



Practio ApS

Dampfærgevej 7, 2.
2100 Copenhagen
CVR No. 36392576

Annual report 2019

The Annual General Meeting adopted the
annual report on 10.07.2020

DocuSigned by:

Thomas Bøgedal Kristiansen

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Chairman of the General Meeting

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Entity details

Entity

Practio ApS

Dampfærgevej 7, 2.

2100 Copenhagen

CVR No.: 36392576

Registered office: Copenhagen Ø

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Ulrik Spork, chairman

Niels Hjort Rotendahl

Mads Mikkelsen

Christian Vinding Thomsen

Jonas Nilsen, vice-chairman

Executive Board

Mads Mikkelsen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Practio ApS for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 09.07.2020

Executive Board

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Mads Mikkelsen

CEO

Board of Directors

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Ulrik Spork

chairman

DocuSigned by:



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Niels Hjort Rotendahl

DocuSigned by:



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Mads Mikkelsen

DocuSigned by:



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Christian Vinding Thomsen

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Jonas Nilsen

vice-chairman

Independent auditor's report

To the shareholders of Practio ApS

Opinion

We have audited the financial statements of Practio ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding circumstances in the financial statements

Contrary to the Danish Companies Act, the Company has provided a loan to a shareholder, for which Management may be held liable. The Loan has been repaid after the balance sheet date.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of

users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 09.07.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

DocuSigned by:

Henrik Wolff Mikkelsen

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Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747

Management commentary

Primary activities

The Company's primary activities are to render vaccination services directly or indirectly through medical partners, as well as to perform medical consultancy.

Description of material changes in activities and finances

The loss for the year amounts to DKK 5,529k, which is as expected.

The company devoted all of 2019 to a significant investment in developing a new product preparing the company for future growth. The product was launched in March 2020. The investment in 2019 totalled DKK 17,621k.

Management expects increased revenues, profits and continued investments in 2020.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report. However, it must be mentioned that due to the COVID-19 pandemic, activity levels came to a halt in March 2020. Practio has secured its liquidity needs through governmental aid packages and the completion of a funding round in July 2020. Practio has therefore managed to keep all employees on the payroll.

At the date of signing the annual report, Practio is seeing slow recovery in its existing markets and is chasing new opportunities that have risen in new geographies. Based on expert opinions and reports, Practio is expecting almost full recovery of activity levels over the coming year.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(1,532,755)	(2,753,284)
Staff costs	3	(4,652,745)	(6,543,610)
Depreciation, amortisation and impairment losses		(1,669,207)	(1,477,924)
Operating profit/loss		(7,854,707)	(10,774,818)
Income from investments in group enterprises		35,310	0
Other financial income	4	750,608	64,490
Other financial expenses		(965,448)	(1,307,685)
Profit/loss before tax		(8,034,237)	(12,018,013)
Tax on profit/loss for the year	5	2,505,214	1,966,861
Profit/loss for the year		(5,529,023)	(10,051,152)
Proposed distribution of profit and loss			
Retained earnings		(5,529,023)	(10,051,152)
Proposed distribution of profit and loss		(5,529,023)	(10,051,152)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	7	4,192,533	5,677,031
Development projects in progress	7	22,782,926	5,161,801
Intangible assets	6	26,975,459	10,838,832
Other fixtures and fittings, tools and equipment		252,149	181,536
Leasehold improvements		148,116	103,002
Property, plant and equipment	8	400,265	284,538
Investments in group enterprises		35,318	8
Deposits		149,609	147,405
Other financial assets	9	184,927	147,413
Fixed assets		27,560,651	11,270,783
Trade receivables		1,939,792	1,787,956
Receivables from group enterprises		339,056	899,178
Other receivables		498,570	515,303
Income tax receivable		3,719,392	1,401,152
Receivables from owners and management		4,619	0
Prepayments		108,108	68,793
Receivables		6,609,537	4,672,382
Cash		17,202,807	17,631,252
Current assets		23,812,344	22,303,634
Assets		51,372,995	33,574,417

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		73,253	73,253
Reserve for net revaluation according to the equity method		35,310	0
Reserve for development expenditure		21,040,857	8,454,289
Retained earnings		(29,536,113)	(11,385,212)
Equity		(8,386,693)	(2,857,670)
Deferred tax		1,214,840	0
Provisions		1,214,840	0
Convertible and dividend-yielding debt instruments		46,518,955	24,425,379
Other payables		413,209	0
Non-current liabilities other than provisions	10	46,932,164	24,425,379
Current portion of non-current liabilities other than provisions	10	939,500	1,145,370
Bank loans		55,342	2,558
Trade payables		9,210,245	7,620,309
Payables to shareholders and management		0	5,044
Other payables		1,407,597	1,604,022
Deferred income		0	1,629,405
Current liabilities other than provisions		11,612,684	12,006,708
Liabilities other than provisions		58,544,848	36,432,087
Equity and liabilities		51,372,995	33,574,417
Going concern	1		
Events after the balance sheet date	2		
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	73,253	0	8,454,289	(11,385,212)	(2,857,670)
Transfer to reserves	0	0	12,586,568	(12,586,568)	0
Profit/loss for the year	0	35,310	0	(5,564,333)	(5,529,023)
Equity end of year	73,253	35,310	21,040,857	(29,536,113)	(8,386,693)

Notes

1 Going concern

The Company's ability to continue as a going concern is dependent on Management securing the liquidity needs on an on-going basis. A funding round in July 2020 comprising new equity and debt is planned. Management is confident that the funding round will secure the liquidity needs for the planned activities of the Company until at least the end of 2021. This is based on a forecast of the current cost base and an expectation of slow recovery after the COVID-19 pandemic.

In accordance with these estimates, Management has prepared the Annual Report under the going concern assumption.

2 Events after the balance sheet date

It must be mentioned that due to the COVID-19 pandemic, activity levels came to a halt in March 2020. Practio has secured its liquidity needs through governmental aid packages and the planned completion of a funding round in July 2020. Practio has therefore managed to keep all employees on the payroll.

At the date of signing the annual report, Practio is seeing slow recovery in its existing markets and is chasing new opportunities that have risen in new geographies. Based on expert opinions and reports, Practio is expecting almost full recovery of activity levels over the coming year.

3 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	15,038,880	11,558,617
Pension costs	225,240	48,193
Other social security costs	141,868	117,012
	15,405,988	11,723,822
Staff costs classified as assets	(10,753,243)	(5,180,212)
	4,652,745	6,543,610
Average number of full-time employees	25	20

4 Other financial income

	2019	2018
	DKK	DKK
Financial income from group enterprises	8,756	0
Other interest income	3,898	0
Exchange rate adjustments	23,154	266
Other financial income	714,800	64,224
	750,608	64,490

5 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	(3,719,392)	(1,401,562)
Change in deferred tax	1,214,840	(565,299)
Adjustment concerning previous years	(662)	0
	(2,505,214)	(1,966,861)

6 Intangible assets

	Completed development projects	Development projects in progress
	DKK	DKK
Cost beginning of year	7,422,491	5,161,801
Additions	0	17,621,125
Cost end of year	7,422,491	22,782,926
Amortisation and impairment losses beginning of year	(1,745,460)	0
Amortisation for the year	(1,484,498)	0
Amortisation and impairment losses end of year	(3,229,958)	0
Carrying amount end of year	4,192,533	22,782,926

7 Development projects

The Company's development projects comprise new products based on the Company's software. It is Management's expectation, that the new projects will incur a level of revenue and earnings, which will recoup the cost of development in the coming 3-5 years.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost beginning of year	403,760	132,658
Additions	210,547	89,889
Disposals	(167,881)	0
Cost end of year	446,426	222,547
Depreciation and impairment losses beginning of year	(222,224)	(29,656)
Depreciation for the year	27,947	(44,775)
Depreciation and impairment losses end of year	(194,277)	(74,431)
Carrying amount end of year	252,149	148,116

9 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	8	147,406
Additions	0	2,203
Cost end of year	8	149,609
Share of profit/loss for the year	35,310	0
Revaluations end of year	35,310	0
Carrying amount end of year	35,318	149,609

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Practio UK Ltd.	Liverpool, UK	Ltd.	100,0

10 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
Convertible and dividend-yielding debt instruments	939,500	1,145,370	46,518,955
Other payables	0	0	413,209
	939,500	1,145,370	46,932,164

11 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	1,755,503	1,245,087

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where J. Nilsen Holding IVS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc. for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 Assets charged and collateral

Bank loans are secured by way of a floating charge of DKK 2,000k nominal on intangible assets, property, plant and equipment, inventories and receivables. The carrying amount of covered assets is DKK 52,014k.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income, cost of sales and external expenses.

Revenue

The Company's revenue consists of sale of vaccination services and education and training fees for pharmacies etc.

Revenue from the sale of vaccination services is recognised in the income statement when the vaccination has been administered. Revenue from education and training fees is recognised in the income statement when the participants are ready to render vaccinations services. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other in-house costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the

basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, exchange gains on transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation

is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.