

---

# ***Subcuject ApS***

Nordre Strandvej 119, DK-3150 Hellebæk

## **Annual Report for 1 January - 31 December 2021**

---

CVR No 38 34 92 79

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
30/6 2022

Jesper Roested  
Chairman of the General  
Meeting



**pwc**

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Company Information</b>	
Company Information	5
Management's Review	6
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Subcuject ApS for the financial year 1 January - 31 December 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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hellebæk, 30 June 2022

## Executive Board

Jesper Roested  
CEO

## Board of Directors

Lars Guldbæk Karlsen  
Chairman

Paul Edward Jansen

Claus Demant

Lars Henning Stigel

Tonni Bülow-Nielsen

Morten Nielsen

# Independent Auditor's Report

To the Shareholders of Subcject ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Subcject ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw the attention to the note "Going concern", where Management has described that the going concern assumption is depending on finalizing an agreement with a potential partner, that will fund the Company's continued operations and research. Based on the Company's position, it is considered that there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial

# Independent Auditor's Report

Statements Act. We did not identify any material misstatement in Management's Review.

## **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 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 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 dis-

## Independent Auditor's Report

closures 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 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.

Aarhus, 30 June 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Christian Roding

statsautoriseret revisor

mne33714

## Company Information

### **The Company**

Subcuject ApS  
Nordre Strandvej 119  
DK-3150 Hellebæk

CVR No: 38 34 92 79  
Financial period: 1 January - 31 December  
Municipality of reg. office: Helsingør

### **Board of Directors**

Lars Guldbæk Karlsen, Chairman  
Paul Edward Jansen  
Claus Demant  
Lars Henning Stigel  
Tonni Bülow-Nielsen  
Morten Nielsen

### **Executive Board**

Jesper Roested

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

# Management's Review

## Key activities

The primary objective of the company is development and commercialization of an innovative, proprietary, wearable medical device for subcutaneous bolus injection of larger volume pharmaceuticals. The wearable bolus injector is based on osmosis as the driving force without any electromechanical components. It is intended as a very easy to use wearable injection device and with the low complexity it will have a very low manufacturing cost compared with electromechanical products. The injector is to be prefilled with the relevant drug and the company's business model, therefore, requires collaboration with pharmaceutical companies.

## Development in the year

The income statement of the Company for 2021 shows a loss of DKK 6,012,956, and at 31 December 2021 the balance sheet of the Company shows negative equity of DKK 4,082,353.

The loss is a result of the company being in the development phase and is according to plan and the negative equity is a result of long term loans.

During 2021, the product technology was significantly further proven.

Subjunct are seeing a good interest in the injection device from a number of major pharmaceutical companies.

The company's development activities were not significantly impacted by COVID-19 in 2021.

## Going concern

The Company has prepared the annual report under the going concern assumption, but there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Company has received a signed letter of intent from a potential partner to fund the Company, that will ensure the continued operations and development of the research project. If the letter of intent does not resultat in an agreement with the potential partner, the Company's current cash flow budgets show that the Company will not be able to continue its operations beyond August 2022.

It is Management's expectations that the letter of intent will result in an agreement with the potential partner, and therefore the annual report has been prepared under the going concern assumption.

## Subsequent events

Subsequent the fiscal year, the company has initiated discussion with a potential partner for further financing of development. The company has in 2022 raised loans from existing shareholders for financing of the company until a final agreement with the potential partner is established.



## Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
<b>Gross profit/loss</b>		<b>-4,491,032</b>	<b>-2,731,932</b>
Staff expenses	2	-2,386,099	-2,192,010
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-4,147	-7,174
<b>Profit/loss before financial income and expenses</b>		<b>-6,881,278</b>	<b>-4,931,116</b>
Financial income		1,304	700
Financial expenses		-324,188	-77,916
<b>Profit/loss before tax</b>		<b>-7,204,162</b>	<b>-5,008,332</b>
Tax on profit/loss for the year		1,191,206	970,710
<b>Net profit/loss for the year</b>		<b>-6,012,956</b>	<b>-4,037,622</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-6,012,956	-4,037,622
		<b>-6,012,956</b>	<b>-4,037,622</b>

# Balance Sheet 31 December

## Assets

	Note	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		0	4,147
<b>Property, plant and equipment</b>		<b>0</b>	<b>4,147</b>
<b>Fixed assets</b>		<b>0</b>	<b>4,147</b>
Other receivables		173,601	491,570
Corporation tax		1,191,206	970,710
Prepayments		11,446	0
<b>Receivables</b>		<b>1,376,253</b>	<b>1,462,280</b>
<b>Cash at bank and in hand</b>		<b>1,416,369</b>	<b>8,317,153</b>
<b>Currents assets</b>		<b>2,792,622</b>	<b>9,779,433</b>
<b>Assets</b>		<b>2,792,622</b>	<b>9,783,580</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital	3	227,207	227,207
Retained earnings		-4,309,560	1,703,396
<b>Equity</b>		<b>-4,082,353</b>	<b>1,930,603</b>
Other payables		6,216,325	5,940,000
<b>Long-term debt</b>	4	<b>6,216,325</b>	<b>5,940,000</b>
Credit institutions		0	15,033
Trade payables		68,868	1,117,622
Other payables	4	589,782	780,322
<b>Short-term debt</b>		<b>658,650</b>	<b>1,912,977</b>
<b>Debt</b>		<b>6,874,975</b>	<b>7,852,977</b>
<b>Liabilities and equity</b>		<b>2,792,622</b>	<b>9,783,580</b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	5		
Accounting Policies	6		

## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	227,207	1,703,396	1,930,603
Net profit/loss for the year	0	-6,012,956	-6,012,956
<b>Equity at 31 December</b>	<b>227,207</b>	<b>-4,309,560</b>	<b>-4,082,353</b>

The company has adopted an incentive program, which allows the board of directors to grant board members, the management and key employees to subscription rights for up to nominal DKK 24,469. The subscription rights up to a nominal 16.834 are valid for the period up until 20 January 2022, while the remainder is valid for the period up until 12 September 2024. The subscription rights can, under a number of conditions, be exercised at a predetermined price. In accordance with the requirements of the Danish Financial Statements Act, the incentive program is not included in the annual report.

# Notes to the Financial Statements

## 1 Going concern

The Company has prepared the annual report under the going concern assumption, but there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Company has received a signed letter of intent from a potential partner to fund the Company, that will ensure the continued operations and development of the research project. If the letter of intent does not result in an agreement with the potential partner, the Company's current cash flow budgets show that the Company will not be able to continue its operations beyond August 2022.

It is Management's expectations that the letter of intent will result in an agreement with the potential partner, and therefore the annual report has been prepared under the going concern assumption.

	<u>2021</u> DKK	<u>2020</u> DKK
<b>2 Staff expenses</b>		
Wages and salaries	2,360,258	2,164,728
Other social security expenses	14,446	14,471
Other staff expenses	11,395	12,811
	<u><b>2,386,099</b></u>	<u><b>2,192,010</b></u>
<b>Average number of employees</b>	<u><b>2</b></u>	<u><b>2</b></u>

## 3 Equity

The share capital is broken down as follow:

	<u>Number</u>	<u>Nominal value</u> DKK
A-shares	75,555	75,555
B-shares	151,652	151,652
		<u><b>227,207</b></u>

## Notes to the Financial Statements

### 4 Long-term debt

#### Other payables

Between 1 and 5 years	6,216,325	5,940,000
Long-term part	<u>6,216,325</u>	<u>5,940,000</u>
Within 1 year	75,052	59,000
Other short-term payables	514,730	721,322
Short-term part	<u>589,782</u>	<u>780,322</u>
	<u><b>6,806,107</b></u>	<u><b>6,720,322</b></u>

### 5 Contingent assets, liabilities and other financial obligations

The company has a tenancy commitment with a notice period as of 3 months which entails a commitment of TDKK 22.

# Notes to the Financial Statements

## 6 Accounting Policies

The Annual Report of Subcject ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue is measured at the consideration received and is recognised exclusive of VAT.

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.



# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Balance Sheet

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

#### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

#### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.