
Subcuject ApS

Nordre Strandvej 119, DK-3150 Hellebæk

Annual Report for 1 January - 31 December 2020

CVR No 38 34 92 79

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/6 2021

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
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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

Hellebæk, 29 June 2021

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 Subcujekt ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Subcujekt ApS for the financial year 1 January - 31 December 2020, 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' 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.

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 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 misstate-

Independent Auditor's Report

ment, 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 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

Independent Auditor's Report

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, 29 June 2021

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 2020 shows a loss of DKK -4,037,622, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 1,930,603. The loss is a result of the company being in the development phase and is according to plan.

During 2020, the product technology was significantly further proven and Subcuject entered a development-, commercialisation- and manufacturing collaboration with a major global contract development and manufacturing organisation (CDMO).

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

In 2020, the company raised one round of capital from existing and new shareholders in connection with receiving COVID-19 loans from the Danish government. Furthermore, the company received funding from an ongoing project grant, provided by Innovationsfonden.

The company's development activities were not significantly impacted by COVID-19 in 2020.

Expectations for the next year

In 2021/2022, the company expects to start generating income via sales to pharmaceutical companies.

Going concern

The capital resources of the company consists of cash at bank of DKK 8,317k and recivables at DKK 1,462k subtract short-term debt at DKK 1,912k which gives a net cash ressource at DKK 7,867k. The company is therefore sufficient funded for completing planned activities in 2021.

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	2020 DKK	2019 DKK
Gross profit/loss		-2,731,932	-3,178,287
Staff expenses	1	-2,192,010	-2,141,825
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-7,174	-7,174
Profit/loss before financial income and expenses		-4,931,116	-5,327,286
Financial income		700	8,341
Financial expenses		-77,916	-24,220
Profit/loss before tax		-5,008,332	-5,343,165
Tax on profit/loss for the year		970,710	1,165,414
Net profit/loss for the year		-4,037,622	-4,177,751

Distribution of profit

Proposed distribution of profit

Retained earnings	-4,037,622	-4,177,751
	-4,037,622	-4,177,751

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		4,147	11,321
Property, plant and equipment		4,147	11,321
Fixed assets		4,147	11,321
Trade receivables		0	131,704
Other receivables		491,570	605,038
Corporation tax		970,710	1,165,414
Prepayments		0	7,600
Receivables		1,462,280	1,909,756
Cash at bank and in hand		8,317,153	2,215,075
Currents assets		9,779,433	4,124,831
Assets		9,783,580	4,136,152

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		227,207	209,143
Retained earnings		1,703,396	3,501,082
Equity		1,930,603	3,710,225
Other payables		5,940,000	0
Long-term debt	2	5,940,000	0
Credit institutions		15,033	1,274
Trade payables		1,117,622	124,928
Other payables	2	780,322	299,725
Short-term debt		1,912,977	425,927
Debt		7,852,977	425,927
Liabilities and equity		9,783,580	4,136,152
Contingent assets, liabilities and other financial obligations	3		
Accounting Policies	4		

Statement of Changes in Equity

	Share capital	Share premium	Retained	Total
	DKK	account	earnings	DKK
	DKK	DKK	DKK	DKK
Equity at 1 January	209,143	0	3,501,082	3,710,225
Cash capital increase	18,064	2,239,936	0	2,258,000
Net profit/loss for the year	0	0	-4,037,622	-4,037,622
Transfer from share premium account	0	-2,239,936	2,239,936	0
Equity at 31 December	227,207	0	1,703,396	1,930,603

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

	<u>2020</u>	<u>2019</u>
	DKK	DKK
1 Staff expenses		
Wages and salaries	2,164,728	2,069,531
Pensions	0	45,979
Other social security expenses	14,471	14,858
Other staff expenses	<u>12,811</u>	<u>11,457</u>
	<u>2,192,010</u>	<u>2,141,825</u>
Average number of employees	<u>2</u>	<u>2</u>
2 Long-term debt		
Other payables		
Between 1 and 5 years	<u>5,940,000</u>	<u>0</u>
Long-term part	<u>5,940,000</u>	<u>0</u>
Within 1 year	59,000	0
Other short-term payables	<u>721,322</u>	<u>299,725</u>
Short-term part	<u>780,322</u>	<u>299,725</u>
	<u>6,720,322</u>	<u>299,725</u>

3 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

4 Accounting Policies

The Annual Report of Subcject ApS for 2020 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 2020 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

4 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

4 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
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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

4 Accounting Policies (continued)

Financial debts

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