

Azanta Danmark A/S

Kirsten Walthers Vej 8A, 2., 2500 Valby

CVR no. 25 26 02 79

Annual report 2023

Approved at the Company's annual general meeting on

Chair of the meeting:



Erik Niklas Eriksson

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Norgine Danmark A/S for the financial year 1 January - 31 December 2023.

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

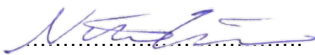
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January- 31 December 2023.

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.

Copenhagen, 8 / 7 / 2024

Executive Board:



Erik Niklas Eriksson

Board of Directors:



Ina Høydal Helle
Chairman



Erik Niklas Eriksson



Laura Elizabeth Barrell

Independent auditor's report

To the shareholder of Azanta Danmark A/S

Opinion

We have audited the financial statements of Azanta Danmark A/S for the financial year 1 January – 31 December 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 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 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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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.
- ▶ 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 Statements Act. We did not identify any material misstatement of the Management's review.

Frederiksberg, 8 July 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Henrik Pedersen
State Authorised Public Accountant
mne35456

Management's review

Company details

Name	Azanta Danmark A/S
Address, Postal code, City	Kirsten Walthers Vej 8A, 2., 2500 Valby
CVR no.	25 26 02 79
Established	17 March 2000
Registered office	København
Financial year	1 January - 31 December
Telephone	+45 33 17 04 00
Board of Directors	Ina Høydal Helle, Chairman Erik Niklas Eriksson Laura Elizabeth Barrell
Executive Board	Erik Niklas Eriksson
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

Azanta Danmark A/S is a specialised pharmaceutical company primarily operating within obstetrics, women's healthcare, addiction medicine and oncology.

Financial review

The income statement for 2023 shows a profit of DKK 16.631 thousand against a profit of DKK 24.625 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 291.884 thousand.

The decrease in profit for 2023 compared to 2022 was primarily driven by the decrease of sales following the divestment of the products Nimorazole and Diaphin. As mentioned in the annual accounts of 2022, at the end of 2022 the company completed an agreement to divest the products Nimorazole and Diaphin. The company will continue trading with the remainder of its product portfolio.

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	<u>2023</u>	<u>2022</u>
	Revenue	25.651	36.544
	Cost of sales	-1.200	-9.607
	Other external expenses	<u>-7.218</u>	<u>-7.007</u>
	Gross Profit	17.233	19.930
2	Staff Costs	<u>-2.288</u>	<u>-2.223</u>
	Profit before net financials	14.945	17.707
3	Financial Income	6.381	7.952
4	Financial Expenses	<u>-398</u>	<u>-128</u>
	Profit/loss before tax	20.928	25.531
5	Tax for the year	<u>-4.297</u>	<u>-906</u>
	Profit/loss for the year	<u><u>16.631</u></u>	<u><u>24.625</u></u>
Recommended appropriation of profit			
	Retained earnings	<u>16.631</u>	<u>24.625</u>
		<u><u>16.631</u></u>	<u><u>24.625</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	<u>2023</u>	<u>2022</u>
ASSETS			
Non-fixed assets			
Inventories			
	Finished goods and goods for resale	<u>62</u>	<u>5.229</u>
		<u>62</u>	<u>5.229</u>
Receivables			
	Trade receivables	1.430	3.456
	Receivables from group enterprises	294.205	270.615
	Prepayments	<u>51</u>	<u>51</u>
		<u>295.686</u>	<u>274.122</u>
	Cash	<u>9.583</u>	<u>6.720</u>
	Total non-fixed assets	<u>305.331</u>	<u>286.071</u>
	TOTAL ASSETS	<u><u>305.331</u></u>	<u><u>286.071</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	<u>2023</u>	<u>2022</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	2.135	2.135
	Retained earnings	<u>289.749</u>	<u>273.118</u>
	Total equity	<u>291.884</u>	<u>275.253</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	24	233
	Payables to group enterprises	7.743	6.567
	Joint taxation contribution payable	4.129	1.092
	Other payables	<u>1.551</u>	<u>2.926</u>
		<u>13.447</u>	<u>10.818</u>
	Total liabilities other than provisions	<u>13.447</u>	<u>10.818</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>305.331</u></u>	<u><u>286.071</u></u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral
- 8 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained Earnings	Total
	<u> </u>	<u> </u>	<u> </u>
Equity at 1 January 2022	2.135	248.493	250.628
Transfer, see "Appropriation of profit/loss"	<u>0</u>	<u>24.625</u>	<u>24.625</u>
Equity at 1 January 2023	2.135	273.118	275.253
Transfer, see "Appropriation of profit/loss"	<u>0</u>	<u>16.631</u>	<u>16.631</u>
Equity at 31 December 2023	<u><u>2.135</u></u>	<u><u>289.749</u></u>	<u><u>291.884</u></u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Azanta Danmark A/S for 2023 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 recognized 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 recognized in the most recent financial statements is recognized 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 for resale and finished goods is recognized in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardized terms of delivery based on Incoterms® 2020.

License and royalty income is recognized over the term of the agreement in accordance with the contents of the agreement.

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 recognized in revenue.

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 item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognized in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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 recognized in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

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

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

Balance sheet

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 recognized 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".

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realizable value is lower than cost, inventories are written down to this lower value. The net realizable 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.

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.

Receivables

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

Receivables are measured at amortized cost.

An impairment loss is recognized 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 recognized on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Prepayments

Prepayments recognized under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash in the bank.

Income taxes

Current tax payables and receivables are recognized 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 recognized 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 tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Deferred tax assets are recognized at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognized in the income statement.

Other payables

Other payables are measured at net realizable value.

January - 31 December

Notes to the financial statements

DKK'000	<u>2023</u>	<u>2022</u>
2 Staff costs		
Wages/Salaries	2.071	2.053
Pensions	180	172
Other social security costs	<u>37</u>	<u>-2</u>
	<u>2.288</u>	<u>2.223</u>
Average number of full-time employees	<u>2</u>	<u>2</u>
3 Financial income		
Interest receivable, group entities	5.681	7.903
Other financial income	<u>700</u>	<u>49</u>
	<u>6.381</u>	<u>7.952</u>
4 Financial expenses		
Interest expenses, group entities	279	2
Other financial expenses	<u>119</u>	<u>126</u>
	<u>398</u>	<u>128</u>
5 Tax for the year		
Estimated tax charge for the year	4.130	816
Tax adjustments, prior years	<u>167</u>	<u>90</u>
	<u>4.297</u>	<u>906</u>

Financial statements 1 January - 31 December

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Norgine Danmark A/S serves as the administration company. 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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

During 2021 the Danish Tax authorities requested a copy of the entity's Transfer Pricing agreement with the group. The requested information was submitted in April 2022. At the end of June 2024, the Danish Tax Authorities have suggested an increase of approx. DKK 39 million of the taxable amount for 2020 due to a proposed correction of the value of a transfer during 2020. Management disagrees with the received proposal as it has based its current position on professional advice and understands it to be compliant with legislation. The Company is not in a position to assess the effect of the outcome on the Company's financial position as a result of the transfer pricing adjustment. On this basis, no provision has been recognised in connection to the proposed increase in the taxable income in 2020 at 31 December 2023.

Other financial obligations

Rent and lease liabilities vis-à-vis the parent company and its other group entities:

DKK'000	<u>2023</u>	<u>2022</u>
Rent and lease liabilities	<u>389</u>	<u>48</u>

7 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

8 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Spinnaker Topco Limited	3 rd floor, 44 Esplanade, St. Helier, Jersey, JE4 9WG, United Kingdom	Please contact the parent company