

Mundipharma A/S

Frydenlundsvej 30, 2950 Vedbæk

CVR no. 17 98 19 94

Annual report 2022

Approved at the Company's annual general meeting on 18 July 2023

Chair of the meeting:

DocuSigned by:
Hjwel Day
E9689D16B70C435..

.....

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

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 Mundipharma A/S for the financial year 1 January - 31 December 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 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Vedbæk, 18 July 2023

Executive Board:

DocuSigned by:
Hywel Day
E9689D16B70C435...

Hywel Rhys Day

Board of Directors:

DocuSigned by:
Jörg Fischer
BF3FEF7EB23B445...

Jörg Fischer
Chairman

DocuSigned by:
Stephen Jamieson
1768FFDEF78A453...

Stephen Jamieson

DocuSigned by:
Floris Bongenaar
9295DECF4784491...

Floris Anne Everard
Bongenaar

DocuSigned by:
Hywel Day
E9689D16B70C435...

Hywel Rhys Day

Independent auditor's report

To the shareholders of Mundipharma A/S

Opinion

We have audited the financial statements of Mundipharma A/S for the financial year 1 January - 31 December 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 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 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.

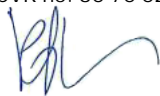
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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, 18 July 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter Andersen
State Authorised Public Accountant
mne34313

Management's review

Company details

Name	Mundipharma A/S
Address, Postal code, City	Frydenlundsvej 30, 2950 Vedbæk
CVR no.	17 98 19 94
Established	1 August 1994
Registered office	Rudersdal
Financial year	1 January - 31 December
Website	www.mundipharma.dk
E-mail	mundipharma@mundipharma.dk
Telephone	+45 45 17 48 00
Board of Directors	Jörg Fischer, Chairman Stephen Jamieson Floris Anne Everard Bongenaar Hywl Rhys Day
Executive Board	Hywel Rhys Day
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Sydbank Danske Bank

Management's review

Business review

The Company's main business activity is the sale of pharmaceutical products.

Financial review

The income statement for 2022 shows a profit of DKK 709 thousand against a profit of DKK 910 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 49,837 thousand.

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
	Revenue	40,102	48,453
	Cost of sales	-24,393	-27,562
	Other operating income	126	363
	Other external expenses	-9,038	-10,793
	Gross profit	6,797	10,461
2	Staff costs	-5,542	-8,951
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-43	-57
	Profit before net financials	1,212	1,453
	Financial expenses	-291	-284
	Profit before tax	921	1,169
3	Tax for the year	-212	-259
	Profit for the year	709	910
	Recommended appropriation of profit		
	Retained earnings	709	910
		709	910

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Non-current assets		
4	Intangible assets		
	Acquired intangible assets	45	88
		45	88
	Financial assets		
	Deposits	6	6
	Deferred tax assets	23	23
		29	29
	Total non-current assets	74	117
	Current assets		
	Inventories		
	Finished goods and goods for resale	16,669	22,544
		16,669	22,544
	Receivables		
	Trade receivables	17,145	15,906
	Other receivables	106	91
		17,251	15,997
	Cash	27,141	47,008
	Total current assets	61,061	85,549
	TOTAL ASSETS	61,135	85,666

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	4,500	4,500
	Retained earnings	45,337	44,628
	Total equity	<u>49,837</u>	<u>49,128</u>
	Liabilities		
	Current liabilities		
	Trade payables	9,427	28,063
	Income taxes payable	0	29
	Payables to shareholders	0	3,653
	Other payables	1,820	4,793
	Deferred income	51	0
	Total current liabilities	<u>11,298</u>	<u>36,538</u>
	Total liabilities	<u>11,298</u>	<u>36,538</u>
	TOTAL EQUITY AND LIABILITIES	<u>61,135</u>	<u>85,666</u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2021	4,500	43,718	48,218
Transfer through appropriation of profit	0	910	910
Equity at 1 January 2022	4,500	44,628	49,128
Transfer through appropriation of profit	0	709	709
Equity at 31 December 2022	4,500	45,337	49,837

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Mundipharma A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

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

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be determined reliably and is expected to be received.

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

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets.

Cost of sales

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

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, 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 staff costs are net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation

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

Acquired intangible assets	7-13 years
----------------------------	------------

Financial expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, realised and unrealised capital gains and losses relating to exchange gains and losses and amortisation of financial assets and liabilities.

Tax

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

Balance sheet

Intangible assets

Intangible assets include acquired product rights.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Leases

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

Leases in respect of which the entity does not bear all significant risks and enjoy all significant benefits associated with the title to the assets are considered operating leases. Payments under operating leases are recognised in the income statement over the term of the lease.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash at banks in hand.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. 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 through a set-off against deferred tax liabilities.

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded. The Company has established provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities or similar exposures of the respective countries in which it operates. The amount of such provisions is based on various factors, such as interpretations of tax regulations by the taxable entity, etc. The actual obligation may deviate and be dependent on the outcome of litigations and settlements with the relevant tax authorities.

Liabilities

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

Other liabilities are measured at net realisable value.

Deferred income

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

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2022	2021
2	Staff costs		
	Wages/salaries	5,149	7,412
	Pensions	364	1,514
	Other social security costs	15	21
	Other staff costs	14	4
		<u>5,542</u>	<u>8,951</u>
	Average number of full-time employees	<u>4</u>	<u>9</u>
	DKK'000	2022	2021
3	Tax for the year		
	Estimated tax charge for the year	212	274
	Deferred tax adjustments in the year	0	-15
		<u>212</u>	<u>259</u>
4	Intangible assets		
	DKK'000		Acquired intangible assets
	Cost at 1 January 2022		<u>27,856</u>
	Cost at 31 December 2022		<u>27,856</u>
	Impairment losses and amortisation at 1 January 2022		27,768
	Amortisation in the year		43
	Impairment losses and amortisation at 31 December 2022		<u>27,811</u>
	Carrying amount at 31 December 2022		<u>45</u>
5	Contractual obligations and contingencies, etc.		
	Other financial obligations		
	Other rent and lease liabilities:		
	DKK'000	2022	2021
	Rent and lease liabilities	<u>72</u>	<u>555</u>

6 Collateral

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