

Injecto A/S

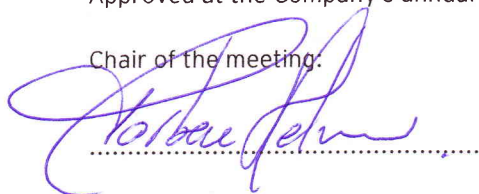
Strandvejen 60, 5., 2900 Hellerup

CVR no. 38 72 98 88

Annual report 2021/22

Approved at the Company's annual general meeting on 26 January 2023

Chair of the meeting:



A handwritten signature in blue ink, appearing to read 'Torben Jensen', is written over a horizontal dotted line.

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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 Injecto A/S for the financial year 1 September 2021 - 31 August 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 of the Company at 31 August 2022 and of the results of the Company's operations for the financial year 1 September 2021 - 31 August 2022.

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.

Hellerup, 11 January 2023
Executive Board:

.....
Torben Helmer Knudsen

Board of Directors:

.....
Mikael Hans Andranik
Hetting
Chair

.....
Torben Helmer Knudsen

.....
John Holger Adamsen

Independent auditor's report

To the shareholder of Injecto A/S

Opinion

We have audited the financial statements of Injecto A/S for the financial year 1 September 2021 - 31 August 2022, 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 31 August 2022 and of the results of the Company's operations for the financial year 1 September 2021 - 31 August 2022 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' 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.

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, 11 January 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jesper Jørn Pedersen
State Authorised Public Accountant
mne21326

Management's review

Company details

Name	Injecto A/S
Address, Postal code, City	Strandvejen 60, 5., 2900 Hellerup
CVR no.	38 72 98 88
Established	19 June 2017
Registered office	Gentofte
Financial year	1 September 2021 - 31 August 2022
Board of Directors	Mikael Hans Andranik Hetting, Chair Torben Helmer Knudsen John Holger Adamsen
Executive Board	Torben Helmer Knudsen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

Injecto A/S develops, manufactures and sells components for pharmaceutical packaging mainly for pre-fillable injection systems ("PFS") on the basis of the licenses on patent rights from Injecto Group A/S.

Injecto A/S' main focus is the series of lubrigone plunger stoppers for PFS in ISO measurements but also in individual measurements based on specific company wishes, which plunger stoppers ensure a lubrication free PFS, which is in demand from pharma companies specialized in biologics and in medical preparations for sensitive organs like ophthalmic, ears, central nervous system, brain etc.

The company has two established production lines at SP Medical (www.sp-medical.com) as its OEM manufacturer on lubrigone3 plunger stoppers for PFS in respectively a volume of 0.5 ml and 1.0 ml (long) and has increased its contacts with the world's leading pharmaceutical companies and some of the leading manufacturers in PFS.

Due to Injecto A/S' strong competitive edge related to the flexibility and efficient production based on the lubrigone concept Injecto A/S can offer the pharma companies and companies in other business areas such as diagnostics a strong value proposition with respect to the development of the best individual solution and with a much shorter timeline related to a production in industrial scale.

In the financial year Injecto A/S also was involved in two development projects where the company by these two projects aimed at coming into the commercial profitable operation. Unfortunately, this did not happen since the development projects did not materialize in a commercial contract. Injecto A/S' primary focus is still on its core pharma customers, despite a longer lead time.

It should be noted that Injecto A/S' products are supplied to primary packaging for pharma, which supplies are defined by extensive testing and hence longer lead times. The longer lead times are matched by long-term lucrative contracts.

Injecto A/S' investment in the two aforementioned production lines ensures that Injecto A/S can supply samples for tests from an industrial production to pharma customers and at the same time offer the pharma customers industrial supplies without bottlenecks.

By the two industrial production lines Injecto A/S has verified production times and production costs and has built up a reserve that over the coming years will ensure a substantial revenue and a significant profit without further investments. Injecto A/S has also verified that a further scale-up of the current yearly production capacity of a two-digit million figure can be increased to a yearly production capacity in a three-digit million figure within 9-12 months.

Injecto A/S has also been carrying out the co-operation with PATH and its donators and some pharma companies about the easyject syringe, but dependable on the outcome and the resources Injecto A/S and its parent company will consider if the production and sales and marketing of the easyject syringe shall be carried out by another subsidiary under Injecto Group A/S. If this turned out to be the case Injecto A/S will most likely still produce the lubrigone stoppers to be used in the easyject syringe, where the current plan is an initial yearly production of 50 million stoppers for this syringe.

Financial review

The income statement for 2021/22 shows a loss of DKK 4,086 thousand against a loss of DKK 2,545 last year, and the balance sheet at 31 August 2022 shows a negative equity of DKK 6,992 thousand. The company's financial result with a total loss of DKK 8,992 thousand reflects that the company is in the initialization of its commercial activities.

Injecto A/S is aiming at coming into commercial profitable operation before the end of 2023, where the company will be in profitable operation and provide an increasing EBITDA over the years based on its already established contact and co-operation with some of the leading pharma companies, who are testing Injecto A/S' plunger solutions and primarily the lubrigone plunger stoppers for PFS in 0.5 ml and 1.0 ml (long). Notwithstanding this ambition, Injecto A/S has a patient approach and is aware that it can take longer time and is therefore constantly working on increasing its customer base and obtain sales by selling test samples.

Despite Injecto A/S is still financially supported by its parent company, which is confirmed by a Letter of Comfort, the company still expects that the developments in its commercial activities will make the company independent of financial support in the future and has planned to reestablish the company's equity by the parent company's conversion of the existing loans as coming platform for successful business activities in the future.

Management's review

In this respect full use of Injecto A/S' established production capacity on the two production lines represents a substantial EBITDA.

Events after the balance sheet date

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

With further support from its parent company Injecto A/S intends to establish the third production line at SP Medical A/S with production of lubrigone3 stoppers for 1-3 ml PFS (2.25 ml) PFS. The third production line will ensure that Injecto A/S has the complete product palette for PFS in ISO measurements. This will enable Injecto A/S to attract additional pharma companies but also ensure that the company's lubrigone stoppers can be supplied as a platform product to pharma companies.

Injecto A/S has been offered a strategic alliance by one of the leading manufacturers of PFS and will initiate negotiations with the company of an arrangement of mutual benefit in Q1 or Q2 in 2023.

Injecto A/S has also been approached by leading global companies about a development and future production and supply of vial stoppers to ensure a lubrication free vial.

The coming overview of the initial restriction of use of PFAS in the EU from 2023 and onwards, which can limit the use of some of the competitors' coated stoppers, can contribute significantly to Injecto A/S' business activities, where the plunger stopper is coating free.

Financial statements 1 September 2021 - 31 August 2022

Income statement

Note	DKK	2021/22	2020/21
	Gross loss	-2,931,492	-1,984,229
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-859,353	-388,392
	Profit/loss before net financials	-3,790,845	-2,372,621
3	Financial expenses	-295,573	-172,161
	Profit/loss before tax	-4,086,418	-2,544,782
	Tax for the year	0	0
	Profit/loss for the year	-4,086,418	-2,544,782
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-4,086,418	-2,544,782
		-4,086,418	-2,544,782

Financial statements 1 September 2021 - 31 August 2022

Balance sheet

Note	DKK	<u>2021/22</u>	<u>2020/21</u>
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	696,019	842,778
	Property, plant and equipment under construction	1,065,750	1,175,925
		<u>1,761,769</u>	<u>2,018,703</u>
	Total fixed assets	<u>1,761,769</u>	<u>2,018,703</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	97,537	0
	Other receivables	479,784	110,115
		<u>577,321</u>	<u>110,115</u>
	Cash	<u>104,021</u>	<u>95,084</u>
	Total non-fixed assets	<u>681,342</u>	<u>205,199</u>
	TOTAL ASSETS	<u><u>2,443,111</u></u>	<u><u>2,223,902</u></u>

Financial statements 1 September 2021 - 31 August 2022

Balance sheet

Note	DKK	<u>2021/22</u>	<u>2020/21</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	2,000,000	2,000,000
	Retained earnings	-8,991,649	-4,905,231
	Total equity	<u>-6,991,649</u>	<u>-2,905,231</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	171,477	117,125
	Payables to group enterprises	9,216,383	5,012,008
	Other payables	46,900	0
		<u>9,434,760</u>	<u>5,129,133</u>
	Total liabilities other than provisions	<u>9,434,760</u>	<u>5,129,133</u>
	TOTAL EQUITY AND LIABILITIES	<u>2,443,111</u>	<u>2,223,902</u>

- 1 Accounting policies
- 2 Staff costs
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral
- 7 Related parties

Financial statements 1 September 2021 - 31 August 2022

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 September 2021	2,000,000	-4,905,231	-2,905,231
Transfer through appropriation of loss	0	-4,086,418	-4,086,418
Equity at 31 August 2022	2,000,000	-8,991,649	-6,991,649

The parent company Injecto Group A/S has provided letter of comfort to Injecto A/S. Injecto Group A/S will unconditionally cover Injecto A/S liquidity needs by capital injection(s) or by subordinated loan(s) for its operation of its business activities until the Company is in profitable operation or has obtained alternative funding for its operation.

The letter of comfort can be terminated with 12 months prior written note to Injecto A/S.

Financial statements 1 September 2021 - 31 August 2022

Notes to the financial statements

1 Accounting policies

The annual report of Injecto A/S for 2021/22 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

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross loss

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross loss in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

Depreciation and impairment

The item comprises depreciation and impairment of property, plant and equipment.

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

Fixtures and fittings, other plant and equipment	3 years
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Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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.

Financial statements 1 September 2021 - 31 August 2022

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of 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.

Financial statements 1 September 2021 - 31 August 2022

Notes to the financial statements

1 Accounting policies (continued)

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.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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".

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 September 2021 - 31 August 2022

Notes to the financial statements

2 Staff costs

The Company has no employees.

3 Financial expenses

Interest expenses, group entities	293,093	169,703
Other financial expenses	2,480	2,458
	<u>295,573</u>	<u>172,161</u>

4 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total
Cost at 1 September 2021	1,231,170	1,175,925	2,407,095
Additions	322,444	279,975	602,419
Transferred	390,150	-390,150	0
Cost at 31 August 2022	<u>1,943,764</u>	<u>1,065,750</u>	<u>3,009,514</u>
Impairment losses and depreciation at 1 September 2021	388,392	0	388,392
Impairment losses	390,150	0	390,150
Depreciation	469,203	0	469,203
Impairment losses and depreciation at 31 August 2022	<u>1,247,745</u>	<u>0</u>	<u>1,247,745</u>
Carrying amount at 31 August 2022	<u>696,019</u>	<u>1,065,750</u>	<u>1,761,769</u>
Depreciated over	<u>3 years</u>		

5 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Injecto Group A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2018 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 19 June 2017.

Other financial obligations

Other rent liabilities:

DKK	<u>2021/22</u>	<u>2020/21</u>
Rent liabilities	372,600	372,600

6 Collateral

The Company has not provided any security or other collateral in assets at 31 August 2022.

Financial statements 1 September 2021 - 31 August 2022

Notes to the financial statements

7 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Injecto Group A/S	Strandvejen 60 DK-2900 Hellerup	Injecto Group A/S Strandvejen 60 DK-2900 Hellerup

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

Mikael Hans Andranik Hetting

Client Signer

På vegne af: Injecto A/S

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IP: 83.94.xxx.xxx

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Torben Helmer Knudsen

Client Signer

På vegne af: Injecto A/S

Serienummer: a6f9560f-506b-44a1-9841-28af01faee4d

IP: 77.213.xxx.xxx

2023-01-11 17:50:25 UTC



John Holger Adamsen

Client Signer

På vegne af: Injecto A/S

Serienummer: da6beb08-0544-487f-9548-e9403ce4385d

IP: 85.241.xxx.xxx

2023-01-11 17:54:19 UTC



Jesper Jørn Pedersen

EY Signer

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:89023474

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