised a loss for the financial year 2022/23. The recognition of deferred tax assets is associated with uncertainty linked to the underlying estimates of future revenue and profits. The estimate is based on expectations that, in the financial year 2023/24, the Company will enter into profitable commercial operation or enter into one or more strategic alliances or contracts that will determine the time when the company will be in commercial operation. Management considers the expectations realistic and emphasises that commercial sales will start as soon as the pharmaceutical companies are testing their pharmaceutical drugs in pre-fillable syringes, where the lubrigone product is used as plunger solution.

Management estimates, that due to the inherent uncertainty in timing of profitable commercial operation, no taxable loss should be set off against future income, until the Company enter into profitable commercial operation.

	Group		Parent Company	
DKK	2022/23	2021/22	2022/23	2021/22
3 Revenue				
Type of goods and service				
Licenses	100,000	100,000	100,000	100,000
Projects	1,712,998	571,907	0	25,623
Samples	0	46,564	0	10,568
	1,812,998	718,471	100,000	136,191
Geographical market				
Denmark	100,000	100,000	100,000	100,000
Other Europe	1,306,294	284,398	0	25,623
United states	406,704	334,073	0	10,568
	1,812,998	718,471	100,000	136,191
Timing of revenue recognition				
Goods and services transferred at a point in time	1,712,998	46,564	0	10,568
Goods and services transferred over time	100,000	671,907	100,000	125,623
	1,812,998	671,907	100,000	125,623
4 Other operating income				
Management fee	0	0	1,642,500	1,665,000
	0	0	1,642,500	1,665,000

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

DKK	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2021/22
5 Staff costs				
Wages and salaries	1,515,036	1,651,306	1,515,036	1,651,306
Social security, etc.	14,360	14,407	14,360	14,407
Other staff costs	52,196	43,566	52,196	43,566
Share-based payments	1,284,115	2,017,581	1,284,115	2,017,581
	2,865,707	3,726,860	2,865,707	3,726,860
Average number of employees	2	2	2	2
Remuneration to Executive Board				
Wages and salaries	900,000	900,000	900,000	900,000
Share-based payments	370,340	479,196	370,340	479,196
	1,270,340	1,379,196	1,270,340	1,379,196
Remuneration to Board of Directors				
Wages and salaries	0	0	0	0
Share-based payments	174,221	348,443	174,221	348,438
	174,221	348,443	174,221	348,443

6 Share-based payments

	Group- and Parent Company					
DKK	Board of Directors and Executive Board	Employee and consultants	Total number of warrants	Average exercise price	Average expense per warrant	Expense arising from equity-settled share-based payment transactions
Outstanding 31 August 2021	0	221,544	221,544	1.69		
Addition	465,796	674,292	1,140,088	4.13	1.77	2,017,581
Exercised	0	-221,544	-221,544	1.69		
Outstanding 31 August 2022	465,796	674,292	1,140,088	4.13		
Addition	441,828	305,000	746,948	4.13	1.72	1,284,115
Exercised	0	0	0	0		
Outstanding 31 August 2023	907,624	979,332	1,886,956	4.13		
Numbers of warrants which can be exercised at 31 August 2022	465,796	674,292	1,140,088			
Numbers of warrants which can be exercised at 31 August 2023	907,624	979,332	1,886,956			

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

DKK	Group- and Parent Company 2022/23	2021/22
6 Share-based payments (continued)		
Specification of parameters for the Black-Scholes model:		
Average share price	4.13	4.13
Average exercise price at grant	4.13	4.13
Expected volatility rate	65%	65%
Expected life (years)	2.0	2.7
Expected dividend per share	0	0
Risk-free interest rate p.a.	0.50	0.50

DKK	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2021/22
7 Depreciation and amortisation				
Amortisation of development projects and patents	2,719,317	2,629,324	2,719,317	2,629,324
Depreciation on fixtures and fittings, plant and equipment	475,645	859,353	0	0
Depreciation on right-of-use assets	162,390	130,680	162,390	130,680
	3,357,352	3,619,357	2,881,707	2,760,004

8 Investments in subsidiaries

Name	Registered office	Voting rights	Ownership	Profit	Equity
Injecto Corp.	Cresskill, USA	85%	85%	0	-33.829
Injecto A/S	Hellerup, DK	100%	100%	-2,626,586	3,381,765
VetInject A/S	Hellerup, DK	100%	100%	-187,290	-284,835

DKK	2022/23
Cost at 1 September 2022	2,000,000
Additions during the year	24,222,421
Cost at 31 August 2023	26,222,421
Impairment losses at 1 September 2022	-2,000,000
Impairment losses transferred from receivables	-9,216,383
Impairment losses at 31 August 2023	-11,216,383
Carrying amount at 31 August 2023	15,006,038

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

		Group		Parent Company	
	DKK	**2022/23**	**2021/22**	**2022/23**	**2021/22**
9	**Finance income, etc.**				
	Interest income, subsidiaries	0	0	569,358	293,094
	Reversal of prior year impairment losses, intercompany receivables	0	0	16,946	0
	Other interest income	41,147	34,721	41,147	34,721
	Foreign currency translation adjustment	11,047	0	7,052	0
		52,194	34,721	634,503	327,815
10	**Finance costs, etc.**				
	Impairment losses, intercompany receivables	0	0	450,521	6,204,375
	Interest expense to credit institutions	1,640	31,898	1,640	31,898
	Other interest expenses	26,045	189,307	25,851	186,828
	Foreign currency translation adjustment	3,306	0	3,172	0
		30,991	221,205	481,184	6,423,101
11	**Tax for the year**				
	Deferred tax adjustment	0	1,290,757	0	1,290,757
	Tax – Injecto Corp.	0	0	0	0
		0	1,290,757	0	1,290,757
	Analysis of tax for the year:				
	Computed 22.0%of the profit/loss before tax	-2,052,558	-2,601,571	-1,570,095	-3,067,521
	Non-deductible expenses, etc.	287,599	1,161	382,985	1,366,123
	Non-taxable depreciation patents	463,104	0	463,104	0
	Value adjustment of deferred tax	1,301,855	2,600,410	724,006	1,701,398
		0	0	0	0
	Current tax rate	-	-	-	-

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

DKK	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2021/22
12 Deferred tax				
Deferred tax at 1 September	6,533,345	3,932,935	4,512,446	2,811,048
Adjustment deferred tax at 1 September	-1,427,904	0	-1,427,904	0
Deferred tax for the year	1,301,855	2,600,410	724,006	1,701,398
Deferred tax related to business combination	-2,105,878	0	0	0
Deferred tax at 31 August	4,301,418	6,533,345	3,808,548	4,512,446
Deferred tax is recognised as follows in the balance sheet:				
Deferred tax (asset)	0	0	0	0
Deferred tax at 31 August, net	0	0	0	0
Deferred tax relates to:				
License contracts	-2,449,276	0	0	0
Development projects and patents	243,320	1,536,079	243,320	1,536,079
Fixture and fittings, plant and equipment	324,750	308,971	31,437	34,467
Tax loss carryforwards	6,182,624	4,688,295	3,533,791	2,941,900
	4,301,418	6,533,345	3,808,548	4,512,446

Deferred tax recognised in the consolidated and parent financial statements amounts to DKK 0.

Deferred tax assets not recognised in the consolidated financial statements relates to temporary difference related to fixed assets and tax loss carry forward. Deferred tax assets have not been recognised in the consolidated financial statements, due to the inherent uncertainty in timing of profitable commercial operation.

DKK	Group 2022/23	Group 2021/22
13 Earnings per share		
Profit attributable to ordinary equityholders of the parent for basic earnings	-9,329,809	-13,116,078
Weighted average number of shares	86,913,253	66,155,219
Weighted average number of own shares	0	0
Weighted average number of issued shares	86,913,253	66,155,219
Effect of dilution from share options	1,513,522	680,816
Weighted average number of shares adjusted for the effect of dilution	88,426,775	66,836,035
Earnings per share		
Basic, loss for the year attributable to ordinary equity holders of the parent company (EPS Basic)	-0.11	-0.20
Diluted, loss for the year attributable to ordinary equity holders of the parent company (EPS Basic)	-0.11	-0.20

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

DKK	Group 2022/23	Parent Company 2022/23
14 License contracts		
Cost at 1 September 2022	0	0
Additions during the year	11,347,336	0
Cost at 31 August 2023	11,347,336	0
Amortisation at 1 September 2022	0	0
Amortisation at 31 August 2023	0	0
Carrying amount at 31 August 2023	0	0
Amortisation period	3-20 years	
15 Development projects and patents		
Cost at 1 September 2022	46,625,744	46,625,744
Additions during the year	1,070,701	1,070,701
Disposals during the year	0	0
Cost at 31 August 2023	47,696,445	47,696,445
Amortisation at 1 September 2022	-8,353,886	-8,353,886
Amortisation of disposals	0	0
Amortisation for the year	-2,719,317	-2,719,317
Impairment	0	0
Amortisation at 31 August 2023	-11,073,203	-11,073,203
Carrying amount at 31 August 2023	36,623,242	36,623,242
Amortisation, development projects and patents	2,719,317	2,719,317
Amortisation period	3-20 years	3-20 years

Development projects and patens relates to development and patents.

The Group performed its annual impairment test in August 2023. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

DKK	Group 2022/23	Parent Company 2022/23
16 Fixtures and fittings, plant and equipment		
Cost at 1 September 2022	3,299,171	289,567
Additions during the year	868,486	91,562
Disposals during the year	-390,150	0
Cost at 31 August 2023	3,777,507	381,129
Depreciation at 1 September 2022	-1,463,977	-216,232
Impairment losses	0	0
Depreciation of disposed assets	390,150	0
Depreciation for the year	-475,645	0
Depreciation at 31 August 2023	-1,549,472	-216,232
Carrying amount at 31 August 2023	2,228,035	164,897
Depreciation and impairment losses, fixtures and fittings, plant and equipment	475,645	0
Depreciation period	2-5 years	2-5 years

Of fixtures and fittings, plant and equipment DKK 1,843 thousand are currently under construction in the subsidiary Injecto A/S, hence no depreciation has been made in the current year.

17 Right-of-use assets		
Cost at 1 September 2022	261,360	261,360
Additions during the year	370,080	370,080
Disposals during the year	-261,360	-261,360
Cost at 31 August 2023	370,080	370,080
Depreciation at 1 September 2022	-206,910	-206,910
Depreciation of disposals	261,360	261,360
Depreciation for the year	-162,390	-162,390
Depreciation at 31 August 2023	-107,940	-107,940
Carrying amount at 31 August 2023	262,140	262,140

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

DKK	Group 2022/23	Parent Company 2022/23
17 Right-of-use assets (continued)		
Current liability at 31 August 2023	185,140	185,140
Non-current liability at 31 August 2023	77,000	77,000
	262,140	262,140
Short term lease liability	372,600	0
Low value lease liability	0	0
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	162,390	162,390
Expense relating to short-term and low-value leases (included in other external expenses)	1,141,986	0

DKK	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2021/22
17 Other receivables				
VAT, etc.	1,012,734	149,589	496,068	0
Other	28,291	11,345	28,291	11,345
	1,041,025	160,934	524,359	11,345

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

19 Equity

The share capital consists of 107,724,222 fully paid-in shares of nominally DKK 1 each allocated the following way on the following three Classes:

84,864,200 A-Shares

12,087,601 B-Shares

10,772,421 C-Shares

There are no restrictions in the negotiability of the Shares and all Shares have the same voting right. A- and B-Shares have equal rights to dividend, while C-Shares have not right to dividend before from 1 September 2026 and onwards.

As it appears from the Articles of Association the major difference between A-Shares on one side and B- and C-Shares on the other side is that B-Shares until 1 December 2025 can be purchased wholly or partly by Injecto Group A/S and that C-Shares can be purchased by Injecto Group A/S for an increasing ratio up to 1,000. Both B- and C-Shares can by the payment of a premium to this ratio within a certain time frame eliminate the repurchase wholly or partly by payment of a premium, which premium is significant in comparison to the nominal value. B- and C-Shares purchased by Injecto Group A/S will automatically be converted to A-Shares. B-Shares that have not been purchased by Injecto Group A/S before 1 December 2025 and C-Shares that have not been purchased by Injecto before 31 August 2028 will automatically be converted to A-Shares

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 the funding of additional round of B-shares, where we expect the subscription will be in place 4 weeks before the expiry of the subscription period.

20 Interest bearing loans and borrowings

DKK	Interest rate %	Maturity	2022/23	2021/22
E. R. Rasmussens Fond	5.0	1 Oct 2024	153,333	255,208
Liability related to right-of-use assets	0.0	31 Jan 2023	262,140	54,450
Total			415,473	309,658

Of the interest-bearing loans and borrowings, DKK 285 thousand falls due within 1 year of the date of the financial statements.

	Group		Parent Company	
DKK	2022/23	2021/22	2022/23	2021/22
21 Other payables				
Staff-related debt	313,837	191,881	313,837	191,881
VAT	0	0	0	330,195
Other	63,156	46,900	0	0
	376,993	238,781	313,837	522,076

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

22 Acquisition of VetInject A/S

In August 2023, Injecto Group A/S acquired VetInject ApS with the intention of pursuing the business opportunities of Injecto Group A/S' technology rights in the market for injectable pharma for the veterinarian market.

In connection with the acquisition, the owners of VetInject A/S received shares in Injecto Group A/S in a new share class with C-Shares for the transfer of the ownership to 100 percent of the entire issued share capital in VetInject A/S to Injecto Group A/S.

Through the acquisition, the equity was increased by the valuation of VetInject A/S' assets that mainly consist of a license contract, by DKK 10,772 thousand. In this respect, it should be noted that Injecto Group A/S' Board of Directors and Management believe it was a conservative valuation due to the global awareness of future pandemics caused by zoonoses.

Specification of recognised assets and liability at the acquisition date:

DKK	2022/23
License contract	11,347,336
Current assets	491,208
Cash	1,224
Assets	11,839,768
Current liabilities	1,067,347
Liabilities	1,067,347
Total identified net assets, at fair value	10,772,421
Shares issued, at fair value	-10,772,421
Net cash flow from acquisition	0

Specification of recognised revenue and loss for the year:

DKK	2022/23
Revenue	0
Loss for the year	187,290

The Company has incurred transaction costs associated with the acquisition totalling DKK 75 thousand related to advisers. The cost is recognised as other external expenses in the income statement.

No goodwill has been identified.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

23 Financial risks and financial instruments

No stand-alone department regarding the Group's risk management has yet been established because of the size of the Company and its lean organisation. This is maintained in the management team in the Group. 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 Group's sales and profits will be connected to the international exploitation in various global markets. This naturally implies 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, and in this respect, it should be noted that the majority of contracts and payments under contracts are expected to be in USD or EUR.

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 Group A/S.

At 31 August 2023, Injecto Group A/S was holding approx. DKK 4,858 thousand in cash. No bank overdraft facilities or external long-term loans are applicable, and the Company will rely on support from its major shareholders if needed after the company was capitalized in a minor private placement among existing shareholders where additional cash is also expected on the basis of further subscription to new issued class-B shares by existing shareholders.

Cash at 31 August 2023 and ongoing projects generating income combined with the support from the major shareholders and/or the Board of Director's right to offer 5 million B-Shares will ensure the sufficient liquidity to continue all operations of the company.

Management will consider attracting supplementary capital by grants and/or issuance of new A-Shares. Finally, potential funding from donators can also contribute.

Management monitors month-end reports with cash flow forecasts for Injecto Group A/S' liquidity reserve in order to ensure the best position for the Company and its existing shareholders. This could lead to an alternative capitalisation than the planned capitalisation if the terms and conditions for this capitalisation are not fully satisfactory for the Company and its existing shareholders. The fact that we now have the third industrial production line at SP Medical A/S with a capacity representing a supplementary significant initial revenue with a satisfactory gross margin and enable the supply of plungers in all three basic ISO measurements will also have an impact on the need to attract additional funding.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

23 Financial risks and financial instruments (continued)

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 Group A/S' products. However, necessary precautions with respect to potential licences will be addressed in the contracts.

Credit risk is managed at company management level.

There is no risk exposure foreseen towards wholesale or retail, as Injecto Group A/S nor its subsidiaries have entered into any contracts relating to this. Should this become applicable, Injecto Group A/S will obtain independent rating for the relevant wholesale to each customer. Furthermore, supplies will take part in instalments, and we intend to build in protection gates in the contracts.

Finally, the majority of our products can be used for more than just one customer and are generally compliant with ISO measurements, making it possible for us to sell a production lot made for one customer to another customer if the first customer does not meet its obligations under the contract to receive certain production volumes.

If no independent rating of a potential customer exists, being either a licensed third party, a wholesale customer or a customer in the pharmaceutical industry, 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. In this respect, it should be noted that a lot of our customers in the pharmaceutical industry are among the global leading companies with a very strong economy.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the

Board of Directors. Management regularly monitors compliance with credit limits.

Financial instruments

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

The Company does not make use of derivate financial instruments.

24 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 I ApS, Strandvejen 251 B, DK-2920 Charlottenlund.
- Tina Hetting Holding II ApS, Strandvejen 251 B, DK-2920 Charlottenlund.
- ASYRINGE LIMITED, Room 1101, 11/F, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong.
- Sprøjtefabrikken ApS, c/o Bluefish ApS, Bygmestervej 6, DK-2400 Copenhagen NV.
- Holmsvanen AB, Skogsslingan 6, SE-182 30 Danderyd, Sweden.

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

The Board of Directors and the Executive Board

Injecto Group A/S' related parties with significant influence comprise the Company's Board of Directors and the Executive Board. Management's remuneration is mentioned in note 5.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

24 Related parties/shareholder information (continued)

Related party transactions

The Company has carried through the following related party transactions during 2022/23.

	Group	Parent Company
Legal- and consultancy fee	1,247,548	1,247,548
Remuneration for Board of directors and Executive Board	1,270,340	1,270,340
Management fee – Injecto A/S		1,642,500
Financial income – intercompany receivables		586,304
Intercompany receivables		661,991
Intercompany payables		450,000

25 Events after the reporting period

No major events have occurred since the balance day.

The company's board of directors and the major shareholders wanted to ensure that all of the other existing shareholders could subscribe to new issued shares on the same terms and conditions and hence had the opportunity to avoid dilution. By these transactions and the coming last round of subscription to 5,000,000 B-Shares based on the board of director's decision in December 2023 the sufficient liquidity for the company to pursue its strategy in the current phase where the company is moving towards profit giving operation.

The fresh capital injections mentioned above together with the company's existing liquidity ensures Injecto Group A/S' budgeted liquidity need in the current accounting year and will be extended further by a firm credit control and a supplementary placement in the last round of B-Shares, where many shareholders have asked of the possibility of subscribing to additional shares in the new share class, where the board has been granted the right to offer subscription to new issued shares that will represent an additional equity of DKK 5,000,000.

Obtained a novelty search from through our Patent Attorney that confirms that we in accordance with our expectation with overwhelming probability will be granted a patent in all relevant designations on our patent on our invention related to our lubrigone plunger that can resist the impact from freezing below minus 80 oC and subsequently being exposed to thawing without compromising its functionality, which especially in the hight-end of biologics and especially in the fast growing cell- and gene technology will give us a prevailing position as the preferred or even only available primary packaging solution for pre-fillable injection devices in this field.

Consolidated and parent financial statements for the period 1 September 2022 – 31 August 2023

Notes to the financial statements

26 Collateral

The parent company has provided letter of comfort to Injecto A/S. Injecto Group A/S will unconditionally cover Injecto A/S liquidity needs by capital injection(s) or by subordinated loan(s) for its operation of its business activities until the Company is in profitable operation or has obtained alternative funding for its operation. The letter of comfort can be terminated with 12 months prior written note to Injecto A/S.

The parent company has provided a declaration of withdrawal with respect to both present and prospective creditors in VetInject A/S. This pertains to the net recoverable from VetInject A/S as of 11 December 2023, aggregating DKK 462,795. In conjunction with this declaration of withdrawal concerning VetInject A/S's creditors, the parent company has extended a letter of support to VetInject A/S, indicating a willingness to either mark down/abrogate claims against VetInject A/S, convert the debt liability into a compliant loan, and/or transform the debt obligation or portions thereof into equity capital in VetInject A/S.

This declaration of withdrawal and letter of support may be rescinded with a prior notice period of 3 months. However, this applies solely to the future debt obligations of VetInject A/S, which materialize subsequent to the expiration of this 3-month notification period. Irrespective of the notice period, the letter of support encompasses VetInject A/S's future debt obligations that may have accrued up through and including 31 August 2024.

The Group has no collaterals against external parties.

27 Adoption of new and revised standards

New IFRS standards and interpretations issued but not yet effective

At the date of approval of these financial statements, the Group has not applied the following new IFRS standards and interpretations that have been issued but are not yet effective:

IAS 1	Presentation of Financial Statements – Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
IAS 1	Presentation of Financial Statements – Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
IAS 1	Non-current Liabilities with Covenants
IAS 8	Accounting policies, Changes in Accounting Estimates and Errors – Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
IAS 12	IAS 12 Income taxes – Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 12	Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules
IFRS 16	Lease Liability in a Sale and Leaseback

Injecto Group A/S will apply the new standards and interpretations as they are adopted by the EU and become effective.

Management does not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Torben Helmer Knudsen
Client Signer
På vegne af: Injecto Group A/S
Serienummer: a6f9560f-506b-44a1-9841-28af01faee4d
IP: 94.145.xxx.xxx
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Thomas Sonne-Schmidt
Client Signer
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IP: 87.49.xxx.xxx
2024-01-17 16:00:40 UTC

Marie Ladefoged Ramwell
Client Signer
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Serienummer: f1268447-bdb8-4501-bd6c-91a77281ed6d
IP: 104.162.xxx.xxx
2024-01-17 16:03:36 UTC

Emil Bue Bredel
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Serienummer: 9f2d11d8-9924-416f-a84d-0856a1d49e4f
IP: 185.17.xxx.xxx
2024-01-17 16:11:25 UTC

Jesper Jørn Pedersen
EY Godkendt Revisionspartnerselskab CVR: 30700228
EY Signer
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: 56d6c3a0-9f8e-441c-9edb-c29124a844b6
IP: 165.225.xxx.xxx
2024-01-17 16:15:50 UTC

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