
Subcuject ApS

Nordre Strandvej 119, DK-3150 Copenhagen

Annual Report for 2022

CVR No. 38 34 92 79

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 23/6 2023

Jesper Roested
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Management's Review	5
Financial Statements	
Income Statement 1 January - 31 December	6
Balance sheet 31 December	7
Statement of changes in equity	9
Notes to the Financial Statements	10

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Subcject ApS for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Hellebæk, 23 June 2023

Executive Board

Jesper Roested
Manager

Board of Directors

Lars Guldbæk Karlsen
Chairman

Morten Nielsen

Claus Demant

Tonni Bülow-Nielsen

Lars Henning Stigel

Paul Edward Jansen

Independent Auditor's report

To the shareholder 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 2022, 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 note 1 "Going concern", where Management has described that the going concern assumption is depending on obtaining an extension of the agreement with a partner. 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 Financial 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 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.

Independent Auditor's report

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 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 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 C, 23 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Christian Roding

State Authorised Public Accountant

mne33714

Mike Bork Jun

State Authorised Public Accountant

mne48473

Company information

The Company	Subcject ApS Nordre Strandvej 119 DK-3150 Copenhagen CVR No: 38 34 92 79 Financial period: 1 January - 31 December Municipality of reg. office: Helsingør
Board of Directors	Lars Guldbæk Karlsen, chairman Morten Nielsen Claus Demant Tonni Bülow-Nielsen Lars Henning Stigel Paul Edward Jansen
Executive Board	Jesper Roested
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C

Management's review

Key activities

The primary objective of the company is development and commercialization of innovative, proprietary, wearable medical devices for subcutaneous bolus injection of larger volume pharmaceuticals. One product is a wearable bolus injector (WBI) 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 and it will have a very low manufacturing cost compared with electromechanical products. Another products is a wearable autoinjector based on a number components shared with the WBI and driven by a spring. The injectors are to be prefilled with therelevant drug and the company's business model, therefore, requires collaboration with pharmaceutical companies.

Development in the year

The income statement of the Company for 2022 shows a loss of DKK 274,172, and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 4,356,525.

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 2022, the product technology was significantly further proven.

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

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.

In 2022 the Company entered into an agreement with a partner regarding financing until August 2023. The continued operations and development of the research project is dependent on an extension of the agreement or that alternative financing is established. If the agreement is not extended, the company's current cash flow budget show that the Company will not be able to continue its operations after August 2023.

It is Management's expectations that the partner will extend the financing, which is why the annual report has been prepared under the going concern assumption.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit/loss		2,553,753	-4,491,032
Staff expenses	2	-2,405,164	-2,386,099
Depreciation and impairment losses of property, plant and equipment		0	-4,147
Profit/loss before financial income and expenses		148,589	-6,881,278
Financial income		1,155	1,304
Financial expenses		-501,246	-324,188
Profit/loss before tax		-351,502	-7,204,162
Tax on profit/loss for the year		77,330	1,191,206
Net profit/loss for the year		-274,172	-6,012,956

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-274,172	-6,012,956
	-274,172	-6,012,956

Balance sheet 31 December

Assets

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		DKK	DKK
Other receivables		2,130,401	173,601
Corporation tax		77,330	1,191,206
Prepayments		13,531	11,446
Receivables		<u>2,221,262</u>	<u>1,376,253</u>
Cash at bank and in hand		<u>1,562,605</u>	<u>1,416,369</u>
Current assets		<u>3,783,867</u>	<u>2,792,622</u>
Assets		<u>3,783,867</u>	<u>2,792,622</u>

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital	3	227,207	227,207
Retained earnings		-4,583,732	-4,309,560
Equity		<u>-4,356,525</u>	<u>-4,082,353</u>
Other payables		6,519,934	6,216,325
Long-term debt	4	<u>6,519,934</u>	<u>6,216,325</u>
Credit institutions		9,842	0
Trade payables		323,595	68,868
Other payables	4	1,287,021	589,782
Short-term debt		<u>1,620,458</u>	<u>658,650</u>
Debt		<u>8,140,392</u>	<u>6,874,975</u>
Liabilities and equity		<u>3,783,867</u>	<u>2,792,622</u>
Going concern	1		
Contingent assets, liabilities and other financial obligations	5		
Accounting Policies	6		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	227,207	-4,309,560	-4,082,353
Net profit/loss for the year	0	-274,172	-274,172
Equity at 31 December	227,207	-4,583,732	-4,356,525

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 7,635. The subscription rights are 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

In 2022 the Company entered into an agreement with a partner regarding financing until August 2023. The continued operations and development of the research project is dependent on an extension of the agreement or that alternative financing is established. If the agreement is not extended, the company's current cash flow budget show that the Company will not be able to continue its operations after August 2023.

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

It is Management's expectations that the partner will extend the financing, which is why the annual report has been prepared under the going concern assumption.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Staff Expenses		
Wages and salaries	2,377,638	2,360,258
Other social security expenses	14,692	14,446
Other staff expenses	12,834	11,395
	<u>2,405,164</u>	<u>2,386,099</u>
Average number of employees	<u>2</u>	<u>2</u>

3. Share capital

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

Notes to the Financial Statements

4. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Other payables		
After 5 years	0	0
Between 1 and 5 years	6,519,934	6,216,325
Long-term part	6,519,934	6,216,325
Within 1 year	107,920	75,052
Other short-term payables	1,179,101	514,730
	<u>7,806,955</u>	<u>6,806,107</u>

5. Contingent assets, liabilities and other financial obligations

Contingent liabilities

	<u>2022</u>	<u>2021</u>
	DKK	DKK
The company has a tenancy commitment with a notice period as of 3 months	23,127	22,611

Notes to the Financial Statements

6. Accounting policies

The Annual Report of Subsubject ApS for 2022 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 2022 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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

Income statement

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit/loss

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

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of 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 income to finance the operations and research activities from an external partner.

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.

Balance sheet

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.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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