



Xellia Group ApS

CVR no. 31 08 95 06

Dalslandsgade 11, 2300 Copenhagen S

Annual report for 2023

Adopted at the annual general meeting on

DocuSigned by:

Søren Hostrup

Søren Hostrup
chairman

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Statement by management on the annual report

The Executive board has today considered and adopted the Annual Report of Xellia Group ApS for the financial year January 1 - December 31, 2023.

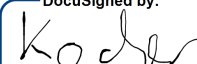
The Annual Report is prepared in accordance with the Danish Financial Statements Act.

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

In our opinion, the Executive board's review includes the required description and information about significant changes in the year in accordance with Danish Financial Statements Act.


The Executive board recommends that the Annual Report should be adopted at the annual general meeting.

Copenhagen, May 14, 2024

Executive board
DocuSigned by:

Michael Koehler

DocuSigned by:

Søren Hostrup

DocuSigned by:

Bente Schmidt Melsen

Independent Auditor's Report

To the Shareholder of Xellia Group ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at December 31, 2023, and of the results of the Company's operations for the financial year January 1 - December 31, 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Xellia Group ApS for the financial year January 1 - December 31, 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 Management's Review.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

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 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 skepticism 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

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.

Copenhagen, May 14, 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31
DocuSigned by:


Torben Jensen

State Authorised Public Accountant
mne18651

DocuSigned by:


Allan Knudsen

State Authorised Public Accountant
mne29465

Company details

The company

Xellia Group ApS
Dalslandsgade 11
2300 Copenhagen S

Telephone: +45 32 64 55 00

CVR no.: 31 08 95 06

Reporting period: January 1 - December 31

Domicile: Copenhagen

Executive board

Michael Kocher
Søren Hostrup
Bente Schmidt Nielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Consolidated financial statements The company is included in the Group Annual Report of Novo Nordisk Fonden.

The Group Annual Report of Novo Nordisk Fonden may be obtained at the following address:

Novo Nordisk Fonden, Tuborg Havnevej 19, DK-2900 Hellerup

Parent company

The company's parent company is Xellia Group AS, Norway.
The ultimate owner of Xellia Group AS is Novo Nordisk Fonden.

Management's review

Business review

The activity of Xellia Group ApS is to hold shares in the 100% owned subsidiary Xellia Pharmaceuticals ApS.

Financial review

The company's income statement for the year ended December 31, 2023 shows a loss of MDKK 3,363.8, and the balance sheet at December 31, 2023 shows negative equity of MDKK 1,892.8.

The net result is impacted by impairment losses on investments in subsidiaries of MDKK 3,325.

Long-term part of loan from Group companies has increased from MDKK 1,895.3 at December 31, 2022 to MDKK 1,928.9 at December 31, 2023.

Special risks apart from generally occurring risks in industry

Specific prerequisites for assessment of the expected development of the company

As a significant part of the company's debts are in foreign exchange, the company's result depends on the development in the USD and NOK exchange rate.

Uncertainties relating to going concern

After recognition of the 2023 loss, the Equity is negative and totals MDKK -1,892.8 as of December 31, 2023.

The parent company New Xellia Group A/S has issued a Letter of support to which the parent company will provide any support necessary for Xellia Group ApS to fulfil its obligations until December 31, 2025.

Based on the circumstances described above, the financial statements are prepared by the Management on the basis that Xellia Group ApS is a going concern.

Income statement January 1 - December 31

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Administrative costs		-82	-77
Profit/loss before financial income and expenses		-82	-77
Impairment losses on investments in subsidiaries	5	-3,325,202	0
Financial income	2	82,810	1,960
Realized loss on disposal of subsidiary		0	-1,041
Financial expenses	3	-132,234	-97,670
Profit/loss before tax		-3,374,708	-96,828
Tax on profit/loss for the year	4	10,891	21,073
Net profit/loss for the year		-3,363,817	-75,755
Proposed distribution of profit			
Retained earnings		-3,363,817	-75,755
		-3,363,817	-75,755

Balance sheet December 31

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Assets			
Investments in subsidiaries	5	0	3,325,202
Deferred tax assets		0	8,044
Fixed asset investments		<u>0</u>	<u>3,333,246</u>
Total non-current assets		<u>0</u>	<u>3,333,246</u>
Receivables from group companies		29,091	31,269
Corporation tax		28,605	12,269
Receivables		<u>57,696</u>	<u>43,538</u>
Total current assets		<u>57,696</u>	<u>43,538</u>
Total assets		<u><u>57,696</u></u>	<u><u>3,376,784</u></u>

Balance sheet December 31

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Equity and liabilities			
Share capital		100,150	100,150
Retained earnings		-1,992,998	1,370,819
Equity		-1,892,848	1,470,969
Provision for deferred tax	6	9,670	0
Total provisions		9,670	0
Payables to group companies		1,928,925	1,895,254
Total non-current liabilities	7	1,928,925	1,895,254
Payables to group companies		11,911	10,523
Other liabilities		38	38
Total current liabilities		11,949	10,561
Total liabilities		1,940,874	1,905,815
Total equity and liabilities		57,696	3,376,784

Statement of changes in equity

	Share capital	Retained earnings	Total
TDKK			
Equity at January 1, 2023	100,150	1,370,819	1,470,969
Net profit/loss for the year	0	-3,363,817	-3,363,817
Equity at December 31, 2023	100,150	-1,992,998	-1,892,848

	Share capital	Retained earnings	Total
TDKK			
Equity at January 1, 2022	100,150	1,446,574	1,546,724
Net profit/loss for the year	0	-75,755	-75,755
Equity at December 31, 2022	100,150	1,370,819	1,470,969

Notes

1 Accounting policies

The Annual Report of Xellia Group ApS for the period January 1 - December 31, 2023, have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The Annual Report is presented in TDKK

Basis of recognition and measurement

Income is recognized in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortization, depreciation, and impairment losses, are also recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortized cost using the effective interest method. Amortized cost is calculated as the historic cost less any installments and plus/less the accumulated amortization of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the Annual Report is presented and which confirm or invalidate matters existing at the balance sheet date.

Consolidated financial statements

In accordance with the Danish Financial Statements Act section 112, 1, no. 2 Xellia Group ApS has not prepared consolidated financial statements. Reference is made to the consolidated financial statements of Novo Nordisk Fonden, registered office: Tuborg Havnevej 19, 2900 Hellerup, Denmark.

Income statement

Administrative costs

Administrative costs comprise expenses for Management, administrative staff, office expenses and depreciation. Amortization of goodwill is included to the extent that goodwill relates to administrative activities.

Other operating income/expenses

Other operating income/expenses comprises items of a secondary nature relative to the company's activities.

Notes

1 Accounting policies

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realized and unrealized capital/exchange gains and losses on securities and foreign currency transactions, amortization of mortgage loans and surcharges and allowances under the Danish Tax Prepayment Scheme.

Tax on profit/loss for the year

Tax for the year, which comprises the current income tax charge for the year and changes in the deferred income tax charge, is recognized in the income statement as regards the portion that relates to the profit/loss for the year.

Balance sheet

Investments

Investments in subsidiaries are recognized and measured at purchase price.

Declared dividend is included in the income statement.

The carrying amounts are reviewed on an annual basis to determine whether there is any indication of impairment. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use.

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 is impaired, an impairment loss for that individual asset is recognized.

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, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognized as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current income tax liabilities and current income tax receivables are recognized in the balance sheet as the estimated income tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Notes

1 Accounting policies

Deferred income tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated based on the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, 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 and jurisdiction.

Changes in deferred income tax due to changes to income tax rates are recognized in the income statement.

Liabilities

Financial liabilities are recognized on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortized cost, corresponding to the capitalized value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognized in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortized cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised fair value adjustments are recorded as 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognized in the income statement as financial income or financial expenses.

	2023	2022
	TDKK	TDKK
2 Financial income		
Interest received from group companies	1,094	152
Foreign exchange adjustments	81,716	1,808
	82,810	1,960

Notes

	2023	2022
	TDKK	TDKK
3 Financial expenses		
Interest to group companies	132,205	57,612
Foreign exchange adjustments	29	40,058
	132,234	97,670
4 Tax on profit/loss for the year		
Current tax on profit / loss	-28,605	-12,269
Change in deferred tax	17,714	-8,804
	-10,891	-21,073
5 Investments in subsidiaries		
Purchase price at January 1	3,325,202	3,326,243
Disposals	0	-1,041
Purchase price at December 31	3,325,202	3,325,202
Revaluations at January 1	0	0
Revaluations for the year, net	-3,325,202	0
Revaluations at December 31	-3,325,202	0
Carrying amount at December 31	0	3,325,202

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Xellia Pharmaceuticals ApS (DKK)	Denmark	100%	-597,775	-2,384,901

Equity and profit/loss for the year are in functional currency.

Notes

	2023	2022
	TDKK	TDKK
6 Provision for deferred tax		
Provision for deferred tax at January 1	-8,044	760
Change for the year	17,714	-8,804
Provision for deferred tax at December 31	9,670	-8,044

Provisions for deferred tax on:

Currency exchange gains/losses	9,670	-8,044
Transferred to deferred tax asset	0	8,044
	9,670	0

7 Non-current liabilities

	Payables at Jan. 1, 2023	Payables at Dec. 31, 2023	Instalment next year	Payables after 5 years
Payables to group companies	1,895,254	1,928,925	0	1,168,284
	1,895,254	1,928,925	0	1,168,284

8 Uncertainties relating to going concern

After recognition of the 2023 loss, the Equity is negative and totals MDKK -1,892.8 as of December 31, 2023.

The parent company New Xellia Group A/S has issued a Letter of support to which the parent company will provide any support necessary for Xellia Group ApS to fulfil its obligations until December 31, 2025.

Based on the circumstances described above, the financial statements are prepared by the Management on the basis that Xellia Group ApS is a going concern.

Notes

9 Contingencies

The company are jointly taxed with the Danish companies owned by Novo Holdings A/S. The joint taxation covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.