

VetInject A/S

Tuborg Boulevard 12, 3., 2900 Hellerup

CVR no. 36 94 97 40

Annual report 2020/21

Approved at the Company's annual general meeting on 28 April 2022

Chair of the meeting:



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Contents

| | |
|---|----|
| Statement by the Board of Directors and the Executive Board | 2 |
| Independent auditor's report | 3 |
| Management's review | 5 |
| Financial statements 1 December 2020 - 30 November 2021 | 7 |
| Income statement | 7 |
| Balance sheet | 8 |
| Statement of changes in equity | 9 |
| Notes to the financial statements | 10 |

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 2020 - 30 November 2021.

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 2021 and of the results of the Company's operations for the financial year 1 December 2020 - 30 November 2021.

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, 12 April 2022
Executive Board:

.....
Torben Helmer Knudsen
Chief Executive Officer

Board of Directors:

.....
Mikael Hans Andranik
Hetting
Chair

.....
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 2020 - 30 November 2021, 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 2021 and of the results of the Company's operations for the financial year 1 December 2020 - 30 November 2021 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 ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

- ▶ 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, 12 April 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jesper Jørn Pedersen
State Authorised Public Accountant
mne21326

Management's review

Company details

| | |
|----------------------------|--|
| Name | VetInject A/S |
| Address, Postal code, City | Tuborg Boulevard 12, 3., 2900 Hellerup |
| CVR no. | 36 94 97 40 |
| Established | 18 June 2015 |
| Registered office | Gentofte |
| Financial year | 1 December 2020 - 30 November 2021 |
| E-mail | th@vetinject.com |
| Board of Directors | Mikael Hans Andranik Hetting, Chair Torben Helmer Knudsen Thomas Sonne-Schmidt |
| Executive Board | Torben Helmer Knudsen, Chief Executive Officer |
| 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 2020/21 shows a loss of DKK 197,322 against a loss of DKK 191,004 last year, and the balance sheet at 30 November 2021 shows equity of DKK 121,303.

The company's activity level has been fairly low as a result of the anticipation of the licensor's initiatives and production, thus keeping operating costs very low.

The company still expects to base its business activities on the following basis:

1. Sale of lubrigone stoppers included in pre-fillable syringes with preparations for animals with main focus on dogs, cats, and horses, to syringe manufacturers, where such syringes are manufactured by other companies and the stoppers will be implemented as an integrated part of their product
2. Sales of lubrigone stoppers and/or syringes to companies producing veterinarian pharma for their primary packaging

The stoppers mentioned in points 1 and 2 above can be purchased from the licensor. In this connection the company can benefit from the contacts established by the licensor with the pharmaceutical industry, where some of those contacts in addition to their production of medicinal preparations for humans also produce medicinal preparations for animals. The licensor's established production line for pistons for 0.5 ml pre-fillable syringes in ISO in addition to the production line for stoppers for 1.0 ml (long) pre-fillable syringes strengthens the basis of the company's business.

Due to the licensor's expectation of establishing a larger production of easyject syringes based on the development of the co-operation with PATH (www.path.org) and attraction of funds for this production, the company has - at least for the time being - abandoned the plan of producing combined plunger rods and needle caps, as the company with the above mentioned production of the licensor will have the opportunity to sell an entire syringe for pre-filling in the form of easyject at a competitive price. The additional, thorough tests performed by PATH are expected to postpone the establishment of the production line of easyject.

The company foresees an increasing potential for pre-fillable syringes for veterinarian use, partly supported by the increasing awareness of and exposure to zoonotic diseases and underpinned by the world-wide focus after the COVID-19 pandemic. The decision to await the development of the cooperation between the licensor and PATH mentioned above has led to a postponement of the previously announced raising of capital of between 3 and 7 mDKK in paid-up capital in order to achieve the best possible valuation in the mutual interest of the shareholders. This decision has been discussed with and agreed by the three major shareholders, where the largest shareholder in addition to all shareholders' payment of the non-paid part of the nominal share capital has the willingness and capability to grant a loan in order to fund the required liquidity and ensure the payment of the coming license fee payment and the operational expenses. The exclusive and irrevocable license that forms the underlying basis for the company's business potential is therefore not at risk.

Events after the balance sheet date

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

Financial statements 1 December 2020 - 30 November 2021

Income statement

| Note | DKK | 2020/21 | 2019/20 |
|------|---|----------|----------|
| | Other external expenses | -139,239 | -142,680 |
| | Gross profit | -139,239 | -142,680 |
| 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 | -166,223 | -169,664 |
| | Financial expenses | -31,099 | -21,340 |
| | Profit/loss for the year | -197,322 | -191,004 |
| | Recommended appropriation of profit/loss | | |
| | Retained earnings/accumulated loss | -197,322 | -191,004 |
| | | -197,322 | -191,004 |

Financial statements 1 December 2020 - 30 November 2021

Balance sheet

| Note | DKK | 2020/21 | 2019/20 |
|------|--|----------------|----------------|
| | ASSETS | | |
| | Fixed assets | | |
| 3 | Intangible assets | | |
| | Acquired intangible assets | 337,302 | 364,286 |
| | | <u>337,302</u> | <u>364,286</u> |
| | Investments | | |
| | Other receivables | 1,026 | 1,026 |
| | | <u>1,026</u> | <u>1,026</u> |
| | Total fixed assets | <u>338,328</u> | <u>365,312</u> |
| | Non-fixed assets | | |
| | Receivables | | |
| | Other receivables | 0 | 3,406 |
| | Receivables from owners and management | 450,000 | 450,000 |
| | | <u>450,000</u> | <u>453,406</u> |
| | Cash | 94,664 | 120,255 |
| | Total non-fixed assets | <u>544,664</u> | <u>573,661</u> |
| | TOTAL ASSETS | <u>882,992</u> | <u>938,973</u> |
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | Share capital | 600,000 | 600,000 |
| | Reserve for unpaid capital | 450,000 | 450,000 |
| | Retained earnings | -928,697 | -731,375 |
| | Total equity | <u>121,303</u> | <u>318,625</u> |
| | Liabilities other than provisions | | |
| | Current liabilities other than provisions | | |
| | Trade payables | 112,678 | 110,834 |
| 4 | Other payables | 649,011 | 509,514 |
| | | <u>761,689</u> | <u>620,348</u> |
| | Total liabilities other than provisions | <u>761,689</u> | <u>620,348</u> |
| | TOTAL EQUITY AND LIABILITIES | <u>882,992</u> | <u>938,973</u> |

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

Financial statements 1 December 2020 - 30 November 2021

Statement of changes in equity

| DKK | Share capital | Reserve for unpaid capital | Retained earnings | Total |
|---|---------------|-------------------------------|----------------------|----------|
| Equity at 1 December 2020 | 600,000 | 450,000 | -731,375 | 318,625 |
| Transfer through appropriation of loss | 0 | 0 | -197,322 | -197,322 |
| Equity at 30 November 2021 | 600,000 | 450,000 | -928,697 | 121,303 |

The largest shareholder Asyringe Limited has provided letter of support, to grant a loan facility up to DKK 500,000 to the Company so the company can meet its obligations, if needed. This loan facility could be provided with a term up to 3 years with an interest of 4-7 % p.a. dependable of terms and conditions e.g. if VetInject has the right to demand a conversion of the loan to share capital wholly or partly.

Financial statements 1 December 2020 - 30 November 2021

Notes to the financial statements

1 Accounting policies

The annual report of VetInject A/S for 2020/21 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.

Effective from the financial year 2020/21, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

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 | 18 years |
|----------------------------|----------|

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 2020 - 30 November 2021

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment 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

Reserve for non-paid-in share capital

Non paid in share capital is presented according to the gross method whereby the non paid in share capital is recognised in equity and as a receivable under "Receivables from owners and Management". An amount corresponding to the non paid in share capital is re classified from "Retained earnings" to "Reserve for non paid in capital".

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 2020 - 30 November 2021

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 2020 | 500,000 |
| Cost at 30 November 2021 | 500,000 |
| Impairment losses and amortisation at 1 December 2020 | 135,714 |
| Amortisation for the year | 26,984 |
| Impairment losses and amortisation at 30 November 2021 | 162,698 |
| Carrying amount at 30 November 2021 | 337,302 |
| Amortised over | <u>18 years</u> |

| DKK | <u>2020/21</u> | <u>2019/20</u> |
|-------------------------|----------------|----------------|
| 4 Other payables | | |
| Loan Injecto Group A/S | 649,011 | 509,514 |
| | <u>649,011</u> | <u>509,514</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 15 February 2023.

5 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent liabilities:

| | | |
|------------------|--------------|---------------|
| Rent liabilities | <u>4,980</u> | <u>19,921</u> |
|------------------|--------------|---------------|

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 2021.

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

Torben Helmer Knudsen

Direktion

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Serienummer: PID:9208-2002-2-710648799330

IP: 80.62.xxx.xxx

2022-04-12 14:20:23 UTC

NEM ID 

Thomas Sonne-Schmidt

Bestyrelse

På vegne af: VetInject AS

Serienummer: PID:9208-2002-2-103027667364

IP: 80.62.xxx.xxx

2022-04-12 14:24:14 UTC

NEM ID 

Torben Helmer Knudsen

Bestyrelse

På vegne af: VetInject AS

Serienummer: PID:9208-2002-2-710648799330

IP: 80.62.xxx.xxx

2022-04-12 15:07:38 UTC

NEM ID 

Mikael Hans Andranik Hetting

Bestyrelse

På vegne af: VetInject AS

Serienummer: PID:9208-2002-2-015971669685

IP: 83.94.xxx.xxx

2022-04-12 16:16:49 UTC

NEM ID 

Jesper Jørn Pedersen

Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:89023474

IP: 31.208.xxx.xxx

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