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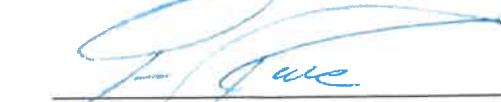


## Ferring Pharmaceuticals A/S

Amager Strandvej 405  
2770 Kastrup  
CVR No. 16313440

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 31.05.2023



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**Per Gunnar Falk**  
Chairman of the General Meeting

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# Entity details

## Entity

Ferring Pharmaceuticals A/S  
Amager Strandvej 405  
2770 Kastrup

Business Registration No.: 16313440  
Date of foundation: 01.08.1992  
Registered office: Tårnby  
Financial year: 01.01.2022 - 31.12.2022  
Phone number: +4588338834  
URL: [www.ferring.com](http://www.ferring.com)

## Board of Directors

Marianne Kock  
Per Gunnar Falk  
Dag Frederik Arfst Paulsen

## Executive Board

Marianne Kock  
Bolette Wildt  
Kim Fonager Jensen

## Bank

Danske Bank  
Holmens Kanal 2  
DK-1090 Copenhagen

## Attorney

Bolette Wildt

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

## Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Ferring Pharmaceuticals A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2023

### Executive Board



Marianne Kock



Bolette Wildt



Kim Fonager Jensen

### Board of Directors



Marianne Kock



Per Gunnar Falk



Dag Frederik Arfst Paulsen

# Independent auditor's report

## To the shareholder of Ferring Pharmaceuticals A/S

### Opinion

We have audited the financial statements of Ferring Pharmaceuticals A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen , 31.05.2023

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556



**Flemming Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne27790

# Management commentary

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>Key figures</b>					
Revenue	1,261,432	1,005,468	1,051,468	1,380,192	1,401,012
Gross profit/loss	645,934	552,071	540,256	554,346	536,068
Operating profit/loss	66,540	54,035	56,547	58,373	74,421
Net financials	(2,595)	(1,976)	(3,796)	(9,309)	(2,850)
Profit/loss for the year	52,377	40,174	40,928	38,281	56,131
Total assets	485,671	472,880	381,839	378,172	397,931
Investments in property, plant and equipment	71,338	84,056	33,734	16,751	37,269
Equity	121,995	69,618	79,444	106,516	118,235
<b>Ratios</b>					
Gross margin (%)	51.21	54.91	51.38	40.16	38.26
Net margin (%)	4.15	4.00	3.89	2.77	4.01
Return on equity (%)	54.67	53.90	44.02	34.07	48.74
Solvency ratio (%)	25.17	14.70	20.80	28.20	29.70

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Revenue

### Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Revenue

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

### Solvency ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets



### Primary activities

Ferring Pharmaceuticals A/S main activity is to act as an international pharma science centre of the Ferring Group, responsible for activities within research and product development as well as Global pharmacovigilance on behalf of the Ferring Group. All costs associated herewith are invoiced to the respective Ferring Group companies which own the underlying activity or research and development project and receive a remuneration for the service, with an agreed mark-up percentage.

### Development in activities and finances

#### Revenue and profit for the year

Revenue increased from DKK 1,005 million in 2021 to DKK 1,261 million in 2022.

Other external expenses increased against last year, mainly driven by R&D activities coming back to the level before the covid-19 pandemic, increases in facility cost due to the domicile move, Soundport, March 2022, and IT costs.

Staff costs increased against last year, as average number of full-time employees went up with 12%.

The profit before tax increased from DKK 52.1 million in 2021 to DKK 63,9 million in 2022, driven by the higher revenue.

#### Investments

Investments amounted to DKK 71,3 million in 2022 against DKK 84 million in 2021. The increase was mainly driven by investments in laboratory capacity in our new domicile, Soundport

#### Capital resources

Ferring Pharmaceuticals A/S has equity of DKK 121,9 million (2021: DKK 69.6 million). The increase is explained by the results for the year.

#### Profit/loss for the year in relation to expected developments

The profit for the year is in line with expectations.

### Outlook

Management expects an increase in activities in 2023, as some research activities will be moved from US to Copenhagen. This implies an expectation of revenue and profit before tax for 2023, to be higher than 2022.

### Statutory report on corporate social responsibility

Ferring Pharmaceuticals A/S is, as a subsidiary of the Ferring Group, where 2/3 of employees are within Research & Development of pharmaceutical products, medical devices and solutions for the whole Ferring Group, for the benefit of patients worldwide and 1/3 within Global Medical Affairs, Global Marketing, Technical operation and Administration. Through the Ferring Group, Ferring Pharmaceuticals A/S is actively seeking to enhance its sustainability (Environmental, Social, Governance, ESG) and acts in accordance with our Group code of ethics, the Ferring Philosophy, which states that 'People come first at Ferring'. Consequently, we also refer to the latest Ferring Group sustainability report, which can be found at:

[https://d2gohj824v350l.cloudfront.net/wp-content/uploads/sites/16/2019/06/13163423/ESG\\_Report-2021\\_digital.pdf](https://d2gohj824v350l.cloudfront.net/wp-content/uploads/sites/16/2019/06/13163423/ESG_Report-2021_digital.pdf)

The Ferring Philosophy sets the direction for how we conduct our business. As the Ferring Philosophy tells us, we

should always do what is right, proper and ethical and this means caring about how we run the business. It is important for us that not only the end-product but also the road to get to that end-product is ethical and sustainable.

In Ferring, we work with an integrated approach to sustainability, where our efforts are not only reserved to specific projects but are thought into our core operations. Our sustainability work is guided by three pillars: Purpose, People and Planet. Our sustainability pillars, objectives and activities are aligned to our Ferring Philosophy and our mission as a company.

In the following, Ferring Pharmaceuticals A/S will account for activities within the framework of this global approach to illustrate its alignment and compliance with section 99a of the Danish Financial Statement Act. The topics reported are selected because of their importance to our business.

### **Purpose, People, Planet: Our commitment to sustainability**

At Ferring, we recognise that a company's success is no longer measured by financial performance alone. In a world facing multiple challenges from climate change, pandemics, conflict and inequality, businesses must increasingly help to drive positive change, strengthen society, and protect the planet. This is especially true for Ferring, as we aim to be the world's most trusted healthcare company in reproductive medicine and maternal health. Millions of babies have been born to families using our fertility products, so we have a responsibility to do everything possible to create a better future for them. We are committed to achieving our mission as a responsible business, creating value for society, and minimising our environmental impact.

In 2021, we conducted a materiality assessment to identify Ferring's effect on the environment and on the communities in which we operate, and our major sustainability risks. The principle of 'double materiality' was applied – that is, we examined both the impact of our operations on people and the environment, and the financial impact of these sustainability issues on the company. This approach has been integrated into European and Swiss legislation and is reflected in the forthcoming E.U. Corporate Sustainability Reporting Directive (CSRD).

We are members of the UN Global Compact, which demonstrates our commitment to setting ambitious and measurable targets that are aligned to the UN's Sustainable Development Goals. In 2022, we made further progress towards improving our reporting capabilities with the publication of our first environmental, social and governance (ESG) report. This required the development of data management and systems to enable accurate reporting of our progress. We also began establishing baseline data in all material impact areas to help define goals and key performance indicators. This will enable us to demonstrate progress to stakeholders, improving our ESG performance and leading to better business outcomes and sustainable growth.

Our ESG strategy is guided by the Ferring Philosophy, which places people at the heart of our business in a culture based on respect, integrity and doing the right thing. The materiality assessment focused on three pillars, namely Purpose, People and Planet, and identified seven priority areas for Ferring: human rights, bioethics, product quality and safety, access and affordability of medicines, diversity and inclusion, employee engagement, and greenhouse gas emissions and energy. These are summarised here, and are described in more detail in Purpose People Planet, our ESG Report 2021 .

### **Purpose**

*Ensuring responsible and ethical business governance to advance our mission of building families and helping people live better lives.*

Ferring's ambition is to ensure our products are developed, sourced, produced and distributed in an ethical and sustainable way. We have a duty to respect human rights, and to mitigate any adverse impact on the people and communities we work with. In 2022, we conducted an independent Human Rights Risk Assessment to identify any areas of potential concern and assess their impact. Based on this, we are developing a governance framework to hold ourselves and others accountable, and establishing a mechanism for third parties to report any infringements so these can be remedied. We expect our partners and suppliers to meet the same standards of professional behaviour, respect for human and labour rights, and care for the environment. Considerable progress has been made by introducing sustainability into our Supplier Selection Matrix and Supplier Conduct Principles. We have also developed a self-assessment questionnaire for key suppliers, to assess their commitment to sustainability.

Another priority relates to bioethics, or the philosophical, social and legal issues arising from medicine and the life sciences. Advances in science and technology have given rise to increasingly complex ethical questions. We have a responsibility to consider bioethics in all our processes, policies and principles, and to conduct our business in an ethical way. As a company with a strong heritage based on our core values, Ferring has always placed ethical considerations at the heart of our business. In 2022, we formalised this approach by appointing a senior director to lead the development of a bioethics governance structure and strategic plan. This will define priorities, resources and goals in areas such as reproductive medicine and maternal health, clinical study design, and laboratory animal welfare. As a first step in developing this structure, we published a new Global Biosamples Policy in 2022.

The materiality assessment identified product quality and safety as another key ESG priority. Patient safety is fundamental to everything we do, and we are committed to continuously improving the quality and safety of our products. This helps to improve patient outcomes, build stakeholder trust, and avoid reputational damage. In 2022, we continued developing our Quality Risk Register as a tool for proactively identifying and preventing risk. We also seek to maintain a quality culture with systems and processes in place to ensure evidence-based decision-making and drive appropriate behaviour.

## **People**

*Creating value for society by positively impacting the communities in which we operate, and protecting the health and wellbeing of our patients and employees.*

Ferring has initiated a series of initiatives to provide affordable access to our medicines, focusing on our core area of reproductive medicine and maternal health, and taking account of differing levels of economic development and healthcare needs. Perhaps the most important is Project Family: Safe Birth, a long-term public-private partnership with WHO and MSD for Mothers to provide heat-stable Carbetocin Ferring for the prevention of postpartum haemorrhage (PPH) at a sustainable access price in low- and lower middle-income countries. In addition, in 2022 we announced the winners of a global grants programme to support research projects addressing inequalities within reproductive medicine and maternal health.

Another initiative called #ProjectFamily Commitment promotes a worldwide conversation about the need to improve access to quality healthcare, and to provide better support for people on their family-building journey. This helps to ensure the patient voice is heard as we research, develop and launch our therapies.

We have also partnered with GreenLamp, an organisation dedicated to empowering women and girls, to make childbirth safer in Ethiopia, a country with some of the highest rates of maternal and infant mortality in the world. There is a demand for nurses, midwives and health workers, and we are working with GreenLamp on a five-year programme to provide primary maternal health infrastructure and community outreach. This includes training

and mentoring midwives, increasing ante- and post-natal check-ups, and improving health centre facilities. GreenLamp has also provided 240 Solar Suitcases, which use solar power to supply lighting and power for mobile communication and medical equipment used in emergency obstetric care.

Another key ESG priority for Ferring is to foster diversity and inclusion (D&I) in the workplace – in other words, creating a culture in which people feel they belong, are valued, and are able to achieve their ambitions regardless of gender, ethnic background or sexual orientation. This results in greater creativity and a broader talent pool, and helps us meet the needs of diverse patient groups. Our approach seeks to integrate D&I into the fabric of the organisation and recognises our responsibility to eliminate discrimination and inequality at work and in our communities. We are seeking to embed D&I into our recruitment, talent and people development processes, and are identifying performance indicators to demonstrate progress.

In 2022, we launched a comprehensive and inclusive package called 'Building Families at Ferring' which supports all our employees who wish to build a family. To help families in the first months of parenthood, our employees can benefit from 26 weeks' leave for both parents, ensuring equal opportunities and making no assumptions about parental roles and responsibilities. In 2022, Ferring was ranked as the most adoption-friendly employer in the U.S.,<sup>1</sup> and we are proud to lead by example as a fertility and family friendly organisation. Employee engagement is crucial for Ferring as we rely on highly skilled employees to research, develop and commercialise our products and engage with stakeholders.

Developing the workforce and maintaining motivation are key to fostering innovation, improving patient outcomes, and enhancing company value. We conduct an annual survey and a shorter mid-year pulse check to track employee engagement and identify areas for action. In 2022, this achieved a 91% response rate against a goal of 70%, with an overall engagement score of 4.18 out of 5, compared to 4.09 in 2021.

As the world emerged from the COVID-19 pandemic, we maintained our commitment to flexible working practices that support our employees and help us attract and retain the best talent. In 2022, management teams in each country began developing their own working policies based on global guidelines, ensuring business continuity and compliance with local environmental health and safety (EHS), legal and fiscal requirements.

In 2022, we supported people in Ukraine who are impacted by war and the resulting humanitarian crisis. We donated significant funds to four emergency relief agencies: UNHCR to help families forced to leave Ukraine in search of safety, UNICEF to protect children at risk of being separated from their families, UNFPA to support maternity services and newborn care, and Project HOPE to provide essential medical supplies in Ukraine and surrounding countries. We also donated medicines such as Pabal for the prevention of postpartum haemorrhage, and supported a fertility preservation service for Ukrainian soldiers which offers to freeze sperm before they are deployed, providing hope for their partners in the event of injury or death.

## **Planet**

*Protecting the environment by reducing our negative impacts to build a better future.*

Ferring operates energy-intensive facilities across our operations and supply chain, and as with every business worldwide we have a responsibility to reduce our environmental impact, including greenhouse gas (GHG) emissions. This also presents an opportunity for the company, as improving energy efficiency and switching to renewable sources should reduce our costs and exposure to future environmental financial impacts. Reducing CO<sub>2</sub> emissions is a key priority and we are adopting a rigorous approach to minimising our global impact, while also preparing to meet future regulatory reporting requirements. This means taking a more comprehensive

approach to analysing our global carbon emissions, rather than focusing on production and manufacturing sites as before.

In 2022, we invested in an extensive data collection project to establish our 2021 baseline of global Scope 1 and 2 carbon emissions, as well as exploring how best to calculate and reduce our Scope 3 emissions. This will ensure our future efforts are focused on areas that have the greatest impact, and enable us to report on progress to the standards required by stakeholders and regulators. Once the baseline assessment is complete, we will set our mid- to long-term carbon reduction targets with a methodology that meets the requirements of the Greenhouse Gas Protocol. This is a significant step towards being able to commit to a robust reduction strategy and demonstrate progress.

In the meantime, we are seeking opportunities to reduce carbon emissions from the manufacturing, packaging, transportation and delivery of our products and raw materials. For example, we reduced CO2 by 20% by switching from a diesel lorry to one powered by liquefied natural gas when transporting materials between Switzerland and Germany. The new energy centre at our R&D and production site in Kiel will significantly reduce CO2 emissions by around 2,400 tonnes per year. By changing airlines to shorten journey times when transporting products to Saudi Arabia, we reduced the need for refrigerated (or ‘thermo’) pallets which have a larger CO2 footprint than normal ones.

Additionally, we are working to reduce our environmental footprint in terms of employee travel. In 2022, we continued our efforts by implementing a Green Hotel Strategy, which encourages employees to select hotels based on their sustainability. We also encouraged local green car policies to promote the use of electric or hybrid company cars. For example, at the Swiss headquarters 33% of company cars are now electric or hybrid, while biofuel represents 90% of the fuel used in company cars in Brazil.

In Ferring Pharmaceuticals A/S’ building, we continuously strive to change electrical appliances, such as computers and lamps, to more energy efficient solutions. Through these efforts, during the past years, we have thus experienced a steady decrease in our electricity consumption, visible in the table below. However, please note that the periods working from home in 2020 and 2021 are reflected in the significant decrease of our consumption these years.

In early 2022, we moved to the new Soundport building which is 50% larger than the building in Ørestad. Please note that the electricity consumption for 2022 consists partly of an estimate during the three months after the move had taken place and parts of the new Soundport building was still under construction.

<b>Year</b>	<b>Total electricity consumption</b>
2016	3.280.436 kWh
2017	3.168.708 kWh
2018	3.153.653 kWh
2019	3.137.651 kWh
2020	2.930.921 kWh
2021	2.956.109 kWh
2022	3.170.275 kWh

### Statutory report on the underrepresented gender

Please find below the report according to section 99b of the Danish Financial Statement Act.

#### Diversity

Ferring Pharmaceuticals A/S has a diverse workforce with 45 different nationalities. In 2022, the total number of full-time employees was 599. The total number of student workers in 2022 was 53, of which 16 were men and 37 were women.

As for the gender composition of employees, in 2022, there were 199 men and 400 women employed. On managerial levels, the gender balance is 46 men and 61 women. The General Manager is a woman.

In accordance with section 139a subsection 1 of the Danish Companies Act, the Company is obliged to set targets for the share of the underrepresented gender in the Board of Directors. The target is to have at least one third (1/3) of the underrepresented gender on the Board of Directors. As of 2022, the Board of Directors has comprised two male members and one female. Thus, based on the current composition, Ferring Pharmaceuticals A/S fulfils the target of having at least 1/3 of the underrepresented gender on the board as our General Manager also is a Board Member.

### Statutory report on data ethics policy

#### Ferring's approach to Data Ethics

Currently, Ferring has among others, the following policies, procedures, and programs in place that touch upon and inform the formation of the company's future data ethics principles:

- The Ferring Philosophy
- Ferring's Code of Conduct
- Global Privacy Policy
- Information Security Policy
- Biosamples Policy
- Diversity & Inclusion Program
- "Good x Practice" (i.e., Good Laboratory Practice, Good Distribution Practice, Good Manufacturing Practice, Good Clinical Practice, and Good Pharmacovigilance Practice) of the business

The Global Privacy Office has taken the lead and drafted Ferring's data ethics principles policy involving the relevant stakeholders in the organization. The policy outlines a Data Ethics review process. The policy is anticipated to become effective later this year. After which, the work of the Data Ethics Advisory Committee will commence in line with the process outlined in the policy.

Regarding clinical trials conducted on Ferring's behalf, the company ensures that the necessary approvals are obtained from ethics committees as required within the different jurisdictions around the world.

The Global Privacy Policy sets out the company's privacy principles with the aim to protect personal data processed on behalf of Ferring. Furthermore, references to the SOP and process with guidance about how data subjects can exercise their rights are included. Furthermore, Data Protection Impact Assessments are conducted for all projects involving the processing of personal data.

All employees are asked to sign off on the Ferring Code of Conduct which obligates employees to raise concerns about misconduct or unethical behavior through Ferring's whistleblower line.

The Use of IT Assets and IS Security Policy sets out specific standards to achieve the objectives confidentiality, integrity and availability which includes requirements for access control, data classification and information security awareness training.

#### Events after the balance sheet date

No material events have occurred after the balance sheet date, which would influence the annual report.

## Income statement for 2022

	Notes	2022 DKK'000	2021 DKK '000
Revenue	1	1,261,432	1,005,468
Other external expenses	2	(615,498)	(453,397)
<b>Gross profit/loss</b>		<b>645,934</b>	<b>552,071</b>
Staff costs	3	(548,186)	(481,116)
Depreciation, amortisation and impairment losses	4	(31,208)	(16,920)
<b>Operating profit/loss</b>		<b>66,540</b>	<b>54,035</b>
Other financial income		779	0
Other financial expenses	5	(3,374)	(1,976)
<b>Profit/loss before tax</b>		<b>63,945</b>	<b>52,059</b>
Tax on profit/loss for the year	6	(11,568)	(11,885)
<b>Profit/loss for the year</b>	7	<b>52,377</b>	<b>40,174</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK'000	2021 DKK'000
Acquired licences		29,790	35,838
<b>Intangible assets</b>	8	<b>29,790</b>	<b>35,838</b>
Other fixtures and fittings, tools and equipment		74,630	53,002
Leasehold improvements		0	1,282
Property, plant and equipment in progress		121,761	94,953
<b>Property, plant and equipment</b>	9	<b>196,391</b>	<b>149,237</b>
Deposits		43,977	61,103
<b>Financial assets</b>	10	<b>43,977</b>	<b>61,103</b>
<b>Fixed assets</b>		<b>270,158</b>	<b>246,178</b>
Receivables from group enterprises		156,608	175,195
Other receivables		9,427	20,330
Tax receivable		10,902	1,995
Prepayments	11	38,267	29,151
<b>Receivables</b>		<b>215,204</b>	<b>226,671</b>
<b>Cash</b>		<b>309</b>	<b>31</b>
<b>Current assets</b>		<b>215,513</b>	<b>226,702</b>
<b>Assets</b>		<b>485,671</b>	<b>472,880</b>



**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Contributed capital	12	500	500
Retained earnings		121,495	69,118
<b>Equity</b>		<b>121,995</b>	<b>69,618</b>
Deferred tax	13	7,857	9,178
<b>Provisions</b>		<b>7,857</b>	<b>9,178</b>
Payables to group enterprises		100,000	125,000
<b>Non-current liabilities other than provisions</b>	14	<b>100,000</b>	<b>125,000</b>
Trade payables		116,357	128,083
Payables to group enterprises		40,065	39,745
Tax payable		14,957	0
Other payables		84,440	101,256
<b>Current liabilities other than provisions</b>		<b>255,819</b>	<b>269,084</b>
<b>Liabilities other than provisions</b>		<b>355,819</b>	<b>394,084</b>
<b>Equity and liabilities</b>		<b>485,671</b>	<b>472,880</b>
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Related parties with controlling interest	17		
Transactions with related parties	18		
Group relations	19		

# Statement of changes in equity for 2022

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	500	69,118	69,618
Profit/loss for the year	0	52,377	52,377
<b>Equity end of year</b>	<b>500</b>	<b>121,495</b>	<b>121,995</b>

# Notes

## 1 Revenue

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Switzerland	1,261,422	1,005,072
Other countries	10	396
<b>Total revenue by geographical market</b>	<b>1,261,432</b>	<b>1,005,468</b>
R&D services	1,038,540	887,593
Other services	222,892	117,875
<b>Total revenue by activity</b>	<b>1,261,432</b>	<b>1,005,468</b>

## 2 Fees to the auditor appointed by the Annual General Meeting

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Statutory audit services	639	580
Other assurance engagements	242	58
Tax services	1,740	1,078
	<b>2,621</b>	<b>1,716</b>

## 3 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	491,851	436,471
Pension costs	51,607	42,004
Other social security costs	4,728	2,641
	<b>548,186</b>	<b>481,116</b>
Average number of full-time employees	<b>559</b>	<b>497</b>

### Remuneration

	<b>of</b>
	<b>Management</b>
	<b>2022</b>
	<b>DKK'000</b>
Total amount for management categories	9,972
	<b>9,972</b>

**Special incentive programmes**

Certain members of the management is included in special incentive programs in other group companies, for work performed for the group.

**4 Depreciation, amortisation and impairment losses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Amortisation of intangible assets	8,652	4,459
Depreciation of property, plant and equipment	11,076	10,443
Profit/loss from sale of intangible assets and property, plant and equipment	11,480	2,018
	<b>31,208</b>	<b>16,920</b>

**5 Other financial expenses**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	3,013	512
Exchange rate adjustments	0	1,210
Other financial expenses	361	254
	<b>3,374</b>	<b>1,976</b>

**6 Tax on profit/loss for the year**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	12,889	10,051
Change in deferred tax	(1,321)	1,192
Adjustment concerning previous years	0	642
	<b>11,568</b>	<b>11,885</b>

**7 Proposed distribution of profit and loss**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Retained earnings	52,377	40,174
	<b>52,377</b>	<b>40,174</b>

## 8 Intangible assets

	<b>Acquired licences DKK'000</b>
Cost beginning of year	82,470
Transfers	8,506
Additions	970
Disposals	(33,660)
<b>Cost end of year</b>	<b>58,286</b>
Amortisation and impairment losses beginning of year	(46,632)
Amortisation for the year	(7,224)
Reversal regarding disposals	25,360
<b>Amortisation and impairment losses end of year</b>	<b>(28,496)</b>
<b>Carrying amount end of year</b>	<b>29,790</b>

## 9 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improvements DKK'000</b>	<b>Property, plant and equipment in progress DKK'000</b>
Cost beginning of year	131,314	12,807	94,953
Transfers	17,132	(568)	(27,832)
Additions	16,698	0	54,640
Disposals	(9,162)	(5,628)	0
<b>Cost end of year</b>	<b>155,982</b>	<b>6,611</b>	<b>121,761</b>
Depreciation and impairment losses beginning of year	(78,312)	(11,525)	0
Transfers	0	2,765	0
Depreciation for the year	(12,037)	(467)	0
Reversal regarding disposals	8,997	2,616	0
<b>Depreciation and impairment losses end of year</b>	<b>(81,352)</b>	<b>(6,611)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>74,630</b>	<b>0</b>	<b>121,761</b>

## 10 Financial assets

	<b>Deposits DKK'000</b>
Cost beginning of year	61,103
Additions	20
Disposals	(17,146)
<b>Cost end of year</b>	<b>43,977</b>
<b>Carrying amount end of year</b>	<b>43,977</b>

### 11 Prepayments

Prepayments consist of prepaid expenses concerning rent, subscriptions, software licences, insurance premiums, etc as well as the balance of material of IMPs (Investigational Medical Products) and APIs (Active Pharmaceutical Ingredients).

### 12 Share capital

There have been no changes to the contributed capital for the past five years.

### 13 Deferred tax

	2022 DKK'000	2021 DKK'000
Intangible assets	227	1,294
Property, plant and equipment	7,630	7,884
<b>Deferred tax</b>	<b>7,857</b>	<b>9,178</b>

	2022 DKK'000	2021 DKK'000
<b>Changes during the year</b>		
Beginning of year	9,178	7,985
Recognised in the income statement	(1,321)	1,193
<b>End of year</b>	<b>7,857</b>	<b>9,178</b>

### 14 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2021 DKK'000
Payables to group enterprises	100,000	25,000
	<b>100,000</b>	<b>25,000</b>

### 15 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Liabilities under rental or lease agreements until maturity in total	2,132,783	1,613,478

Unrecognised rental and lease commitments consists almost exclusively of the lease of premises for the R&D organisation in Copenhagen. The original business lease agreement of The Company's new premises was entered on 23 January 2015 and signed by the Group. Since then a number of addendums to the original leasing contract has been entered by The Company. Thus the disclosed amount represents the contractual commitment equal to the latest signed addendum. The Company has committed to a 25 year lease term at an annual rent as a percentage of the construction costs. According to the Agreement the Company have paid a fixed deposit, equal to 6 months rent, which will stay until the termination of the lease agreement.

## 16 Contingent liabilities

Contractual obligations 31.12.2022 related to research and development activities amount to DKK 371,880 thousand. In connection with the lease of new business premises The Company also has contractual obligations as of 31.12.2022 for capital investments amounting to DKK 13,491 thousand.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

## 17 Related parties with controlling interest

Below-listed companies, performing a management function and/or, have a controlling interest.

### Parent Foundation:

Dr. Frederik Paulsen Foundation  
Seefeldstrasse 279a  
8008 Zurich  
Switzerland

### Intermediate Parents:

Insula Corporation S.á.r.l.  
7 Rue Robert Stümper, L-2557  
Luxembourg

Insula (Holding) S.á.r.l.  
7 Rue Robert Stümper, L-2557  
Luxembourg

Ferring International BV  
Siriusdreef 31  
2132 WT Hoofddorp  
The Netherlands

Ferring Foundation BV  
Siriusdreef 31  
2132 WT Hoofddorp  
The Netherlands

Ferring Holding S.A.  
Chemin De La Vergognausaz 50  
1162 Saint-Prex, Vaud  
Switzerland

### Immediate Parent:

Ferring B.V.  
Polarisavenue 144  
2132JX Hoofddorp  
The Netherlands

**18 Transactions with related parties**

	<b>2022</b>	<b>2021</b>
Income from related parties	1.285.226	1.024.939
Purchase of goods from related parties	7.417	11.072
Purchase of services from related parties	149.731	12.010
<b>Transactions with related parties</b>	<b>1.442.374</b>	<b>1.048.021</b>

**19 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Insula Corporation S.á r.l.  
7 rue Robert Stümper, L-2557  
Luxembourg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Ferring Holding S.A. \*  
Chemin De La Vergognausaz 50  
1162 Saint-Prex, Vaud  
Switzerland

\* The consolidated Financial Statement is available on [Ferring.com](http://Ferring.com)



# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

Management has evaluated the presentation of the income-statement with the purpose of determine whether the income statement presentation used in prior years (functional split) remains the best presentation of the activity in the company. Since the activity is predominantly R&D, management has determined that it will provide a better view of the activity of the company to present the income statement using the nature of expense method. The change in presentation is made retroactive, so that the comparative figures in the income statement for 2021 is also based on the nature of expense method. The change has not impacted the net result for the year, total assets or equity.

Except for this the accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

The Entity is included in the consolidated financial statements of the Ultimate Parent Foundation Dr. Frederik Paulsen Foundation. The consolidated financial statements are available on [Ferring.com](https://www.ferring.com).

## Recognition and measurement

Revenue is 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 earning 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 as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Danish kroner (DKK) is used as the measurement currency. All other currencies are regarded as foreign currencies.

### Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in the financial income and expenses in the income statement.

### Income statement

#### Revenue

Revenue is 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 earning 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.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

#### Other financial income

Other financial income comprises interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

#### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Intellectual property rights etc

Intellectual property rights etc comprise intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Licenses are amortised over the term of the agreement, but over no more than 5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	Term of lease

The fixed assets are written down to the lower of recoverable amount and carrying amount.

Estimated useful lives and residual values are reassessed annually.

### Fixed asset investment

Deposits and prepaid rent are recognised in fixed asset investments and measured at amortised cost.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of

assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Ferring Holding SA.