

Myonex ApS

Alhambravej 3, 1826 Frederiksberg

Annual report

2020

Company reg. no. 39 90 50 94

The annual report was submitted and approved by the general meeting on the 23 June 2021.

Michael Allen Cohen
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that EUR 146.940 corresponds to the English amount of EUR 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's report

Today, the managing director has presented the annual report of Myonex ApS for the financial year 2020 of Myonex ApS.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January - 31 December 2020.

The managing director board of directors and the executive board consider the conditions for audit exemption of the 2020 financial statements to be met.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Frederiksberg, 23 June 2021

Managing Director

Michael Allen Cohen

Auditor's report on compilation of the financial statements

To the management of Myonex ApS

We have compiled the financial statements of Myonex ApS for the financial year 1 January - 31 December 2020 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position, statement of changes in equity and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Copenhagen, 23 June 2021

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson

State Authorised Public Accountant
mne25346

Company information

| | |
|--------------------------|---|
| The company | Myonex ApS Alhambravej 3 1826 Frederiksberg |
| | Company reg. no. 39 90 50 94 Financial year: 1 January - 31 December 1st financial year |
| Managing Director | Michael Allen Cohen |
| Auditors | Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø |
| Parent company | Myers Drugstore, Inc. |

Management commentary

The principal activities of the company

The principal activities are the procurement, distribution and management of comparator drugs and pharmaceutical supplies for clinical trials, including biotechnology studies and other related activities.

Development in activities and financial matters

The gross loss for the year totals EUR -104.398 against EUR -82.899 last year. Income or loss from ordinary activities after tax totals EUR -104.968 against EUR -84.997 last year.

Management considers the net profit or loss for the year as expected.

In 2020, the company's cash and cash equivalents increased by EUR 714.305, i.e. from EUR 39.005 to EUR 753.310.

Accounting policies

The annual report for Myonex ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in euro (EUR). The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross loss

Gross loss comprises the revenue and other external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for administration.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

Statement of financial position

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement

All amounts in EUR.

| <u>Note</u> | 1/1 2020 - 31/12 2020 | 28/9 2018 - 31/12 2019 |
|--|--------------------------|---------------------------|
| Gross loss | -104.398 | -82.899 |
| Other financial income | -570 | 0 |
| Other financial costs | 0 | -2.098 |
| Net profit or loss for the year | -104.968 | -84.997 |
| Proposed appropriation of net profit: | | |
| Allocated from retained earnings | -104.968 | -84.997 |
| Total allocations and transfers | -104.968 | -84.997 |

Statement of financial position at 31 December

All amounts in EUR.

| Assets | | |
|------------------------------------|-------------------------|-----------------------|
| <u>Note</u> | <u>2020</u> | <u>2019</u> |
| Current assets | | |
| Prepayments for goods | 2.917.800 | 0 |
| Total inventories | <u>2.917.800</u> | <u>0</u> |
| Trade debtors | 0 | 317.218 |
| Receivables from group enterprises | 0 | 207.971 |
| Prepayments and accrued income | 6.399 | 6.379 |
| Total receivables | <u>6.399</u> | <u>531.568</u> |
| Cash on hand and demand deposits | 753.310 | 39.005 |
| Total current assets | <u>3.677.509</u> | <u>570.573</u> |
| Total assets | <u>3.677.509</u> | <u>570.573</u> |

Statement of financial position at 31 December

All amounts in EUR.

| Equity and liabilities | | |
|--|------------------|----------------|
| <u>Note</u> | <u>2020</u> | <u>2019</u> |
| Equity | | |
| Contributed capital | 6.703 | 6.703 |
| Results brought forward | -185.215 | -84.997 |
| Total equity | -178.512 | -78.294 |
| | | |
| Liabilities other than provisions | | |
| Trade creditors | 6.628 | 4.033 |
| Payables to group enterprises | 3.024.536 | 548.497 |
| Other payables | 91.054 | 91.451 |
| Accruals and deferred income | 733.803 | 4.886 |
| Total short term liabilities other than provisions | 3.856.021 | 648.867 |
| | | |
| Total liabilities other than provisions | 3.856.021 | 648.867 |
| | | |
| Total equity and liabilities | 3.677.509 | 570.573 |

1 Contingencies

Statement of changes in equity

All amounts in EUR.

| | <u>Contributed capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|---|----------------------------|--------------------------|-----------------|
| Equity 28 September 2018 | 6.703 | 0 | 6.703 |
| Profit or loss for the year brought forward | 0 | -84.997 | -84.997 |
| Equity 1 January 2020 | 6.703 | -84.997 | -78.294 |
| Profit or loss for the year brought forward | 0 | -104.968 | -104.968 |
| Exchange rate adjustment | 0 | 4.750 | 4.750 |
| | <u>6.703</u> | <u>-185.215</u> | <u>-178.512</u> |

Notes

All amounts in EUR.

1. Contingencies

Contingent liabilities

Mortgage:

A floating charge mortgage of EUR 5.000.000 has been established with security in operating equipment.