

Azanta A/S

Kirsten Walthers Vej 8A, 2., 2500 Valby

CVR no. 28 10 89 15

Annual report 2022

Approved at the Company's annual general meeting on 7 August 2023

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 Azanta 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.

Copenhagen, 7 August 2023
Executive Board:



Erik Niklas Eriksson

Board of Directors:

.....
Michael Lange
Chairman



.....
Erik Niklas Eriksson

.....
Ina Høydal Helle

.....
Laura Elizabeth Barrell

Independent auditor's report

To the shareholders of Azanta A/S

Opinion

We have audited the financial statements of Azanta 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, 7 August 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Henrik Pedersen
State Authorised Public Accountant
mne35456

Management's review

Company details

Name	Azanta A/S
Address, Postal code, City	Kirsten Walthers Vej 8A, 2., 2500 Valby
CVR no.	28 10 89 15
Established	6 January 2004
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Michael Lange, Chairman Erik Niklas Eriksson Ina Høydal Helle 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 A/S ("Azanta") is a specialised pharmaceutical company primarily operating within obstetrics, women's healthcare, addiction medicine and oncology.

Financial review

The income statement for 2022 shows a profit of DKK 16,259 thousand against a profit of DKK 19,880 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 226,247 thousand.

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	2022	2021
	Gross profit/loss	-9,778	4,703
2	Staff costs	-1,607	-3,024
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-641	-145
	Profit/loss before net financials	-12,026	1,534
	Income from investments in group enterprises	25,883	21,083
3	Financial income	92	2
4	Financial expenses	-2,397	-2,739
	Profit before tax	11,552	19,880
5	Tax for the year	4,707	0
	Profit for the year	<u>16,259</u>	<u>19,880</u>
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	25,823	21,005
	Retained earnings/accumulated loss	-9,564	-1,125
		<u>16,259</u>	<u>19,880</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	0	641
		0	641
7	Investments		
	Investments in group enterprises	278,581	252,760
	Deposits, investments	220	220
		278,801	252,980
	Total fixed assets	278,801	253,621
	Non-fixed assets		
	Inventories		
	Prepayments for goods	3	3
		3	3
	Receivables		
	Receivables from group enterprises	590	2,185
	Joint taxation contribution receivable	4,898	82
	Other receivables	1,634	134
	Prepayments	0	381
		7,122	2,782
	Securities and investments	31	31
	Cash	936	6,378
	Total non-fixed assets	8,092	9,194
	TOTAL ASSETS	286,893	262,815

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	7,093	7,093
	Net revaluation reserve according to the equity method	202,101	176,278
	Retained earnings	17,053	26,617
	Total equity	<u>226,247</u>	<u>209,988</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Payables to group entities	0	35,499
		<u>0</u>	<u>35,499</u>
	Current liabilities other than provisions		
	Trade payables	418	399
	Payables to group enterprises	59,565	16,707
	Other payables	663	222
		<u>60,646</u>	<u>17,328</u>
	Total liabilities other than provisions	<u>60,646</u>	<u>52,827</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>286,893</u></u>	<u><u>262,815</u></u>

- 1 Accounting policies
- 9 Contractual obligations and contingencies, etc.
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2021	7,093	155,273	27,819	190,185
Transfer through appropriation of profit	0	21,005	-1,125	19,880
Other value adjustments of equity	0	0	-77	-77
Equity at 1 January 2022	7,093	176,278	26,617	209,988
Transfer through appropriation of profit	0	25,823	-9,564	16,259
Equity at 31 December 2022	7,093	202,101	17,053	226,247

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Azanta 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.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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 rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

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.

Gross profit/loss

The items revenue and cost of sales have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

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)

Depreciation and impairment

The item comprises depreciation and impairment of property, plant and equipment.

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

Fixtures and fittings, other plant and equipment	3-5 years
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Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

Financial income and expenses

Financial income and expenses are recognised 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 recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised 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

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in group entities and associates

Equity investments in group entities and associates are measured according to the equity method.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

On initial recognition, equity investments in group entities and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in group entities and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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.

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 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.

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.

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 realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

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

Cash

Cash comprises cash in the bank.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021
2 Staff costs		
Wages/salaries	1,441	2,742
Pensions	160	133
Other social security costs	6	10
Other staff costs	0	139
	<u>1,607</u>	<u>3,024</u>
Average number of full-time employees	<u>2</u>	<u>3</u>
3 Financial income		
Interest receivable, group entities	24	0
Other financial income	68	2
	<u>92</u>	<u>2</u>
4 Financial expenses		
Interest expenses, group entities	2,367	2,615
Other financial expenses	30	124
	<u>2,397</u>	<u>2,739</u>
5 Tax for the year		
Estimated tax charge for the year	-4,898	0
Tax adjustments, prior years	191	0
	<u>-4,707</u>	<u>0</u>
6 Property, plant and equipment		
DKK'000		Fixtures and fittings, other plant and equipment
Cost at 1 January 2022		<u>1,451</u>
Cost at 31 December 2022		<u>1,451</u>
Impairment losses and depreciation at 1 January 2022		810
Impairment losses		496
Depreciation		<u>145</u>
Impairment losses and depreciation at 31 December 2022		<u>1,451</u>
Carrying amount at 31 December 2022		<u>0</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Investments

DKK'000	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2022	76,482	220	76,702
Foreign exchange adjustments	-2	0	-2
Cost at 31 December 2022	76,480	220	76,700
Value adjustments at 1 January 2022	176,278	0	176,278
Foreign exchange adjustments	-62	0	-62
Profit/loss for the year	25,885	0	25,885
Value adjustments at 31 December 2022	202,101	0	202,101
Carrying amount at 31 December 2022	278,581	220	278,801

Associates

Name	Legal form	Domicile	Interest
Azanta Danmark A/S	A/S	Valby, Denmark	100.00%
Norgine Sverige AB	AB	Stockholm, Sweden	100.00%
Azanta OY	OY	Espoo, Finland	100.00%

8 Deferred tax

The Company has tax loss carry-forwards from previous years. As it is uncertain if these tax losses can be utilised within a foreseeable future, no deferred tax assets in respect hereof have been recognised in the financial statements.

9 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.

Other financial obligations

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

Rent liabilities	26	77
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Financial statements 1 January - 31 December

Notes to the financial statements

10 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Norgine B.V.	Antonio Vivaldistraat 150,1083 HP Amsterdam,Holland	Please contact the parent company