

# Astellas Pharma a/s

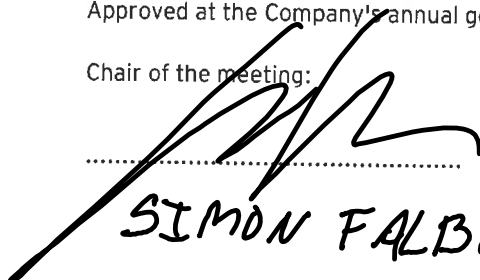
Arne Jacobsens Allé 15, 2300 Copenhagen S

CVR no. 10 88 86 38

## Annual report 2021/22

Approved at the Company's annual general meeting on 6 October 2022

Chair of the meeting:



.....  
SIMON FALBE-HANSEN

## Contents

<b>Statement by the Board of Directors and the Executive Board</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management's review</b>	<b>5</b>
<b>Financial statements 1 April 2021 - 31 March 2022</b>	<b>12</b>
Income statement	12
Balance sheet	13
Statement of changes in equity	15
Notes to the financial statements	16

## 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 Astellas Pharma A/S for the financial year 1 April 2021 - 31 March 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 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Copenhagen, *6. October 2022*  
Executive Board:



.....  
Karl Håkan Lennart Widén

Board of Directors:

.....  
Yagnaram Santharam  
Chair



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Malene Abildstrøm



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Karl Håkan Lennart Widén

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Rowena Borenstein

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Executive Board:

Karl Håkan Lennart Widén

Board of Directors:

  
Yaghiram Santharam  
Chair

Karl Håkan Lennart Widén

Rowena Borenstein

Målene Abildstrøm

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Karl Håkan Lennart Widén

Board of Directors:

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Yagnaram Santharam  
Chair

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Karl Håkan Lennart Widén

  
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Rowena Borenstein

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Malene Abildstrøm

## Independent auditor's report

To the shareholders of Astellas Pharma A/S

### Opinion

We have audited the financial statements of Astellas Pharma A/S for the financial year 1 April 2021 - 31 March 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 March 2022 and of the results of the Company's operations for the financial year 1 April 2021 - 31 March 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.

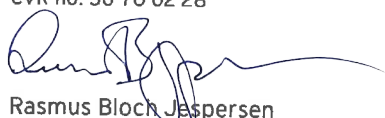
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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, 6 October 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Rasmus Bloch Jørgensen  
State Authorised Public Accountant  
mne35503

## Management's review

### Company details

Name	Astellas Pharma A/S
Address, Postal code, City	Arne Jacobsens Allé 15, 2300 Copenhagen S
CVR no.	10 88 86 38
Established	1 July 1987
Registered office	Copenhagen S
Financial year	1 April 2021 - 31 March 2022
Telephone	+45 43 43 03 55
Board of Directors	Yagnaram Santharam, Chair Karl Håkan Lennart Widén Rowena Borenstein Malene Abildstrøm
Executive Board	Karl Håkan Lennart Widén
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank



## Management's review

### Financial highlights

EUR'000	2021/22	2020/21	2019/20	2018/19	2017/18
<b>Key figures</b>					
Revenue	179,933	160,457	187,005	182,590	157,806
Gross profit	26,175	24,102	23,843	25,019	20,491
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	9,161	5,358	5,612	6,626	4,870
Operating profit/loss	9,042	6,402	5,488	6,501	4,769
Net financials	125	2,656	-2,775	-291	-1,340
Profit before tax	9,139	7,844	2,713	6,217	3,429
<b>Profit for the year</b>	<b>6,689</b>	<b>5,865</b>	<b>2,036</b>	<b>4,735</b>	<b>2,562</b>
Fixed assets	390	710	968	818	787
Non-fixed assets	345,201	144,745	126,023	128,810	102,447
<b>Total assets</b>	<b>345,591</b>	<b>145,455</b>	<b>126,991</b>	<b>129,628</b>	<b>103,234</b>
Investments in property, plant and equipment	234	10	277	148	46
<b>Equity</b>	<b>58,226</b>	<b>59,437</b>	<b>53,572</b>	<b>56,236</b>	<b>54,101</b>
Current liabilities other than provisions	287,365	85,972	73,413	73,392	49,133
<b>Financial ratios</b>					
Operating margin	5.0%	3.2%	2.9%	3.6%	3.0%
Gross margin	14.5%	15.0%	12.7%	13.7%	13.0%
EBITDA-margin	5.1%	3.3%	3.0%	3.6%	3.1%
Return on assets	3.7%	4.7%	4.3%	5.6%	5.1%
Current ratio	120.1%	168.4%	171.7%	175.5%	208.5%
Equity ratio	16.8%	40.9%	42.2%	43.4%	52.4%
Return on equity	11.4%	10.4%	3.7%	8.6%	4.9%
<b>Average number of full-time employees</b>	<b>112</b>	<b>120</b>	<b>120</b>	<b>115</b>	<b>114</b>

For terms and definitions, please see the accounting policies.

## Management's review

### Business review

The Company sells and markets pharmaceutical products in the Nordic markets for the Astellas Group. The Company's share capital is wholly-owned by Astellas Pharma Europe Ltd., Bourne Business Park, 300 Dashwood Lang Road, Addlestone KT15 2NX, United Kingdom.

### Financial review

In 2021/22, the Company's revenue amounted to EUR 179,933 thousand against EUR 160,457 thousand last year. The income statement for 2021/22 shows a profit of EUR 6,689 thousand against a profit of EUR 5,865 thousand last year, and the balance sheet at 31 March 2022 shows equity of EUR 58,226 thousand.

In 2021/22, the Company has distributed extraordinary dividends for EUR 7,900 thousand. Reference is made to the distribution of profit. The propose dividend distribution of EUR 25,000 thousand based on the financial statements for 2021/22. Reference is made to statement of shareholders equity.

### Significant events

In financial year 2021/22, the Nordics stabilised following the Corona crisis. This crisis has not resulted in any immediate consequences for the Astellas sales.

Face to face promotion activities remain limited to allow doctors and hospitals to fully focus on the crisis and the backlog. Promotion activities are primarily conducted on a digital basis.

During the year the Company implemented the new SAP software as part of a company wide initiative. As part of this new software implementation there has been a change in our distribution model. Nordic affiliate no longer holds any inventory and has moved to a flash title change model.

The company undertook an office move in the year. The new office took a smaller footprint and embraced the hybrid working model. The new office is in an extremely well connected location for public transport this couples with our flexible working approach has a positive impact on the environment. The new office location is close to the airport, major transport links & hotels enabling easier access for employees and visitors.

### Financial risks and use of financial instruments

According to Management, the financial statements have not been affected by any unusual risks.

### Profit/loss for the year compared with previously expressed expectations

The Company's performance in 2021/22 was in line with the previously expressed revenue forecasts and profit projections after adjusting for the divestments of Dificlir and Eligard.

### Research and development activities

The Company did not carry out any significant research and development activities on its own account in 2021/22.

### Foreign branches

The Company has branches in Norway and Finland and cooperates with an agent in Iceland.

## Management's review

### Statutory CSR report

The Company is included in and follows the Astellas Group's CSR policy. The Company has implemented the Group's "Charter of Corporate Conduct", which includes the following ten guidelines:

1. Provide products that benefit consumers and society
2. Maintain high ethical standards
3. Fulfil disclosure and transparency requirements
4. Promote fair and free competition
5. Ensure sustainable benefits for our stakeholders
6. Promote job satisfaction. The company has employee satisfaction survey every other year.
7. Show respect for different cultures
8. Protect nature and the environment
9. Engage in philanthropic activities
10. Select business partners based on ethical criteria

In accordance with the Charter of Corporate Conduct, Astellas initiates proactive philanthropic activities. Inspired by the employees, Astellas has initiated CSR activities through donations and other support to charity organizations.

Under our CHANGING TOMORROW programme, Astellas' employees can volunteer to take part in and contribute to local charity work.

### *Business model*

The Company sells and markets pharmaceutical products in the Nordic markets for the Astellas Group.

### *Human rights*

Astellas follows the Group's CSR policies which include five fields of CSR based management: the economy, employees, society, the environment, and compliance.

Embedded in the CSR policies is Astellas' Charter of Corporate Conduct, which above all respects the human rights, personalities and individuality of all of its employees.

In 2021/22 all employees in the Company were obliged to read and confirm that they understand and observe Astellas' Charter of Corporate Conduct. In 2021/22 all employees completed training in Astellas' Charter of Corporate Conduct.

In the coming years, we plan to further distribute and train employees in the Charter of Corporate Conduct.

More specifically, Astellas' Charter of Corporate Conduct strictly enforces adherence with international rules and local laws in its conduct of global scale business, stipulates respect for individual culture and custom, and instills a mutual understanding among all of its group companies of the importance for the respect for human rights.

For more information about the Parent Company's CSR policies see site <https://www.astellas.com/en/responsibility>

## Management's review

### *Impact on the external environment*

The Company follows the global Astellas policies regarding this area. Therefore, the Company has incorporated a defined policy to minimize the impact on the external environment e.g. defined standard for offices to, preferably be located in green buildings, we are preparing for future group reporting on external environmental fingerprints. This means that the Company wants to minimize its impact on the environment through better waste management and reduce its impact on the climate by reducing emissions from transportation.

The Company has identified risk of negatively affecting the climate through extensive use of transportation to and between meetings. We have strengthened our digital communication environment that has reduced the need to travel and continued further to consolidate and improve earlier year's initiatives.

By relocating office to a more central location, employees can leverage on public transportation. Due to the type of operations (sales and marketing activities), the Company's activities have no significant impact on the external environment and thereby risk of negatively affecting it. However, since the Company is covered by and follows the Astellas Group policy on environment, the Company has in 2021/22 continued its focus on reducing waste and further implemented the Astellas Group policy, which has resulted in an overall improvement of waste management procedures in 2021/22.

In 2022/2023 the Company will globalize the organization and has a goal to set clearer roles and responsibilities for the employees.

### *Anti-corruption*

The Company maintains high ethical standards by fulfilling disclosure and transparency requirements. The Company acknowledges that when working across countries and cultures, there is a risk that the employees can be exposed to situations involving corruption, bribery or questions about facilitation payment. Therefore, the Company has a mandatory anti-corruption training for all, in the global company training tool (LMS); which is updated on an annually basis. In 2021/22, the Company did not identify any episodes involving corruption.

### *Social and employee conditions*

The Company promotes job satisfaction and shows respect for different cultures. The Company acknowledges that with increasing demands on employees and longer working hours, the welfare of the employee is at risk of being diminished. In 2021/22 the Company continued its focus on creating a fulfilling work environment for its employees.

In 2021/22 it succeeded the Company to ensure an equilibrium in work-life balance. In the coming year there will be an increased focus on ensuring an equilibrium in the work/life balance of our employees.

### **Account of the gender composition of Management, cf. §99b**

#### *Board of Directors*

At present, the under represented gender accounts for 50% of the four Directors. The Company target for gender distributions among the Board of Directors is between 25% and 75% since the board consist of four members only.

While Board members continue to be appointed based on qualifications and not on the basis of ethnicity, gender, religious beliefs etc., Astellas appreciates the value and importance of diversity in the Board of Directors and, therefore, the target is to have both genders represented.

## Management's review

### *Other executive levels*

Management has drawn up a policy aiming at maintaining an equal gender distribution of genders at the other executive levels, including the Company's heads of departments and team leaders. The policy sets out structures as to each individual executive officer's career development and mentoring schemes and this also includes targets for the percentage of executives among the genders.

Also, the policy sets out guidelines for recruitment and retention of executives among the genders in the Company. Specifically, the Company has taken the following initiatives to increase the percentage of the genders:

- Support for drafting of individual career plans
- Mentoring schemes
- Staff policy promoting equal career opportunities for both genders
- Employment procedures contributing to ensuring uniform recruitment opportunities for both genders.

Based on the above initiatives, the Company expects the percentage of executives among the under represented gender at the other executive levels to be on the increase in the years to come. The Management Team reduced from 12 persons in 2021/22 to 9 and consist now of 6 female and 3 male with 1 vacancy.

For 2021/22, with regards to gender distribution, Astellas Pharma A/S has a 40/60 split, if we look at all managers and directors (executives below Board of Directors). The manager level and director level are both within the 40/60 to 60/40 area. Among all employees the distribution remains at 30% Men and 70% Women.

### **Data ethics**

The Company does not hold a separate standalone policy for data ethics as of the 31 March 2022 balance sheet date. The Company acknowledges and emphasizes the importance of data ethics in its day-to-day operations and the Company is in process of establishing an enhanced internal Data Ethics governance framework expected to be implemented in accordance with an ongoing assessment. The Company is a member of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and follows the IFPMA Data Ethics Principles May 2021 and will continue to do so until its enhanced internal Data Ethics governance framework is implemented. The IFPMA Data Ethics Principles draw on established concepts in consumer protection, privacy, bio- and healthcare ethics, human rights, and business ethics to propose a way of working with data that maximizes benefits and minimizes harm for individuals and society.

### **Events after the balance sheet date**

No events have occurred after the financial year-end which could significantly affect the Company's financial position.

## **-Management's review**

### **Outlook**

The company expects an increase in revenue and profit from continuing operations for 2022/23 due to new launches and continued growth partially offset by generic competition, parallel imports and price pressure. The Management expect a revenue in the range of 185.000 - 195.000 EUR'000 driven by continues volume growth and a net profit before tax at 9.000 - 10.000 EUR'000.

## Financial statements 1 April 2021 - 31 March 2022

### Income statement

Note	EUR'000	2021/22	2020/21
2	<b>Revenue</b>	179,933	160,457
	Cost of sales	-145,111	-126,706
	Other operating income	15	0
	Other external expenses	-8,662	-9,649
	<b>Gross profit</b>	26,175	24,102
3	Staff costs	-16,971	-17,530
4	Depreciation of property, plant and equipment	-147	-170
	Other operating expenses	-43	-1,214
	<b>Profit before net financials</b>	9,014	5,188
5	Financial income	2,155	7,282
6	Financial expenses	-2,030	-4,626
	<b>Profit before tax</b>	9,139	7,844
7	Tax for the year	-2,450	-1,979
	<b>Profit for the year</b>	6,689	5,865

## Financial statements 1 April 2021 - 31 March 2022

### Balance sheet

Note	EUR'000	2021/22	2020/21
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
8	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	294	245
	Leasehold improvements	2	26
		<u>296</u>	<u>271</u>
9	<b>Investments</b>		
	Other receivables	94	439
		<u>94</u>	<u>439</u>
	<b>Total fixed assets</b>	<u>390</u>	<u>710</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	0	60,771
		<u>0</u>	<u>60,771</u>
	<b>Receivables</b>		
	Trade receivables	41,575	42,304
	Receivables from group companies	286,618	31,383
12	Deferred tax assets	34	0
	Other receivables	3,766	2,707
10	Prepayments	330	620
		<u>332,323</u>	<u>77,014</u>
	<b>Cash</b>	<u>12,878</u>	<u>6,960</u>
	<b>Total non-fixed assets</b>	<u>345,201</u>	<u>144,745</u>
	<b>TOTAL ASSETS</b>	<u>345,591</u>	<u>145,455</u>



## Financial statements 1 April 2021 - 31 March 2022

### Balance sheet

Note	EUR'000	2021/22	2020/21
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
11	Share capital	81	81
	Retained earnings	33,145	59,356
	Dividend proposed for the year	25,000	0
	<b>Total equity</b>	<b>58,226</b>	<b>59,437</b>
	<b>Provisions</b>		
12	Deferred tax	0	46
	<b>Total provisions</b>	<b>0</b>	<b>46</b>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	2,521	1,111
	Payables to group companies	242,203	35,048
	Income taxes payable	469	343
	Other payables	42,172	49,470
		<b>287,365</b>	<b>85,972</b>
	<b>Total liabilities other than provisions</b>	<b>287,365</b>	<b>85,972</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>345,591</b>	<b>145,455</b>

- 1 Accounting policies
- 13 Contractual obligations and contingencies, etc.
- 14 Related parties
- 15 Fee to the auditors appointed by the Company in general meeting
- 16 Appropriation of profit

## Financial statements 1 April 2021 - 31 March 2022

### Statement of changes in equity

Note	EUR'000	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 April 2020	81	53,491	0	53,572
16	Transfer, see "Appropriation of profit"	0	5,865	0	5,865
	<b>Equity at 1 April 2021</b>	<b>81</b>	<b>59,356</b>	<b>0</b>	<b>59,437</b>
16	Transfer, see "Appropriation of profit"	0	-26,211	0	-26,211
	Dividend	0	0	25,000	25,000
	<b>Equity at 31 March 2022</b>	<b>81</b>	<b>33,145</b>	<b>25,000</b>	<b>58,226</b>

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Astellas Pharma A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Effective from the financial year 2021/22, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are part of the consolidated cash flow statement for the Parent Company, Astellas Pharma Inc.

Reference is made to the Group's consolidated financial statements for Astellas Pharma Inc., Nihonbashi-Honcho, Chou-Ku, Tokyo 103-8411, Japan. Group consolidated financial statements are available at: <https://www.astellas.com/en/investors/annual-report/financial-information>

#### Reporting currency

As in prior years, the financial statements are presented in EUR, based on bookkeeping records (includes branches) expressed in EUR, to ensure increased comparability in relation to the Company's European competitors.

#### Foreign currency translation

Transactions denominated in foreign currencies are translated into EUR at the exchange rates at the date of the transaction.

Monetary items denominated in foreign currencies are translated into EUR at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset.

Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

### Income statement

#### Revenue

The Company has chosen IFRS15 as interpretation for revenue recognition.

Revenue comprises invoiced sales of goods for the year less returned goods, sales discount, and rebates. Revenue is recognised when the goods are delivered to the destination agreed by the buyer (wholesaler) as per the agreement, and when it is probable that the Company will collect the consideration to which it is entitled for transferring risks and rewards of the products. Control of the goods is transferred at a point in time, typically on delivery.

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

Revenue is measured at the fair value of the consideration received or receivable. When sales are recognised, Astellas Pharma A/S also records estimates for a variety of sales deductions, including product returns as well as rebates and discounts to wholesalers and retail pharmacies. Sales deductions are recognised as a reduction of gross sales to arrive to net trade sales, by assessing the expected value of the sales deductions (variable consideration). Where wholesalers agreements contain customer acceptance criteria, Astellas Pharma A/S recognises sales when the performance obligations are met.

Marketing services rendered to Astellas' group functions are remunerated through a cost-plus method. Income from the rendering of services is recognised as revenue as the services are rendered.

#### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains and losses on the sale of fixed assets.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Starting from October 2021, Astellas Pharma A/S has operated under a distribution agreement with the Astellas group, whereby sales are directly sourced from the Astellas group distribution center to the end customer. Cost of goods comprise the cost of products sold to achieve revenue for the year.

#### Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

#### Depreciation

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

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 income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, financial expenses related to finance leases, realised and unrealised exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

## Financial statements 1 April 2021 - 31 March 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 less the share of the tax for the year that concerns changes in equity.

Current and deferred taxes related to items recognised directly in equity are taken directly to equity.

##### Balance sheet

##### Property, plant and equipment

Property, plant and equipment comprise leasehold improvements, plant and machinery, other fixtures, fittings, tools and equipment and IT. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are tested for impairment whenever there is an indication that an asset might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Other securities and investments

Investments comprise of other receivables, which includes deposits and are measured at cost.

##### Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO-method, and net realisable value.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Starting from October 2021, Astellas Pharma A/S has operated under a distribution agreement with the Astellas group, whereby sales are directly sourced from the Astellas group distribution center to the end customer.

##### Receivables

The Company has chosen IFRS 9 as interpretation for impairment of financial receivables.

Receivables are measured initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful trade receivables. This corresponds to the difference between the invoiced amount and the Lifetime Expected Credit Losses ("LECLs") as described under IFRS 9.

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

Astellas Pharma's customer base comprises wholesalers and retail pharmacies. From 1 April 2018, management makes allowance of doubtful trade receivables based on the simplified approach to provide for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. This has not resulted in a material change in loss allowance compared with previous policy. The allowance is an estimate based on shared credit risk characteristics and the days past due. Generally, invoices are due for payment within 60 days of shipment of goods.

Loss allowance is calculated using an ageing factor, geographical risk and specific customer knowledge. The allowance is based on a provision matrix on days past due and a forward looking element relating mainly to incorporation of country risk rating.

#### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

#### Cash

Cash comprises bank balances which are subject to an insignificant risk of changes in value.

Balances in the Group's cash pool scheme are not, due to the nature of the scheme, considered cash, but are recognised under 'Receivables from group companies'.

#### Income taxes

Current tax payable and receivable are recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

#### Liabilities

Other payables is measured at amortised cost corresponding to the nominal unpaid debt.

#### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

#### Segment information

Compared to previous years, a change in segment information and comparative figures has been adjusted accordingly. Segment information is provided per activity and geography.

Segmentation is in accordance with the Company's internal reporting and responsibilities. The segment figures are prepared according to the same policies as the Corporate Financial Statements.

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA)} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

EUR'000	2021/22	2020/21
<b>2 Segment information</b>		
<b>Breakdown of revenue by business segment:</b>		
Urology	33,886	24,945
Oncology	97,969	85,887
TACROLIMUS	16,880	17,464
Other	31,198	32,161
	<u>179,933</u>	<u>160,457</u>

The item "Other" comprises revenue from marketing services. In previous years, marketing revenue was allocated on the three above-mentioned product categories. The comparative figures have been restated accordingly.

#### Breakdown of revenue by geographical segment:

Denmark	25,514	25,518
Sweden	38,949	32,175
Norway	38,785	35,161
Finland	43,906	36,503
Iceland	2,899	1,905
Corporate services	29,880	29,195
	<u>179,933</u>	<u>160,457</u>

External sale of goods amounts to EUR 150,053 thousand for 2021/22. In addition to external revenue, cost reimbursements incl. mark-up amounts to EUR 29,880 thousand in 2021/22.

<b>3 Staff costs</b>		
Wages/salaries	13,665	14,023
Pensions	2,082	1,732
Other social security costs	236	410
Other staff costs	988	1,365
	<u>16,971</u>	<u>17,530</u>
Average number of full-time employees	<u>112</u>	<u>120</u>

By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.



## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

EUR'000		2021/22	2020/21	
<b>4</b>	<b>Depreciation of property, plant and equipment</b>			
	Depreciation of property, plant and equipment	147	170	
		<u>147</u>	<u>170</u>	
<b>5</b>	<b>Financial income</b>			
	Realized exchange gains	459	4,697	
	Realized exchange gains intercompany	12	0	
	Unrealized exchange gains	665	2,544	
	Unrealized exchange gains intercompany	989	0	
	Interest income	30	41	
		<u>2,155</u>	<u>7,282</u>	
<b>6</b>	<b>Financial expenses</b>			
	Realized exchange loss	596	3,357	
	Realized exchange loss intercompany	15	0	
	Unrealized exchange loss	254	1,139	
	Unrealized exchange loss intercompany	657	0	
	Interest expenses	114	130	
	Other financial expenses	394	0	
		<u>2,030</u>	<u>4,626</u>	
<b>7</b>	<b>Tax for the year</b>			
	Estimated tax charge for the year	2,505	1,941	
	Deferred tax adjustments in the year	-55	38	
		<u>2,450</u>	<u>1,979</u>	
<b>8</b>	<b>Property, plant and equipment</b>			
		<b>Other fixtures and fittings, tools and equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
	EUR'000			
	Cost at 1 April 2021	1,074	431	1,505
	Additions in the year	232	2	234
	Disposals in the year	-771	-431	-1,202
	Cost at 31 March 2022	<u>535</u>	<u>2</u>	<u>537</u>
	Impairment losses and depreciation at 1 April 2021	829	405	1,234
	Depreciation in the year	123	24	147
	Reversal of depreciation and impairment of disposals	-711	-429	-1,140
	Impairment losses and depreciation at 31 March 2022	<u>241</u>	<u>0</u>	<u>241</u>
	Carrying amount at 31 March 2022	<u>294</u>	<u>2</u>	<u>296</u>

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 9 Investments

EUR'000	<u>Other receivables</u>
Cost at 1 April 2021	439
Disposals in the year	-345
Cost at 31 March 2022	<u>94</u>
Value adjustments at 31 March 2022	<u>0</u>
Carrying amount at 31 March 2022	<u>94</u>

#### 10 Prepayments

Prepayments primarily comprise prepaid insurance, membership fees and licences.

EURt	<u>2021/22</u>	<u>2020/21</u>
<b>11 Share capital</b>		
Analysis of the share capital:		
600 A shares of EUR 135.00 nominal value each	<u>81</u>	<u>81</u>
	<u>81</u>	<u>81</u>

The Company's share capital has remained EUR 81 thousand over the past 5 years.

#### 12 Deferred tax

Deferred tax at 1 April	46	6
Adjustment of the deferred tax change for the year	-80	40
<b>Deferred tax at 31 March</b>	<u>-34</u>	<u>46</u>

Deferred tax assets primarily comprise temporary differences as regards property, plant and equipment, prepayments, deferred income and book provisions.

#### 13 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	<u>2,500</u>	<u>3,074</u>
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Rent obligations total EUR 1,831 thousand (2020/21: EUR 2,112 thousand).

Payments under operating leases regarding cars and IT equipment total EUR 670 thousand (2020/21: EUR 962 thousand).

Rent and lease obligations due within 1 year amount to EUR 764 thousand.

The remaining obligations are due between 1 to 5 years.

As security for the Company's contractual obligations to other suppliers, a bank guarantee has been signed for a total amount of EUR 76,755.

## Financial statements 1 April 2021 - 31 March 2022

### Notes to the financial statements

#### 14 Related parties

Astellas Pharma A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Astellas Pharma Europe Ltd.	2000 Hillswood Drive, Chertsey, The United Kingdom	Shareholder interest

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Astellas Pharma Inc.	Nihonbashi-Honcho, Chouku, Tokyo 103-8411, Japan	<a href="https://www.astellas.com/en/investors/annual-report/financial-information">https://www.astellas.com/en/investors/annual-report/financial-information</a>

##### Related party transactions

Astellas Pharma A/S was engaged in the below related party transactions:

EUR'000	2021/22	2020/21
Purchase of goods from the Group	135,280	154,027
Income related to fees allocated to group companies	29,853	34,967
Costs related to fees allocated to group companies	4,248	4,716
Receivables from group companies	11,451	30,859
Payables to group companies	69,554	35,048
Transfer of inventory the 30th September 2021	58,013	0

#### 15 Fee to the auditors appointed by the Company in general meeting

Statutory audit	119	117
Dividend review	17	0
Other assistance	14	14
	<u>150</u>	<u>131</u>

The statutory audit includes audit of the Nordic shared service centre.

#### 16 Appropriation of profit

Recommended appropriation of profit		
Proposed dividend recognised under equity	25,000	0
Extraordinary dividend distributed in the year	7,900	0
Retained earnings/accumulated loss	<u>-26,211</u>	<u>5,865</u>
	<u>6,689</u>	<u>5,865</u>