

VetInject A/S

Tuborg Boulevard 12, 3., 2900 Hellerup

CVR no. 36 94 97 40

Annual report 2018/19

Approved at the Company's annual general meeting on 29 July 2020

Chairman:



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of VetInject A/S for the financial year 1 December 2018 - 30 November 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 November 2019 and of the results of the Company's operations for the financial year 1 December 2018 - 30 November 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 13 July 2020
Executive Board:



Torben Helmer Knudsen
adm. dir.

Board of Directors:



Mikael Hans Andranik
Hetting
Chairman



Torben Helmer Knudsen



Thomas Sonne-Schmidt

Independent auditor's report

To the shareholders of VetInject A/S

Opinion

We have audited the financial statements of VetInject A/S for the financial year 1 December 2018 - 30 November 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 30 November 2019 and of the results of the Company's operations for the financial year 1 December 2018 - 30 November 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 the 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 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 Company in accordance with the International Ethics Standards Board for 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 rules and requirements.

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 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 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 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 the 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 Company's internal control.

Independent auditor's report

- ▶ 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ 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.

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'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 form of 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 the work we have performed, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 13 July 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jesper Jørn Pedersen
State Authorised Public Accountant
mne21326

Management's review

Company details

Name
Address, Postal code, City

VetInject A/S
Tuborg Boulevard 12, 3., 2900 Hellerup

CVR no.
Established
Registered office
Financial year

36 94 97 40
18 June 2015
Gentofte
1 December 2018 - 30 November 2019

E-mail

th@vetinject.com

Board of Directors

Mikael Hans Andranik Hetting, Chairman
Torben Helmer Knudsen
Thomas Sohne-Schmidt

Executive Board

Torben Helmer Knudsen, adm. dir.

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg,
Denmark

Management's review

Business review

The Company's objectives are development, marketing and distribution of injection devices for the veterinarian market - focusing on pre-fillable syringes and in the opinion of the Board of Directors associated products.

Financial review

The income statement for 2018/19 shows a loss of DKK 180,082 against a loss of DKK 184,438 last year, and the balance sheet at 30 November 2019 shows a negative equity of DKK 90,371.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

It is still the intention of the company to focus on the strategy of selling the two main products i.e. the pre-fillable syringe V-Ject protected against reuse and drug tampering and the V-Stoppers as a preferred components for pre-fillable syringes for medical preparations for animals with major weight on dogs, cats and horses.

The company has not been capitalized in accordance with the expectations in the last annual report but the company has a very positive outlook due to COVID-19 and the coming fight of zoonotic diseases and the very positive aspect on the licensor's business activities within the field of primary packaging for medical preparations for humans. Therefore, it is imperative for the company to maintain its exclusive license and hence raise the sufficient funds to pay license fees.

In order to ensure the company's position, the Management has decided to raise the basic funds from the existing shareholders by a coming subscription to new issued shares subsequent to a planned decrease of the nominal share capital. Despite the Management has a substantial support from the two major shareholders, the Management and these shareholders will encourage all shareholders to support the plan and subscribe to new issued shares. The planned capitalization by the subscription to DKK 600,000 is deemed to be sufficient for the re-establishment of the focus and business activities prior to a later additional capitalization of the company.

Financial statements 1 December 2018 - 30 November 2019

Income statement

Note	DKK	<u>2018/19</u>	<u>2017/18</u>
	Other external expenses	-136,164	-141,024
	Gross profit	-136,164	-141,024
2	Staff costs	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-26,984	-26,984
	Profit/loss before net financials	-163,148	-168,008
	Financial expenses	-16,934	-16,430
	Profit/loss for the year	-180,082	-184,438
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-180,082	-184,438
		<u>-180,082</u>	<u>-184,438</u>

Financial statements 1 December 2018 - 30 November 2019

Balance sheet

Note	DKK	2018/19	2017/18
	ASSETS		
	Fixed assets		
3	Intangible assets		
	Acquired intangible assets	391,270	418,254
		<u>391,270</u>	<u>418,254</u>
	Investments		
	Other receivables	1,026	1,026
		<u>1,026</u>	<u>1,026</u>
	Total fixed assets	<u>392,296</u>	<u>419,280</u>
	Non-fixed assets		
	Receivables		
	Other receivables	2,161	2,042
		<u>2,161</u>	<u>2,042</u>
	Cash	<u>13,796</u>	<u>44,245</u>
	Total non-fixed assets	<u>15,957</u>	<u>46,287</u>
	TOTAL ASSETS	<u>408,253</u>	<u>465,567</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	600,250	600,250
	Retained earnings	-690,621	-510,539
	Total equity	<u>-90,371</u>	<u>89,711</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	110,655	113,321
	Payables to shareholders and management	0	1,458
4	Other payables	387,969	261,077
		<u>498,624</u>	<u>375,856</u>
	Total liabilities other than provisions	<u>498,624</u>	<u>375,856</u>
	TOTAL EQUITY AND LIABILITIES	<u>408,253</u>	<u>465,567</u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral

Financial statements 1 December 2018 - 30 November 2019

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 December 2018	600,250	-510,539	89,711
Transfer through appropriation of loss	0	-180,082	-180,082
Equity at 30 November 2019	600,250	-690,621	-90,371

Financial statements 1 December 2018 - 30 November 2019

Notes to the financial statements

1 Accounting policies

The annual report of VetInject A/S for 2018/19 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Amortisation

The item comprises amortisation of intangible assets.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	15-20 years
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Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Financial statements 1 December 2018 - 30 November 2019

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Other payables

Other payables are measured at net realisable value.

Financial statements 1 December 2018 - 30 November 2019

Notes to the financial statements

2 Staff costs

The Company has no employees.

3 Intangible assets

DKK	<u>Acquired intangible assets</u>
Cost at 1 December 2018	500,000
Cost at 30 November 2019	500,000
Impairment losses and amortisation at 1 December 2018	81,746
Amortisation for the year	26,984
Impairment losses and amortisation at 30 November 2019	108,730
Carrying amount at 30 November 2019	391,270
Amortised over	<u>18,50 years</u>

DKK	<u>2018/19</u>	<u>2017/18</u>
4 Other payables		
Loan Injecto Group A/S	387,969	261,077
	<u>387,969</u>	<u>261,077</u>

The item relates to License payment to Injecto Group A/S. After the balance sheet date, Injecto Group A/S issued letter of credit covering the promise. The letter of credit will be redeemed on 13 July 2021.

5 Contractual obligations and contingencies, etc.

Other financial obligations

The company here entered into a mutually irrevocable License Agreement with an minimum payment of DKK 100,000 in the expected duration of patents. The patent is expected to run until June 2034.

6 Collateral

The Company has not provided any security or other collateral in assets at 30 November 2019.