



Xellia Holdco A/S

CVR no. 34 88 05 49

Dalslandsgade 11, DK-2300 Copenhagen S

Annual report for 2022

Adopted at the annual general meeting on
May-10-2023

DocuSigned by:

Søren Justesen

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chairman

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Statement by management on the annual report

The Executive Management and Board of Directors have today considered and adopted the Annual Report of Xellia Holdco A/S for the financial year January 1 - December 31, 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 company's financial position at December 31, 2022 and of the results of the company's operations for the financial year January 1 - December 31, 2022.

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

Management recommends that the Annual Report should be adopted at the general meeting.

Copenhagen, 10 May 2023

Executive Management

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Henrik Kjær Hansen
President and CEO

Board of Directors

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Claus Hansen
chairman

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Søren Justesen

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Henrik Kjær Hansen

Independent Auditor's Report

To the Shareholder of Xellia Holdco A/S

Opinion

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.

We have audited the Financial Statements of Xellia Holdco 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 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 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 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 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, 10 May 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

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Torben Jensen
State Authorised Public Accountant
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State Authorised Public Accountant
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Company details

The company

Xellia Holdco A/S
Dalslandsgade 11
DK-2300 Copenhagen S

Telephone: +45 32 64 55 00

CVR no.: 34 88 05 49

Reporting period: January 1 - December 31

Domicile: Copenhagen

Board of Directors

Claus Hansen, chairman
Søren Justesen
Henrik Kjær Hansen

Executive Management

Henrik Kjær Hansen

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 Novo Holdings A/S, Denmark
The ultimate owner of Xellia Holdco A/S is Novo Nordisk Fonden.

Management's review

Business review

Xellia Holdco A/S (the company) was incorporated on December 6, 2012 and established the subsidiary New Xellia Group A/S on May 2, 2013. On July 17, 2013 New Xellia Group A/S (the Group) purchased the shares in Otnortopco AS, Norway. The Group operates under the name Xellia Pharmaceuticals (Xellia).

Xellia Holdco A/S is a limited liability company domiciled in Denmark. The address of its registered office is Dalslandsgade 11, 2300 Copenhagen S.

The activity of Xellia Holdco A/S is to hold shares in the subsidiary New Xellia Group A/S.

Financial review

For the year ended December 31, 2022, Xellia Holdco A/S achieved a net loss of 708 TUSD.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement January 1 - December 31

	Note	2022 TUSD	2021 TUSD
Administrative costs		-12	-11
Other operating income/expenses	2	-727	-1,039
Profit/loss before financial income and expenses		-739	-1,050
Financial income	3	48	0
Financial expenses	4	-9	-542
Profit/loss before tax		-700	-1,592
Tax on profit/loss for the year	5	-8	14
Net profit/loss for the year		-708	-1,578
Proposed distribution of profit			
Retained earnings		-708	-1,578
		-708	-1,578

Balance sheet December 31

	Note	2022 TUSD	2021 TUSD
Assets			
Investments in subsidiaries	6	257,752	249,039
Fixed asset investments		257,752	249,039
Total non-current assets		257,752	249,039
Income tax receivable		0	41
Receivables		0	41
Cash at bank		276	2,655
Total current assets		276	2,696
Total assets		258,028	251,735

Balance sheet December 31

	Note	2022 TUSD	2021 TUSD
Equity and liabilities			
Share capital		20,998	20,998
Retained earnings		237,005	229,690
Equity	7	258,003	250,688
Provision for deferred tax		0	8
Total provisions		0	8
Income tax payable		15	0
Other liabilities		10	1,039
Total current liabilities		25	1,039
Total liabilities		25	1,039
Total equity and liabilities		258,028	251,735

Statement of changes in equity

	Share capital	Retained earnings	Total
TUSD			
Equity at January 1, 2022	20,998	229,690	250,688
Additions	0	8,023	8,023
Net profit/loss for the year	0	-708	-708
Equity at December 31, 2022	20,998	237,005	258,003

	Share capital	Retained earnings	Total
TUSD			
Equity at January 1, 2021	20,998	231,268	252,266
Net profit/loss for the year	0	-1,578	-1,578
Equity at December 31, 2021	20,998	229,690	250,688

Notes

1 Accounting policies

The Annual Report of Xellia Holdco A/S for the period January 1 - December 31, 2022, have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises.

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

The Annual Report is presented in TUSD.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised 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 § 112, 1, no. 2 Xellia Holdco A/S 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.

Novo Holdings A/S owns 100% of the shares in Xellia Holdco A/S, which is controlled by the Novo Nordisk Fonden.

Income statement

Administrative costs

Administrative costs comprise expenses incurred for the management and administration of the company. This includes costs relating to the company's management and related professional fees.

Notes

1 Accounting policies

Other operating income/expenses

Other operating income/expenses comprise items of a secondary nature relative to the company's activities, including impairments on tangible and intangible assets.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies.

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 in subsidiaries, associates and participating interests

Investment in subsidiary is measured at cost. If the cost exceeds the recoverable amount, it is written down. The carrying amount of the investment is annually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Equity

Dividends from subsidiaries

Dividends from subsidiaries are recognized as income in the Income Statement of the company in the year in which the dividend is declared.

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.

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.

Notes

1 Accounting policies

The Danish entities in the Group 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.

Other payables and receivables

Other payables and receivables are measured at amortized cost.

Foreign currency translation

Financial items for the company are measured in the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the company is US dollar (USD).

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, liabilities, and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. The following cross rate has been applied USD/DKK, 0.1434 (2021: 0.1524). The difference between the exchange rate prevailing at the balance sheet date and the exchange rate prevailing at the date when the receivable or payable arose or the exchange rate applied in the most recent financial statements is recognized in the income statement under financial income or financial expenses.

	2022	2021
	TUSD	TUSD
2 Other operating income/expenses		
Costs related to potential sale of the Group	727	1,039
	727	1,039
3 Financial income		
Foreign currency gains	48	0
	48	0

Notes

	<u>2022</u>	<u>2021</u>
	TUSD	TUSD
4 Financial expenses		
Other financial expenses	5	34
Foreign currency losses	4	508
	<u>9</u>	<u>542</u>
5 Tax on profit/loss for the year		
Current tax on profit / loss for the year	15	-41
Change in deferred tax	-7	27
	<u>8</u>	<u>-14</u>
6 Investments in subsidiaries		
Purchase price at January 1	249,039	239,332
Additions for the year	8,713	9,707
Purchase price at December 31	<u>257,752</u>	<u>249,039</u>
Carrying amount at December 31	<u>257,752</u>	<u>249,039</u>

7 Equity

The share capital consists of 1,250,000 shares of a nominal value of TUSD 20,998.
 No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

All shares are held by Novo Holdings A/S and carries equal voting rights.

Notes

8 Contingent liabilities

The company is 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.