Injecto Group A/S

Strandvejen 60, 2900 Hellerup, Denmark

CVR no. 35 80 65 55

Annual report

1 September 2020 – 31 August 2021

Approved at the Company's annual general meeting on 20 January 2022

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 2020/21.

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 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 September 2020 – 31 August 2021.

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, 5 January 2022
Executive Board:

Mikael Hans Andranik Hetting

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 2020 – 31 August 2021, 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 International Financial Reporting 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 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 September 2020 – 31 August 2021 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 International Financial Reporting 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, 5 January 2022
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	Mikael Hans Andranik Hetting
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 the Company's 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 plungers and our award-winning easyject syringe for pre-filling.

Position and commercial activities

The financial position of the company was strengthened by the planned conversion of loans from some of the major shareholders to share capital and by an additional increase of the company's nominal share capital by existing shareholders' subscription to new issued shares at the same terms and conditions. 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 this transaction, the sufficient liquidity was secured for the company to pursue its strategy in the current phase where the company is moving into the phase, where it is expected that the company will come into profit giving operation. Despite that the transaction was planned in the financial year, the transaction did not take place before 6 October 2021, and hence the transaction and its positive impact under due consideration to risks are described in more detail below in the section describing events after the accounting period.

During the year we have mainly focused on the following:

IP rights

- Strengthening our IP rights by ongoing grants of patents in the national phase.

Lubrigone plungers

- Expanding 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. In addition to the increasing rate of approvals for biologic formulations, which are much more sensitive to lubricants as compared to traditional pharmaceutical compounds, the awareness of silicone oil as having material adverse effects on ophthalmic injections by ocular inflammation and myodesopsia (floaters) problems with silicone oil have been noted in connection with 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 stopper selection. The risk effects are higher for patient therapies requiring multiple injections for a given therapy.
- Expanding our contacts with global leading pharma companies and parenteral and medical device companies in addition to Gerresheimer, including, but not limited to, an American company specialised in microdosing features for injections.
- The American company's microdosing device works fine with the lubrigone plunger, and they have introduced us to new pharma companies, including, but not limited to, a pharma company with a new gene therapy for treatment of hearing disorders with a substantial market volume, where our lubrigone has been chosen as the preferred plunger and is under further testing and expected to be tested on humans in 2022.
- Completing the increase of our production capacity of lubrigone plungers at SP Medical, where we now have an industrial production of 1.0 ml (long) and 0.5 ml plungers for PFS.
- Planning the establishment and implementation of an industrial production line for lubrigone plungers for 1-3 ml (2.25 ml) PFS in 2022 which will ensure that we have a complete industrial production of the three most commonly used PFS in ISO measurements in 0.5 ml, 1.0 ml (long) and 1-3 ml. These three measurements represent more than 90 % of the total PFS market.

Management's review

- During the year, we succeeded in attracting interest from pharma companies, who are looking for our development of lubrigone plungers in individual measurements for PFS, auto injectors and pumps. While we are awaiting further instructions from two pharma companies, we have entered into a development project with a European pharma company for a supply of a set of three lubrigone plungers in individual measurements for this company's pre-fillable injection device of lyophilised pharma. The European pharma company has ordered the production mould and is paying for our services in connection with the testing. The mould, together with the stopper solution, is under review at the same time as we are negotiating the terms and conditions for the supply contract.
- We have also succeeded in attracting interest for our lubrication free lubrigone plunger solution from an American company in diagnostics, where we have entered into a development project, and they have paid for the design mould and our services., We are aiming at signing a contract in 2022 regarding future supplies of up to 36 million stoppers per year, where we have agreed to the basic principles concerning unit price and a 5-year term of the contract.

easyject syringe

- Our co-operation with PATH (www.path.org) on our easyject syringe as the only cPAD (compact Pre-Fillable Auto Disable Syringe) has intensified, and all tests and reviews have until now been successful and have strengthened our belief in a future co-operation with PATH and key stakeholders, where a major funding packaging for the first production line of up to 50 million easyject syringes is still an option.
- The intended use of the easyject syringe has been extended from the use of the pre-fillable device as a combined packaging and injection platform device for vaccines to contraceptive injections, and hence the potential future sales have increased.
- Since some of PATH's donators are interested in finding the right cPAD for contraceptive injections in addition to vaccines, PATH is now - with financial support from one of its major contributors - planning tests of easyject with a contraceptive injectable, including a leachable study. It is expected that these tests will be completed in Q3 2022.
- It should be noted that a pharma company's tests of our easyject syringe as parenteral packaging for one of their products have been very promising. The tests were conducted in Q2 2021, where the pharma company paid for our supplies and services, , and the pharma company is expected to order additional tests with the easyject syringe with another needle size/length in Q1 2022.
- PATH has introduced the easyject syringe to one of the world's Top 5 pharma companies which will start testing the easyject syringe as a platform product for parenteral packaging within different programmes.
- 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. This capacity needs to be increased since they have identified the potential demand to be considerably higher and up to 500 million units annually.

Supplementary activities

- We are still in dialogue with potential co-operation partners regarding additional business activities, including, but not limited to, servapac (high-volume low-cost market plungers for PFS) where we are currently considering the following business areas in addition to servapac:
  - Volume-based plunger market where we are an appealing alternative to rubber plungers due to our significant advantages in production of plungers.
  - Complimentary products to plungers for the volume-based market.
  - Special requirements for custom plungers for PFS in special measurements typically for the low-volume high-cost market segment, where we have entered into a development project with a pharma company as mentioned above.

Management's review

The main customers for our lubrigone plungers are the pharmaceutical companies who would like to offer their customers a lubricant free injection device as an integrated part of the parenteral packaging of their products. Additionally, major providers (manufacturers) of pre-fillable syringes who will offer our lubrigone plungers for use in their injection systems are also among our co-operation partners and customers, where we have established good and constructive non-exclusive relationships.

The main customers for our easyject syringe are 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 even in terms of prices, it can compete 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, less wastage and dosage precision.

It should be noted that the Immunization Agenda 2030 (IA2030) from the WHO, UNICEF and GAVI, which new programme was introduced in 2021 with focus on a so-called bottom-up approach with the introduction of booster doses for lifelong protection as well as reach of unvaccinated children and solution for geographical inequalities, is expected to increase the global need for and use of easyject.

Fortunately, we have not been impacted substantially by COVID-19 apart from the derived effect mentioned in Injecto's annual report from last year, when a couple of our customers who decided to postpone remaining testing of our lubrigone plungers due to their focus on the provision of COVID-19 vaccines. These tests have not been completed yet, and we assume that the completion of this pharma product has been postponed.

The COVID-19 pandemic's material adverse effects globally have further strengthened the awareness of the coming years' fights against zoonotic diseases where especially our easyject syringe could turn out to be one of the world's preferred products.

In order to summarise the comments above and give a brief overview of the current business opportunities with respect to lubrigone plunger stoppers and the easyject syringes, reference is made to the following:

We have established contact with 13 of the world's Top-20 pharma companies (by revenue) of which 11 are already testing our plunger stoppers. Two of the companies testing have already initiated discussions of commercial terms. We have established contact with additional 9 key pharma companies outside of Top-20, of which 6 of the companies are already testing our plunger stoppers.

We have established contact with the majority of the Top-5 manufacturers of pre-fillable injection devices, where one company has successfully conducted extensive tests of our lubrigone plunger stoppers and is promoting our silicone free solution towards the pharmaceutical industry, while two other companies are in the test phase. The collaborations are based on a joint promotion of our silicone free plunger stoppers and their containers. Furthermore, we are in contact with a medical device company within micro-dosing of injectable pharma, which is promoting our lubrication free plunger solution in the parenteral segments for ophthalmic and other privileged organs. Finally, as previously mentioned, we have been approached by companies involved in diagnostics, where we have entered into a develop project for a stopper solution based on our lubrigone technology, where a positive outcome of this project in 2022 will lead to a long-term commercial contract for supplies of a substantial volume in the years to come.

In addition, we are in contact with 4 medical device and diagnostics companies. Diagnostics companies have the advantage that the regulatory constraints timewise are minute compared to those of the pharma industry, creating a shorter timeline to market.

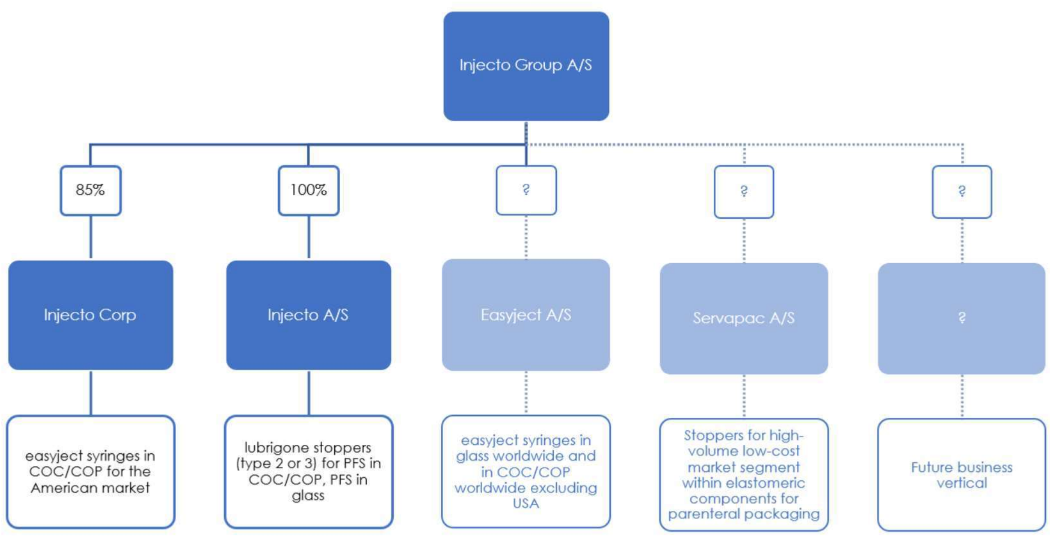
Due to our ongoing build-up of our technology and company, we have had a loss before depreciation in the accounting period in the amount of DKK 5,026,092 and loss before tax in the amount of DKK 9,457,405 leading to a total loss of DKK 33,340,110.

Management's review

The total loss has not affected the financial position of Injecto Group A/S since our company was fully financed by loan facilities granted by our leading shareholders who had a strong belief in our company and shortly after the end of the accounting period converted all loan facilities to share capital as mentioned above and described below in the section on events after the end of the accounting period. We have been reluctant to increase the share capital based on investments from new major investors despite the fact that we have been approached by serious investors, since we would like to maintain the control and follow the established path and strategy. We prefer to meet 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, where our patent position has been secured and our first production line has been built and run in. This was also the reason why all the minor shareholders in the company were offered the opportunity to subscribe to new issued shares 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. Notwithstanding the foregoing, and depending on the outcome and/or timing of the previously mentioned donation for the first easyject production, substantial investments from one or more right strategic investors could be considered as nice to have but not as a need.

Organisation with description of company structure

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



We 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.

Management's review

We 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 and now also for custom plungers in individual measurements within the global market for pre-fillable syringes estimated to 6 billion EUR annually with a CAGR of around 10 % over the next 10 years, cf. Report ID: FBI101946 from Fortune Business Insight (https://www.fortunebusinessinsights.com/industry-reports/prefilled-syringes-market-101946) and Report from Allied Market Research (https://www.alliedmarketresearch.com/prefilled-syringes-market)

The growth in big molecules and awareness of the importance of a completely silicone oil free PFS as mentioned above, with the substantial benefits of PFS over the combined used of empty syringes filled with pharma from a vial are major contributors to the demand for our lubrigone plungers. With the right capitalisation and timing, we believe conservatively that, based on our lubrigone plunger stopper, we can obtain around 5 % of the plunger stopper market for PFS. In this respect it should be noted that our product is needed for a lot of new biotech products, where the proportion between emerging and established biopharma has increased from 33%:67% in 2010 to 47%:53% in 2018, cf. survey from McKinsey (https://www.mckinsey.com/industries/life-sciences/our-insights/a-new-portfolio-model-for-biotech), and, in addition to capturing minor market shares from existing pharma, our product will gain the biggest market shares from new biotech. In this respect it should be noted that we have a strong position with respect to scalability in our existing production, which can take part and hence be increased with a relatively short notice since, as mentioned earlier, we have less production steps in comparison with plunger stoppers made of rubber.

The constructive co-operation with PATH, including successful testing and further testing of our easyject syringe where a substantial market for contraceptive injections has opened in addition to the steadily growing vaccine market, has strengthened the competitive edge of easyject, and we believe that the ongoing tests until Q3 2022 will improve Injecto Group A/S' potential opportunity to initiate the establishment of the first industrial production line of easyject with a yearly capacity of 50 million.

We believe that the previously mentioned and briefly described 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. Moreover, we have substantial expectations for our license on our rights to a company with focus on parenteral packaging for animal injectables where we yield a profit on license fees. 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.

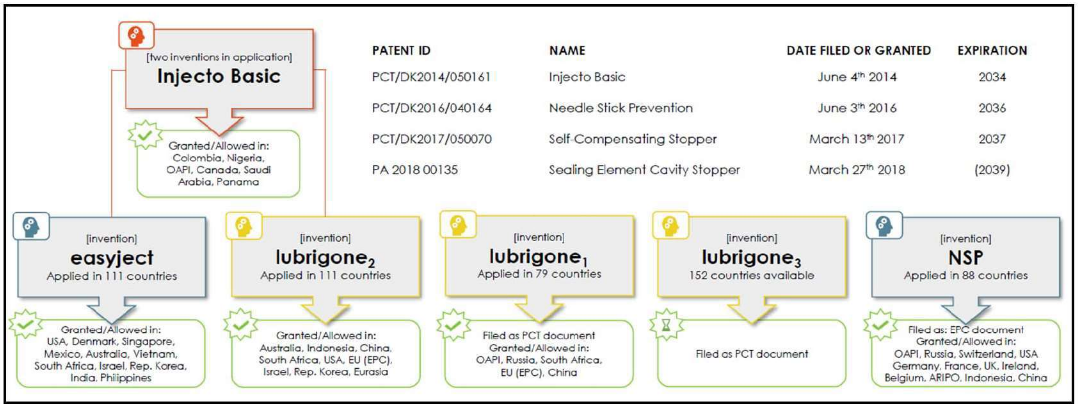
We believe that our activation of development costs and the depreciation of patents over 20 years are realistic, since the costs have contributed to the core patents and patent applications and will be related to our future expected revenues and profits where we expect to receive a full repayment of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

IP rights

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), where we refer to the illustration below:



Events after the accounting period

Injecto Group A/S' financial position was strengthened by four major shareholders' conversion of loans and a private placement limited to existing shareholders in Injecto Group A/S on 6 October 2021, in which respect Injecto Group A/S' equity was increased by DKK 23,998,627 (of which DKK 19,264,429 relates to conversion of loans and DKK 4,734,198 is paid in cash).

Injecto Group A/S has attracted further capital in the amount of DKK 1,669,757 before the end of 2021 from the shareholders who were granted warrants in connection with the aforementioned capitalisation on 6 October 2021, where the warrants shall be exercised no later than 31 July 2022 and where there is a premium in subscription price if the warrants are exercised before 1 April 2022.

The fresh capital injections mentioned above, together with the company's existing liquidity, ensure Injecto Group A/S' budgeted liquidity need in the current accounting year and will be extended further by a firm credit control and exercise of further warrants if needed.

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

Coming activities, expectations and risk factors

We still intend to generate revenue through a combination of license sales and 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.

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.

Management's review

Notwithstanding the foregoing, we are currently aiming at bringing Injecto Group A/S into profitable commercial operation with effect from 2022/2023, where we 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 believe that the 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 financial statements for the period 1 September 2020 – 31 August 2021

Income statement

Note	DKK	2020/21	2019/20
3	Revenue	706,694	100,000
	Other external expenses	-4,169,678	-4,079,521
	Gross profit/loss	-3,462,984	-3,979,521
4	Other operating income	0	292,350
5, 6	Staff costs	-1,563,108	-1,611,645
	Profit/loss before depreciation	-5,026,092	-5,298,816
7	Depreciation	-2,997,990	-2,441,198
	Operating loss	-8,024,082	-7,740,014
9	Finance income, etc.	28,681	19,583
8, 10	Finance costs, etc.	-1,462,004	-1,115,744
	Profit/loss before tax	-9,457,405	-8,836,175
11	Tax for the year	0	-695,362
	Profit/loss for the year	-9,457,405	-9,531,537
	Attributable to:		
	Equity holders of the parent	-9,457,405	-9,531,537
	Non-controlling interests	0	0
		-9,457,405	-9,531,537
	Earnings per share:		
13	Basic, profit for the year attributable to ordinary equity holders of the parent company (EPS Basic)	-0.17	-0.22
13	Diluted, profit for the year attributable to ordinary equity holders of the parent company (EPS-D)	-0.17	-0.21

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Statement of comprehensive income

Note	DKK	2020/21	2019/20
	Profit/loss for the year	-9,457,405	-9,531,537
	Other comprehensive income after tax	0	0
	Total comprehensive income	-9,457,405	-9,531,537
	Attributable to:		
	Equityholders of the parent	-9,457,405	-9,531,537
	Non-controlling interests	0	0
		-9,457,405	-9,531,537

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Balance sheet

Note	DKK	2020/21	2019/20
	ASSETS		
	Non-current assets		
14	Development projects and patents	39,509,670	40,610,344
15	Fixtures and fittings, plant and equipment under construction	1,175,925	1,194,540
15	Fixtures and fittings, plant and equipment	842,778	0
16	Right-of-use assets	185,130	0
		41,713,503	41,804,884
	Other non-current assets		
12	Deferred tax	1,290,756	1,290,756
	Deposits	21,906	21,906
		1,312,662	1,312,662
	Total non-current assets	43,026,165	43,117,546
	Current assets		
	Trade receivables	710,070	570,000
17	Other receivables	190,053	112,280
		900,123	682,280
	Cash	2,161,615	1,269,734
	Total current assets	3,061,738	1,952,014
	TOTAL ASSETS	46,087,903	45,069,560

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Balance sheet

Note	DKK	2020/21	2019/20
	EQUITY AND LIABILITIES		
18	Equity		
	Share capital	58,748,394	56,080,394
	Other reserves	5,618,413	2,433,829
	Retained comprehensive earnings	-38,958,523	-30,104,774
	Shareholders' share of equity	25,408,284	28,409,449
	Non-controlling interests	-5,427	-5,427
	Total equity	25,402,857	28,404,022
	Liabilities		
	Non-current liabilities		
19	Interest bearing loans and borrowings	19,403,681	5,952,323
		19,403,681	5,952,323
	Current liabilities		
19	Interest bearing loans and borrowings	230,680	9,599,012
	Trade payables	670,914	687,257
20	Other payables	379,771	426,946
		1,281,365	10,713,215
	Total liabilities	20,685,046	16,665,538
	TOTAL EQUITY AND LIABILITIES	46,087,903	45,069,560

Consolidated financial statements for the period 1 September 2020– 31 August 2021

Statement of changes in equity

DKK	Share capital	Share premium account	Reserve for develop-ment	Reserve for own shares	Retained comprehen-sive income	Total	Non-controlling interests	Total equity
Equity at 31 August 2019	19,360,394	0	5,760,181	0	-21,788,653	3,331,922	-5,427	3,326,495
Comprehensive income in 2019/20								
Loss for the year	0	0	-923,250	0	-8,608,287	-9,531,537	0	-9,531,537
Total comprehensive income in 2019/20	0	0	-923,250	0	-8,608,287	-9,531,537	0	-9,531,537
Transactions with shareholders in 2019/20								
Issue of sharecapital arising from merger	9,110,774	27,889,226	0	0	0	37,000,000	0	37,000,000
Premium shares	27,609,226	-27,609,226	0	0	0	0	0	0
Transfer	0	-280,000	0	0	280,000	0	0	0
Own shares	0	0	0	-2,403,102	0	-2,403,102	0	-2,403,102
Share-based payments	0	0	0	0	12,166	12,166	0	12,166
Total transactions with shareholders 2019/20	36,720,000	0	4,836,931	-2,403,102	292,166	34,609,064	0	34,609,064
Equity at 31 August 2020	56,080,394	0	4,836,931	-2,403,102	-30,104,774	28,409,449	-5,427	28,404,022
Comprehensive income in 2020/21								
Loss for the year	0	0	781,482	0	-10,238,887	-9,457,405	0	-9,457,405
Total comprehensive income in 2020/21	0	0	781,482	0	-10,238,887	-9,457,405	0	-9,457,405
Transactions with shareholders in 2020/21								
Own shares	0	0	0	2,403,102	1,385,138	3,788,240	0	3,788,240
Exercise of options	831,836	1,836,164	0	0	0	2,668,000	0	2,668,000
Premium shares	1,836,164	-1,836,164	0	0	0	0	0	0
Total transactions with shareholders 2020/21	2,668,000	0	0	2,403,102	1,385,138	6,456,240	0	6,456,240
Equity at 31 August 2021	58,748,394	0	5,618,413	0	-38,958,523	25,408,284	-5,427	25,402,857

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Cash flow statement

Note	DKK	2020/21	2019/20
	Profit/loss before tax	-9,457,405	-8,836,175
	Adjustment for non-cash operating items, etc.:		
	Staff cost (warrants)	0	12,166
7	Depreciation, amortisation and impairment losses as well as loss from disposal of assets	2,997,990	2,441,198
	Finance income and costs	1,433,323	1,096,161
	Cash generated from operations (operating activities) before changes in working capital	-5,026,092	-5,286,650
	Changes in working capital	-281,361	-7,710
	Cash generated from operations (operating activities)	-5,307,453	-5,294,360
	Finance income and costs paid/received	-1,433,323	-1,096,161
	Income taxes paid	0	0
	Cash flows from operating activities	-6,740,776	-6,390,521
14	Development projects and patents	-1,432,694	-1,041,357
15	Acquisition of fixture and fittings, plant and equipment	-1,212,555	0
15	Disposal of fixture and fittings, plant and equipment	0	0
16	Addition Right-of-use assets	-261,360	0
	Cash flows from investing activities	-2,906,609	-1,041,357
	Acquisition of own shares	0	-2,403,102
	Disposal of own shares	3,788,240	0
	Issue of sharecapital	2,668,000	0
	Change in bank loans and borrowings	4,083,026	10,280,625
	Cash flows from financing activities	10,539,266	7,877,523
	Net cash flows from operating, investing and financing activities	891,881	445,645
	Cash and cash equivalents at 1 September 2020	1,269,734	824,089
	Cash and cash equivalents at 31 August 2021	2,161,615	1,269,734

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

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Overview of notes

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

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 2020 – 31 August 2021 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 2020/21 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 5 January 2022, the Board of Directors and the Executive Board discussed and approved the annual report of Injecto Group A/S for 2020/21. 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 loan facilities from some of the major shareholders and license fees and financial position, as well as after examination of budgets, including expectations for the development of liquidity 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 an alternative to the aforementioned loan facilities.

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

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

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.

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.

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

1 Accounting policies (continued)

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, non-cash 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.

Government grants

Government grants include grants and funding for R&D activities, investment grants, etc. Government grants are not recognised until there is reasonable assurance that the grants will be received and all attached considerations will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

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.

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

1 Accounting policies (continued)

Other operating income and expenses

Other operating income and expenses comprise items secondary to the principal activities of the entities, including government grants.

Finance income and costs

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

Tax for the year

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

Balance sheet

Development projects and patents

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the 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 is a maximum of 20 years from international filing date. The basis of amortisation is reduced by write-downs, if any.

Fixtures and fittings, plant and equipment

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

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

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

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

1 Accounting policies (continued)

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 of machinery and equipment (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.

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.

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

1 Accounting policies (continued)

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.

Employee obligations

Share option programmes

The value of services rendered by employees received in exchange for granted options is measured at the fair value of the options granted.

For equity-settled programmes, the share options are measured at the fair value at the grant date and recognised in the income statement under staff costs over the vesting period. The counter entry is recognised directly in equity as an owner transaction.

The fair value of granted options is estimated using an option pricing model. The calculation takes into account the terms and conditions related to the granted options.

Corporate income tax and deferred tax

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

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

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

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

1 Accounting policies (continued)

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

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

Financial liabilities

Amounts owed to banks 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.

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 financial statements for the period 1 September 2020 – 31 August 2021

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 39,510 thousand with respect to development projects and patent costs at 31 August 2021.

These costs derive from the development activity of "the easyject syringe" and the line of "lubrigone plunger stoppers" and the acquisition of two IP rights protected by patents (some already granted) in connection with a merger, where one patent concerns a plunger stopper with reduced forces (lubrigone[1]), and the other patent concerns an injector with an integrated needle stick protection mechanism (NSP). Especially the growing market for vaccines, where the easyject syringe is a globally tailor-made 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 COVID-19 and other zoonotic diseases 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 stopper is a ground-breaking product that can eliminate the use of silicone oil in all injection systems.

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.

The Management of Injecto Group A/S conducted very thorough negotiations with major key players in the market during the last financial year. Despite our decision last year to give priority to the lubrigone stopper and the establishment of the first industrial production line at SP Medical ready for supply of 1.0 ml lubrigone[3] stoppers for 1.0 ml PFS, we have now, through the contact with PATH (www.path.org), restored focus on the easyject syringe. In this respect, it should be noted that one of the stopper 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 be tested in the current financial year in the Neogrant Program as a global combined injection device and primary packaging. Furthermore, the easyject syringe has been introduced as a preferred solution by a reputable pharma company, with which we are currently negotiating a feasibility agreement. 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 pharmaceutical companies regarding the lubrigone plunger stopper and 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 plunger stoppers represent realistic production and sales of between 30-50 million plunger stoppers, and the substantial and increasing market for the easyject syringe, where the products are protected by our patent portfolio, fully support our belief that our depreciation of the IP rights is conservative and that, in our opinion, there is no need for further or any extraordinary depreciations. On the contrary, some of the patents 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 are not below the disclosed value in our annual report.

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

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

2 Accounting estimates and judgements (continued)

Deferred tax assets

The Group realised a loss for the financial year 2020/21. The recognition of deferred tax assets is associated with uncertainty linked to the underlying estimates of future revenue and profits. The recognition is based on the expectations as to the budget year 2021/22 and realistic projections for the coming years. The estimate is based on expectations that, in the financial year 2022/23, the Company will enter into profitable 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 stopper solution.

At 31 August 2021, Management estimates, due to the uncertainty in timing of profitable commercial operation, that no further taxable loss should be set off against future income.

	DKK	2020/21	2019/20
3	Revenue		
	Type of goods and service		
	Licenses	100,000	100,000
	Projects	606,694	0
		706,694	100,000
	Geographical market		
	Denmark	100,000	100,000
	Other Europe	606,694	0
		706,694	100,000
	Timing of revenue recognition		
	Goods and services transferred over time	706,694	100,000
		706,694	100,000
4	Other operating income		
	Government grants	0	292,350
5	Staff costs		
	Wages and salaries	1,511,581	1,544,600
	Social security, etc.	13,833	12,582
	Other staff costs	37,694	42,297
	Share-based payments	0	12,166
		1,563,108	1,611,645

Staff costs include remuneration to the Board of Directors and Executive Board in the amount of DKK 900,000.

Over the financial year, the Company had two employees on average.

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

6 Share-based payments

Outstanding warrants at 31 August 2020:

DKK	Outstanding at 1 September 2020	Additions during the period	Addition due to premium shares	Outstanding at 31 August 2021
Employees	528,030	3,204	515,151	1,046,385
Total	528,030	3,204	515,151	1,046,385
Weighted average exercise price	5.74	3.43		2.91
Numbers of warrants which can be exercised at 31 August 2021				1,046,385
at a total exercise price of DKK				3,042,000

The total recognised cost of the warrant programme for Employees amounted to DKK 12,166 in the financial year 2019/20.

Specification of parameters for the Black-Scholes model:

DKK	December 2016 – August 2020
Average share price	3.31
Average exercise price at grant	2.91
Expected volatility rate	60%
Expected life (years)	0.3–1.3
Expected dividend per share	0
Risk-free interest rate p.a.	0.39

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

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

6 Share-based payments (continued)

Outstanding warrants at 31 August 2021:

DKK	Outstanding at 1 September 2020	Exercised during the period	Addition due to premium shares	Outstanding at 31 August 2021
Employees	1,046,385	-831,836	6,995	221,544
Total	1,046,385	-831,836	6,995	221,544
Weighted average exercise price	2.91	3.21		1.69
Numbers of warrants which can be exercised at 31 August 2021				221,544
at a total exercise price of DKK				374,000

No warrants were issued during 2020/21.

All issued warrants expire at 31 December 2021.

DKK	2020/21	2019/20
7 Depreciation and amortisation		
Amortisation of development projects and patents	2,533,368	2,427,173
Depreciation on fixtures and fittings, plant and equipment	388,392	14,025
Depreciation on right-of-use assets	76,230	0
	2,997,990	2,441,198

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

8 Investments in subsidiaries

Name	Registered office	Voting rights	Ownership
Injecto Corp.	Cresskill, USA	85%	85%
Injecto A/S	Hellerup, DK	100%	100%

	DKK	2020/21	2019/20
9	Finance income, etc.		
	Other interest income	28,681	19,583
10	Finance costs, etc.		
	Interest expense to credit institutions	15,849	12,255
	Other interest expenses	1,138,017	847,682
	Foreign currency translation adjustment	308,138	255,807
		1,462,004	1,115,744
11	Tax for the year		
	Deferred tax adjustment	0	695,362
	Tax – Injecto Corp.	0	0
		0	695,362
	Analysis of tax for the year:		
	Computed 22.0% of the profit/loss before tax	-2,080,629	-1,943,959
	Non-deductible expenses	485	3,023
	Value adjustment of deferred tax	2,080,144	2,636,298
		0	695,362
	Current tax rate	-	-

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

	DKK	2020/21	2019/20
12	Deferred tax		
	Deferred tax at 1 September 2020	1,852,791	3,791,215
	Adjustment due to merger	0	-3,875,563
	Deferred tax for the year	2,080,144	1,937,139
	Deferred tax at 31 August 2021	3,932,935	1,852,791
	Deferred tax is recognised as follows in the balance sheet:		
	Deferred tax (asset)	1,290,756	1,290,756
	Deferred tax at 31 August 2021, net	1,290,756	1,290,756
	Deferred tax relates to:		
	Development projects and patents	957,627	400,286
	Fixture and fittings, plant and equipment	123,951	38,505
	Write-down of investments	0	0
	Tax loss carryforwards	2,851,357	1,414,000
		3,932,935	1,852,791

Deferred tax not recognised in the consolidated financial statements amounts to DKK 2,642,179.

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 only been recognised partly in the consolidated financial statements, due to uncertainty in timing of profitable commercial operation.

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

DKK	2020/21	2019/20
13 Earnings per share		
Profit attributable to ordinary equityholders of the parent for basic earnings	-9,457,405	-9,531,537
Weighted average number of shares	56,426,992	43,840,394
Weighted average number of own shares	-236,526	-236,526
Weighted average number of issued shares	56,190,466	43,603,868
Effect of dilution from share options	459,567	787,208
Weighted average number of shares adjusted for the effect of dilution	56,650,033	44,391,076
Earnings per share		
Basic, loss for the year attributable to ordinary equity holders of the parent company (EPS Basic)	-0.17	-0.22
Diluted, loss for the year attributable to ordinary equity holders of the parent company (EPS Basic)	-0.17	-0.21

14 Development projects and patents	
Cost at 1 September 2020	43,801,538
Additions during the year	1,432,694
Disposals during the year	0
Cost at 31 August 2021	45,234,232
Amortisation at 1 September 2020	-3,191,194
Amortisation of disposals	0
Amortisation for the year	-2,533,368
Impairment	0
Amortisation at 31 August 2021	-5,724,562
Carrying amount at 31 August 2021	39,509,670
Amortisation, development projects and patents	2,533,368
Amortisation period	3-20 years

Development projects and patens relates to development and patents.

The Group performed its annual impairment test in February 2021. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. It was concluded that the fair value less costs of disposal did not exceed the value in use.

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

15 Fixtures and fittings, plant and equipment

Cost at 1 September 2020	1,410,772
Additions during the year	1,212,555
Disposals during the year	0
Cost at 31 August 2021	2,623,327
Depreciation at 1 September 2020	-216,232
Depreciation of disposed assets	0
Depreciation for the year	-388,392
Depreciation at 31 August 2021	-604,624
Carrying amount at 31 August 2021	2,018,703
Depreciation, fixtures and fittings, plant and equipment	388,392
Depreciation period	2-5 years

Of fixtures and fittings, plant and equipment DKK 1,175,925 are currently under construction in the subsidiary Injecto A/S, hence no depreciation has been made in the current year.

16 Right-of-use assets

Cost at 1 September 2020	0
Additions during the year	261,360
Disposals during the year	0
Cost at 31 August 2021	261,360
Depreciation at 1 September 2020	0
Depreciation of disposals	0
Depreciation for the year	-76,230
Depreciation at 31 August 2021	-76,230
Carrying amount at 31 August 2021	185,130

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

16 Right-of-use assets (continued)

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

DKK	2020/21
Lease liability at 1 September 2020	0
Additions during the year	261,360
Payments	-76,230
Lease liability at 31 August 2021	185,130
Due within 1 year	130,680
Due between 1-3 years	54,450
	185,130
Current liability at 31 August 2021	130,680
Non-current liability at 31 August 2021	54,450
	185,130
Short term lease liability	372,600
Low value lease liability	0

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	76,230
Expense relating to short-term and low-value leases (included in other external expenses)	745,200

DKK	2020/21	2019/20
17 Other receivables		
VAT, etc.	178,708	100,935
Other	11,345	11,345
	190,053	112,280

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

18 Equity

The share capital consists of 58,748,394 fully paid-in shares of nominally DKK 1 each. No shares are given special rights. There are no limitations in the negotiability or the right to vote.

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

The Company's budgeted operating expenses for the coming year, which exceed our current cash funds on a full-year basis, are expected to be financed through a combination of licence income and leading shareholders'/Management's supplementary funding alternatively by new equity investors.

19 Interest bearing loans and borrowings

DKK	Interest rate %	Maturity	2020/21	2019/20
E. R. Rasmussens Fond	5.0	1 Oct 2024	357,292	459,375
Holmsvanen AB - convertible	7.0	31 dec 2022	14,147,405	9,489,637
Asyringe Limited	7.0	31 Dec 2023	1,204,562	1,827,767
Asyringe Limited – convertible	7.0	31 Dec 2023	118,629	1,754,087
Tina Hetting Holding I ApS	7.0	31 Dec 2023	3,019,521	266,382
Tina Hetting Holding I ApS – convertible	7.0	31 Dec 2023	484,293	1,754,087
Sprøjtefabrikken ApS – convertible	7.0	31 Dec 2023	117,529	0
Liability related to right-of-use assets	0.0	31 Jan 2023	185,130	0
Total			19,634,361	15,551,335

Of the interest-bearing loans and borrowings, DKK 230,680 falls due within 1 year of the date of the financial statements.

After the reporting period, at 6 October 2021, the interest-bearing loans from Holmsvanen AB, Asyringe Limited, Tina Hetting Holding I ApS and Sprøjtefabrikken ApS have been converted to sharecapital as part of a capital increase.

DKK	2020/21	2019/20
20 Other payables		
Staff-related debt	379,771	426,946

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

21 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. In this respect should be noted that the company's loan facilities from leading shareholders were converted to share capital shortly after 31 August 2021.

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 2021, Injecto Group A/S was holding approx. DKK 2,161,615 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 capitalised in a minor private placement among existing shareholders where additional cash is also expected on the basis of further subscription to new issued shares by some of the shareholders.

Cash at 31 August 2021, the capitalisation of the Company in October 2021 and ongoing projects generating income combined with the support from the major shareholders will ensure the Company's business activities. Further, Management will consider attracting supplementary capital by grants and/or issuance of new shares in addition or as an alternative to the aforementioned loan facilities. Finally, potential contributions 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 second industrial production line at SP Medical with a capacity representing a supplementary significant initial revenue with a satisfactory gross margin will also have an impact on the need to attract additional funding.

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

21 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 has not 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.

22 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, Flat/Rm A 7/F China Overseas Bldg., 139 Hennessy Rd, 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 have 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 financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

23 Related parties/shareholder information (continued)

Related party transactions

The Company has carried through the following related party transactions during 2020/21.

Legal- and consultancy fee	601,080
Remuneration for Board of directors and Executive Board	900,000
Financial cost – interest bearing loans and borrowings	340,660
Interest bearing loans and borrowings	4,827,005

24 Events after the reporting period

Injecto Group A/S' financial position was strengthened by four major shareholders' conversion of loans and a private placement limited to existing shareholders in Injecto Group A/S on 6 October 2021, in which respect Injecto Group A/S' equity was increased by DKK 23,998,627 (of which DKK 19,264,429 relates to conversion of loans and DKK 4,734,198 is paid in cash).

Injecto Group A/S has attracted further capital in the amount of DKK 1,669,757 before the end of 2021 from the shareholders who were granted warrants in connection with the aforementioned capitalisation on 6 October 2021, where the warrants shall be exercised no later than 31 July 2022, and where there is a premium in subscription price if the warrants are exercised before 1 April 2022.

The fresh capital injections mentioned above, together with the company's existing liquidity, ensure Injecto Group A/S' budgeted liquidity need in the current accounting year and will be extended further by a firm credit control and exercise of further warrants if needed.

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

Consolidated financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

25 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 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 16	IAS 16 Property, Plant and Equipment: - Amendments to IAS 16: Proceeds before Intended Use.
General	Annual improvements to IFRSs 2018-2020 Cycle

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.

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Income statement

Note	DKK	2020/21	2019/20
3	Revenue	224,264	100,000
	Other external expenses	-3,233,019	-3,061,624
	Gross profit/loss	-3,008,755	-2,961,624
4	Other operating income	1,530,000	1,732,350
5, 6	Staff costs	-1,563,108	-1,611,645
	Profit/loss before depreciation	-3,041,863	-2,840,919
7	Depreciation	-2,609,598	-2,441,198
	Operating loss	-5,651,461	-5,282,117
9	Finance income, etc.	198,384	69,618
8,10	Finance costs, etc.	-4,671,554	-2,915,009
	Profit/loss before tax	-10,124,631	-8,127,508
11	Tax for the year	0	-695,362
	Profit/loss for the year	-10,124,631	-8,822,870

Statement of comprehensive income

	2020/21	2019/20
Profit/loss for the year	-10,124,631	-8,822,870
Other comprehensive income after tax	0	0
Total comprehensive income	-10,124,631	-8,822,870
Proposed distribution of comprehensive income		
Retained earnings	-10,124,631	-8,822,870

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Balance sheet

Note	DKK	2020/21	2019/20
	ASSETS		
	Non-current assets		
13	Development of projects and patents	39,509,670	40,610,344
14	Fixtures and fittings, plant and equipment	0	0
15	Right-of-use assets	185,130	0
		39,694,800	40,610,344
	Other non-current assets		
8	Investments in subsidiaries	0	200,000
12	Deferred tax	1,290,756	1,290,756
	Deposits	21,906	21,906
		1,312,662	1,512,662
	Total non-current assets	41,007,462	42,123,006
	Current assets		
	Trade receivables	710,070	570,000
	Intercompany receivables	2,000,000	3,052,305
16	Other receivables	79,938	81,106
		2,790,008	3,703,411
	Cash	2,066,531	1,209,067
	Total current assets	4,856,539	4,912,478
	TOTAL ASSETS	45,864,001	47,035,484
	EQUITY AND LIABILITIES		
17	Equity		
	Share capital	58,748,394	56,080,394
	Other reserves	5,618,413	2,433,829
	Retained comprehensive earnings	-39,052,829	-29,531,854
	Total equity	25,313,978	28,982,369
	Liabilities		
	Non-current liabilities		
18	Interest bearing loans and borrowings	19,403,681	5,952,323
		19,403,681	5,952,323
	Current liabilities		
18	Interest bearing loans and borrowings	230,680	9,599,012
	Trade payables	535,891	574,834
	Payables to group entities	0	1,500,000
19	Other payables	379,771	426,946
		1,146,342	12,100,792
	Total liabilities	20,550,023	18,053,115
	TOTAL EQUITY AND LIABILITIES	45,864,001	47,035,484

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Statement of changes in equity

DKK	Share capital	Share premium account	Reserve for development	Reserve for own shares	Retained comprehensive income	Total
Equity at 31 August 2019	19,360,394	0	5,760,181	0	-21,924,400	3,196,175
Comprehensive income in 2019/20						
Loss for the year	0	0	-923,250	0	-7,899,620	-8,822,870
Total comprehensive income in 2019/20	0	0	-923,250	0	-7,899,620	-8,822,870
Transactions with shareholders in 2019/20						
Issue of sharecapital arising from merger	9,110,774	27,889,226	0	0	0	37,000,000
Premium shares	27,609,226	-27,609,226	0	0	0	0
Transfer	0	-280,000	0	0	280,000	0
Own shares	0	0	0	-2,403,102	0	-2,403,102
Share-based payments	0	0	0	0	12,166	12,166
Total transactions with shareholders 2019/20	36,720,000	0	4,836,931	-2,403,102	292,166	34,609,064
Equity at 31 August 2020	56,080,394	0	4,836,931	-2,403,102	-29,531,854	28,982,369
Comprehensive income in 2020/21						
Loss for the year	0	0	781,482	0	-10,906,113	-10,124,631
Total comprehensive income in 2020/21	0	0	781,482	0	-10,906,113	-10,124,631
Transactions with shareholders in 2020/21						
Own shares	0	0	0	2,403,102	1,385,138	3,788,240
Exercise of options	831,836	1,836,164	0	0	0	2,668,000
Premium shares	1,836,164	-1,836,164	0	0	0	0
Total transactions with shareholders 2020/21	2,668,000	0	0	2,403,102	1,385,138	6,456,240
Equity at 31 August 2021	58,748,394	0	5,618,413	0	-39,052,829	25,313,978

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Cash flow statement

Note	DKK	2020/21	2019/20
	Profit/loss before tax	-10,124,631	-8,127,508
	Adjustment for non-cash operating items, etc.:		
	Staff cost (warrants)	0	12,166
7	Depreciation, amortisation and impairment losses as well as loss from disposal of assets	2,609,598	2,441,198
	Finance income and costs	4,473,170	2,845,391
	Cash generated from operations (operating activities) before changes in working capital	-3,041,863	-2,828,753
	Changes in working capital	827,285	-2,303,179
	Cash generated from operations (operating activities)	-2,214,578	-5,131,932
	Finance income and costs paid/received	-4,273,170	-1,045,391
	Income taxes paid	0	0
	Cash flows from operating activities	-6,487,748	-6,177,323
	Development projects and patents	-1,432,694	-1,041,357
14	Acquisition of fixture and fittings, plant and equipment	0	0
14	Disposal of fixture and fittings, plant and equipment	0	0
15	Addition Right-of-Use assets	-261,360	0
	Paid in share capital in Injecto A/S	-1,500,000	0
	Cash flows from investing activities	-3,194,054	-1,041,357
	Acquisition of own shares	0	-2,403,102
	Disposal of own shares	3,788,240	0
	Issue of share capital	2,668,000	0
	Change in bank loans and borrowings	4,083,026	10,280,625
	Cash flows from financing activities	10,539,266	7,877,523
	Net cash flows from operating, investing and financing activities	857,464	658,843
	Cash and cash equivalents at 1 September 2020	1,209,067	550,224
	Cash and cash equivalents at 31 August 2021	2,066,531	1,209,067

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

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Overview of notes

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

1 Accounting policies

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

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

The accounting policies applied in the preparation of the parent company financial statements are similar to those of the Group, but they differ from the accounting policies applied in the preparation of the consolidated financial statements (see note 1 to the consolidated financial statements) as follows:

Investments in subsidiaries

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

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

2 Accounting estimates and judgements

The accounting estimates and judgements in the preparation of the parent company financial statements are similar to those of the Group (see note 2 to the consolidated financial statements).

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

	DKK	2020/21	2019/20
3	Revenue		
	Type of goods and service		
	Licenses	100,000	100,000
	Projects	124,264	0
		224,264	100,000
	Geographical market		
	Denmark	100,000	100,000
	Other Europe	124,264	0
		224,264	100,000
	Timing of revenue recognition		
	Goods and services transferred over time	224,264	100,000
		224,264	100,000
4	Other operating income		
	Government grants	0	292,350
	Management fee	1,530,000	1,440,000
		1,530,000	1,732,350
5	Staff costs		
	Wages and salaries	1,511,581	1,544,600
	Social security, etc.	13,833	12,582
	Other staff costs	37,694	42,297
	Share-based payments	0	12,166
		1,563,108	1,611,645

Staff costs include remuneration to the Board of Directors and Executive Board in the amount of DKK 900,000.

Over the financial year, the Company had two employees on average.

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

6 Share-based payments

Outstanding warrants at 31 August 2021:

DKK	Outstanding at 1 September 2020	Additions during the period	Addition due to premium shares	Outstanding at 31 August 2021
Employees	528,030	3,204	515,151	1,046,385
Total	528,030	3,204	515,151	1,046,385
Weighted average exercise price	5.74	3.43		2.91
Numbers of warrants which can be exercised at 31 August 2021				1,046,385
at a total exercise price of DKK				3,042,000

The total recognised cost of the warrant programme for Employees amounted to DKK 12,166 in the financial year 2019/20.

Specification of parameters for the Black-Scholes model:

DKK	December 2016 – August 2020
Average share price	3.31
Average exercise price at grant	2.91
Expected volatility rate	60%
Expected life (years)	0.3–1.3
Expected dividend per share	0
Risk-free interest rate p.a.	0.39

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

Outstanding warrants at 31 August 2021:

DKK	Outstanding at 1 September 2020	Exercised during the period	Addition due to premium shares	Outstanding at 31 August 2021
Employees	1,046,385	-831,836	6,995	221,544
Total	1,046,385	-831,836	6,995	221,544
Weighted average exercise price	2.91	3.21		1.69
Numbers of warrants which can be exercised at 31 August 2021				221,544
at a total exercise price of DKK				374,000

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

6 Share-based payments (continued)

No warrants were issued during 2020/21.

All issued warrants expire at 31 December 2021.

DKK	2020/21	2019/20
7 Depreciation and amortisation		
Amortisation of development projects and patents	2,533,368	2,427,173
Depreciation on fixtures and fittings, plant and equipment	0	14,025
Depreciation on right-of-use assets	76,230	0
	2,609,598	2,441,198

8 Investments in subsidiaries

Name	Registered office	Voting rights	Ownership	Profit	Equity
Injecto Corp.	Cresskill, USA	85%	85%	0	-33.829
Injecto A/S	Copenhagen, DK	100%	100%	-2,544,782	-2,905,231

DKK	2020/21
Cost at 1 September 2020	2,000,000
Additions during the year	0
Cost at 31 August 2021	2,000,000
Impairment losses at 1 September 2020	-1,800,000
Impairment losses for the year	-200,000
Impairment losses at 31 August 2021	-2,000,000
Carrying amount at 31 August 2021	0

The impairment losses relate to Injecto A/S. The Company is in the process of building up production facilities. During the year, the Company has realised a loss whereby the cost of the shares exceeds the net value of the assets of the Company.

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

	DKK	2020/21	2019/20
9	Finance income, etc.		
	Interest income, subsidiaries	169,703	50,035
	Other interest income	28,681	19,583
		198,384	69,618
10	Finance costs, etc.		
	Impairment losses, subsidiaries	200,000	1,800,000
	Impairment losses, intercompany receivables	3,012,008	0
	Interest expense to credit institutions	15,849	11,520
	Other interest expenses	1,135,559	847,682
	Foreign currency translation adjustment	308,138	255,807
		4,671,554	2,915,009
11	Tax for the year		
	Deferred tax adjustment	0	695,362
		0	695,362
	Analysis of profit/loss for the year:		
	Computed 22% of the profit/loss before tax	-2,227,419	-1,788,052
	Non-deductible expenses, etc.	707,127	399,023
	Value adjustment of deferred tax	1,520,292	2,084,391
		0	695,362
	Current tax rate	-	-

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Notes to the financial statements

DKK	2020/21	2019/20
12 Deferred tax asset		
Deferred tax at 1 September	1,290,756	3,781,087
Adjustment due to merger	0	-3,875,563
Deferred tax for the year	1,520,292	1,385,232
Deferred tax at 31 August	2,811,048	1,290,756
Deferred tax is recognised as follows in the balance sheet:		
Deferred tax (asset)	1,290,756	1,290,756
Deferred tax at 31 August	1,290,756	1,290,756
Deferred tax relates to:		
Development projects and patents	957,627	400,286
Fixture and fittings, plant and equipment	38,505	38,505
Tax loss carryforwards	1,814,916	851,865
	2,811,048	1,290,656

Deferred tax not recognised in the parent financial statements amounts to DKK 1,520,292.

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

13 Development projects and patents	
Cost at 1 September 2020	43,801,538
Additions during the year	1,432,694
Disposals during the year	0
Cost at 31 August 2021	45,234,232
Amortisation at 1 September 2020	-3,191,194
Amortisation of disposals	0
Amortisation for the year	-2,533,368
Impairment	0
Amortisation at 31 August 2021	-5,724,562
Carrying amount at 31 August 2021	39,509,670
Amortisation, development projects and patents	2,533,368
Amortisation period	3-20 years

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

14 Fixtures and fittings, plant and equipment

Cost at 1 September 2020	216,232
Additions during the year	0
Disposals during the year	0
Cost at 31 August 2021	216,232
Depreciation at 1 September 2020	-216,232
Depreciation of disposals	0
Depreciation for the year	0
Depreciation at 31 August 2021	-216,232
Carrying amount at 31 August 2021	0
Depreciation, fixtures and fittings, plant and equipment	0
Depreciation period	2-5 years

15 Right-of-use assets

Cost at 1 September 2020	0
Additions during the year	261,360
Disposals during the year	0
Cost at 31 August 2021	261,360
Depreciation at 1 September 2020	0
Depreciation of disposals	0
Depreciation for the year	-76,230
Depreciation at 31 August 2021	-76,230
Carrying amount at 31 August 2021	185,130

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

15 Right-of-use assets (continued)

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

DKK	2020/21
Lease liability at 1 September 2020	0
Additions during the year	261,360
Payments	-76,230
Lease liability at 31 August 2021	185,130
Due within 1 year	130,680
Due between 1-3 years	54,450
	185,130
Current liability at 31 August 2021	130,680
Non-current liability at 31 August 2021	54,450
	185,130
Short term lease liability	0
Low value lease liability	0

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	76,230
Expense relating to short-term and low-value leases (included in other external expenses)	0

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Notes to the financial statements

DKK	2020/21	2019/20
16 Other receivables		
VAT, etc.	68,593	69,761
Other	11,345	11,345
	79,938	81,106

17 Equity

The share capital consists of 58,748,394 fully paid-in shares of nominally DKK 1 each. No shares are given special rights. There are no limitations in the negotiability or the right to vote.

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

The Company's budgeted operating expenses for the coming year, which exceed our current cash funds on a full-year basis, are expected to be financed through a combination of licence income and leading shareholders'/Management's supplementary funding alternatively by new equity investors.

18 Interest bearing loans and borrowings

DKK	Interest rate %	Maturity	2020/21	2019/20
E. R. Rasmussens Fond	5.0	1 Oct 2024	357,292	459,375
Holmsvanen AB - convertible	7.0	31 dec 2022	14,147,405	9,489,637
Asyringe Limited	7.0	31 Dec 2023	1,204,562	1,827,767
Asyringe Limited – convertible	7.0	31 Dec 2023	118,629	1,754,087
Tina Hetting Holding I ApS	7.0	31 Dec 2023	3,019,521	266,382
Tina Hetting Holding I ApS – convertible	7.0	31 Dec 2023	484,293	1,754,087
Sprøjtefabrikken ApS – convertible	7.0	31 Dec 2023	117,529	0
Right-of-use assets	0.0	31 Jan 2023	185,130	0
Total			19,634,361	15,551,335

Of the interest-bearing loans and borrowings, DKK 230,680 falls due within 1 year of the date of the financial statements.

After the reporting period, at 6 October 2021, the interest-bearing loans from Holmsvanen AB, Asyringe Limited, Tina Hetting Holding I ApS and Sprøjtefabrikken ApS have been converted to share capital as part of a capital increase.

DKK	2020/21	2019/20
19 Other payables		
Staff-related debt	379,771	426,946

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Notes to the financial statements

20 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. In this respect should be noted that the company's loan facilities from leading shareholders were converted to share capital shortly after 31 August 2021.

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 2021, Injecto Group A/S was holding approx. DKK 2,066,531 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 capitalised in a minor private placement among existing shareholders where additional cash is also expected on the basis of further subscription to new issued shares by some of the shareholders.

Cash at 31 August 2021, the capitalisation of the Company in October 2021 and ongoing projects generating income combined with the support from the major shareholders will ensure the Company's business activities. Further, Management will consider attracting supplementary capital by grants and/or issuance of new shares in addition or as an alternative to the aforementioned loan facilities. Finally, potential contributions 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 second industrial production line at SP Medical with a capacity representing a supplementary significant initial revenue with a satisfactory gross margin will also have an impact on the need to attract additional funding.

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.

Parent company financial statements for the period 1 September 2020 – 31 August 2021

Notes to the financial statements

20 Financial risks and financial instruments (continued)

There is no risk exposure foreseen towards wholesale or retail, as Injecto Group A/S has not 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.

21 Collateral

The Company has provided an unconditional letter of comfort to Injecto A/S, a wholly-owned subsidiary. The letter of comfort can be terminated within 12 months.

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Notes to the financial statements

22 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, Flat/Rm A 7/F China Overseas Bldg., 139 Hennessy Rd, 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 have 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.

Related party transactions

The Company has carried through the following related party transactions during 2020/21:

Legal- and consultancy fee	601,080
Remuneration for Board of directors and Executive Board	900,000
Management fee – Injecto A/S	1,530,000
Financial income – intercompany receivables	169,703
Financial cost – interest bearing loans and borrowings	340,660
Intercompany receivables	5,012,008
Interest bearing loans and borrowings	4,827,005

23 Events after the reporting period

Injecto Group A/S' financial position was strengthened by four major shareholders' conversion of loans and a private placement limited to existing shareholders in Injecto Group A/S on 6 October 2021, in which respect Injecto Group A/S' equity was increased by DKK 23,998,627 (of which DKK 19,264,429 relates to conversion of loans and DKK 4,734,198 is paid in cash).

Injecto Group A/S has attracted further capital in the amount of DKK 1,669,757 DKK before the end of 2021 from the shareholders who were granted warrants in connection with the aforementioned capitalisation on 6 October 2021, where the warrants shall be exercised no later than 31 July 2022, and where there is a premium in subscription price if the warrants are exercised before 1 April 2022.

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 exercise of further warrants if needed.

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

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Notes to the financial statements

24 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 Company 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 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 16	IAS 16 Property, Plant and Equipment: Amendments to IAS 16: Proceeds before Intended Use.
General	Annual improvements to IFRSs 2018-2020 Cycle.

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.