



Viatrix ApS

Borupvang 1
2750 Ballerup
CVR No. 36184779

Annual report 2022

The Annual General Meeting adopted the
annual report on 29.06.2023

Jan Ulrik Stevnsborg
Chairman of the General Meeting

Contents

| | |
|---|----|
| Entity details | 2 |
| Statement by Management | 3 |
| Independent auditor's report | 4 |
| Management commentary | 7 |
| Income statement for 2022 | 10 |
| Balance sheet at 31.12.2022 | 11 |
| Statement of changes in equity for 2022 | 13 |
| Notes | 14 |
| Accounting policies | 19 |

Entity details

Entity

Viatrix ApS

Borupvang 1

2750 Ballerup

Business Registration No.: 36184779

Registered office: Ballerup

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Jan Ulrik Stevnsborg

Arun Narayan

Bente Brumoen

Executive Board

Jan Ulrik Stevnsborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Viatriis ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ballerup, 29.06.2023

Executive Board

Jan Ulrik Stevnsborg

Board of Directors

Jan Ulrik Stevnsborg

Arun Narayan

Bente Brumoen

Independent auditor's report

To the shareholders of Viatrix ApS

Opinion

We have audited the financial statements of Viatrix ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 29.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Jan Larsen

State Authorised Public Accountant

Identification No (MNE) mne16541

Management commentary

Financial highlights

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--------------------------|---------|---------|---------|---------|---------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| Key figures | | | | | |
| Revenue | 439,662 | 398,281 | 351,460 | 175,176 | 57,314 |
| Gross profit/loss | 61,400 | 60,734 | 38,063 | 31,810 | 16,871 |
| Operating profit/loss | 17,279 | 24,076 | 5,712 | 6,718 | 629 |
| Net financials | (2,912) | (887) | (1,658) | (397) | (198) |
| Profit/loss for the year | 11,107 | 18,079 | 2,658 | 4,978 | 304 |
| Total assets | 358,839 | 286,805 | 273,411 | 238,705 | 34,663 |
| Equity | 119,295 | 108,188 | 25,527 | 22,869 | 17,891 |
| Ratios | | | | | |
| Gross margin (%) | 13.97 | 15.25 | 10.83 | 18.16 | 29.44 |
| EBIT margin (%) | 3.93 | 6.04 | 1.63 | 3.84 | 1.10 |
| Net margin (%) | 2.53 | 4.54 | 0.76 | 2.84 | 0.53 |
| Return on equity (%) | 9.77 | 27.04 | 10.98 | 24.43 | 1.71 |

Financial highlights are not comparable to prior years.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue

Return on equity (%):

$\frac{\text{Profit/loss for the year}}{\text{Average equity}} * 100$

Average equity

Primary activities

The Company's activities consist of marketing, sale and distribution of pharmaceutical products, to the health sector in Denmark, the Faroe Islands and Iceland.

Development in activities and finances

Profit for the year after tax amounts to DKK 11.107 thousand and total equity amount to DKK 119.295 thousand.

Profit/loss for the year in relation to expected developments

The profit is within our expectation for 2022.

Uncertainty relating to recognition and measurement

We are not aware of any uncertain items in connection with the annual accounts for 2022.

Unusual circumstances affecting recognition and measurement

No unusual circumstances that might have affected recognition and measurement occurred in 2022.

Outlook

We expect the profit for the year after tax to be in between 25.000-30.000 thousand DKK

Group relations

Viartis Inc comments on the group structure in the annual report of the Group. For further details, we refer to Viartis Group.

Statutory report on corporate social responsibility

Viartis ApS is a pharmaceutical company residing in Ballerup, Denmark and is an indirect wholly-owned subsidiary of Viartis Inc., which is a large, global healthcare company that is headquartered in the U.S. with global centers in Pittsburgh, Pennsylvania, Shanghai, China and Hyderabad, India. Viartis ApS commercializes and sells branded, generic, and over the counter pharmaceutical products in the Danish and Icelandic markets that cover a wide variety of therapeutic areas.

Viartis ApS is subject to several global policies, procedures, and the due diligence practices of Viartis Inc. that demonstrate its strong commitment to safeguarding corporate social responsibilities. The following sections represents the 2022 Viartis Global Sustainability Report and apply to all entities in the Viartis group.

Viartis and the UN Sustainable Development Goals

Viartis supports the UN Sustainable Development Goals (SDGs). The 17 SDGs launched in 2015 serve as a roadmap for countries, communities, and companies on universally important areas for a more sustainable and inclusive development by 2030. The COVID-19 pandemic has had significant impact on many of the goals, and in some areas, previous gains have been reversed. Further, the growing impacts of climate change on environmental and human health puts on all of us to do our part to reduce negative impact and help make positive progress.

We intend to apply and leverage our unique capabilities, manage inherent risks and be a reliable partner. We are well positioned to support progress towards SDG 3 — To Ensure Healthy Lives and Promote Well-Being for All at All Ages. We have the scientific, manufacturing and distribution capabilities, deep expertise and a wide-ranging commercial platform that extends to more than 165 countries and territories.

The goals are certainly interconnected, and as a global healthcare company, how we conduct ourselves and

interact with our partners impact that and other goals. We work to advance sustainable operations and leverage our collective expertise to empower people to live healthier at every stage of life, recognizing that our actions affect the stakeholders and communities we serve.

CSR Governance

Viatriis' Board of Directors oversees management's efforts with respect to corporate environmental and social responsibility matters through its Risk Oversight Committee. The CSR function operates as a center of excellence within the Corporate Affairs leadership team. The Head of Corporate Affairs reports directly to the CEO and communicates quarterly with the Viatriis Board through the Risk Oversight Committee together with the Head of Corporate Social Responsibility. The Head of Corporate Social Responsibility drives the strategic and operational development of CSR across the company together with key partners.

A multifunctional CSR Advisory Committee comprised of global leaders with a monthly meeting cadence monitors the external landscape, company progress and supports the integration of corporate environmental and social responsibility activities across the organization. Progress on strategic focus areas and execution of relevant tasks rely on a broad and engaged network of functional leaders across the company.

For further details on Viatriis' commitment to sustainability, please visit viatriis.com to read the full 2022 Sustainability Report.

Statutory report on the underrepresented gender

It is integral part of Viatriis ApS culture and policies to provide a workplace where there is full equality of opportunity between men and women. The established personnel policies are considered gender neutral in all areas. Diversity, equity, and inclusion (DEI) are at the core of Viatriis' values. Through our employee resource groups (ERGs) we are working to raise awareness of DEI through various programs.

At the end of year, the company had 44 employees, 31 women and 13 men (70% vs 30%).

The leadership team consisted of 5 people of which 2 women and 3 men (40% vs 60%).

The board of directors in Viatriis ApS has three members, of which 2 men and 1 woman (66,7% vs 33,3%).

Statutory report on data ethics policy

Viatriis have implemented a broad range of policies and procedures covering compliance in multiple areas, including the EU General Data Protection Regulation (GDPR). This means that processes where sensitive data is being handled, are designed to be compliant to this regulation through both policies and system set up. We inform relevant stakeholders, both employees and patients, of how their personal data is being used and where to reach out if they have questions or concerns around this topic. For more information about our Data Protection Policies, please refer to viatriis.dk.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

| | Notes | 2022 DKK | 2021 DKK |
|--|-------|-------------------|-------------------|
| Revenue | 1 | 439,661,647 | 398,280,644 |
| Cost of sales | | (329,966,864) | (288,725,771) |
| Other external expenses | 2 | (48,294,680) | (48,821,326) |
| Gross profit/loss | | 61,400,103 | 60,733,547 |
| Staff costs | 3 | (39,550,755) | (31,732,223) |
| Depreciation, amortisation and impairment losses | 4 | (4,570,427) | (4,925,520) |
| Operating profit/loss | | 17,278,921 | 24,075,804 |
| Other financial income | 5 | 219,967 | 340,880 |
| Other financial expenses | 6 | (3,131,623) | (1,228,328) |
| Profit/loss before tax | | 14,367,265 | 23,188,356 |
| Tax on profit/loss for the year | 7 | (3,259,859) | (5,109,793) |
| Profit/loss for the year | 8 | 11,107,406 | 18,078,563 |

Balance sheet at 31.12.2022

Assets

| | Notes | 2022 DKK | 2021 DKK |
|--|-------|--------------------|--------------------|
| Acquired rights | | 20,624,097 | 25,063,993 |
| Goodwill | | 0 | 0 |
| Intangible assets | 9 | 20,624,097 | 25,063,993 |
| Other fixtures and fittings, tools and equipment | | 320,890 | 451,421 |
| Property, plant and equipment | 10 | 320,890 | 451,421 |
| Deposits | | 374,450 | 374,450 |
| Financial assets | 11 | 374,450 | 374,450 |
| Fixed assets | | 21,319,437 | 25,889,864 |
| Manufactured goods and goods for resale | | 84,118,213 | 79,647,130 |
| Inventories | | 84,118,213 | 79,647,130 |
| Trade receivables | | 189,874,011 | 116,951,985 |
| Receivables from group enterprises | | 58,509,930 | 31,482,989 |
| Other receivables | | 0 | 2,690,466 |
| Prepayments | 12 | 1,963,845 | 600,000 |
| Receivables | | 250,347,786 | 151,725,440 |
| Cash | | 3,053,199 | 29,543,042 |
| Current assets | | 337,519,198 | 260,915,612 |
| Assets | | 358,838,635 | 286,805,476 |

Equity and liabilities

| | Notes | 2022 DKK | 2021 DKK |
|--|--------------|---------------------|---------------------|
| Contributed capital | | 101,000 | 101,000 |
| Share premium | | 64,581,612 | 64,581,612 |
| Retained earnings | | 54,612,642 | 43,505,236 |
| Equity | | 119,295,254 | 108,187,848 |
| Deferred tax | 13 | 814,520 | 847,556 |
| Provisions | | 814,520 | 847,556 |
| Trade payables | | 8,739,267 | 6,148,818 |
| Payables to group enterprises | | 188,195,759 | 146,917,085 |
| Tax payable | | 582,805 | 2,190,037 |
| Other payables | | 41,211,030 | 22,514,132 |
| Current liabilities other than provisions | | 238,728,861 | 177,770,072 |
| Liabilities other than provisions | | 238,728,861 | 177,770,072 |
| Equity and liabilities | | 358,838,635 | 286,805,476 |
| Unrecognised rental and lease commitments | 14 | | |
| Contingent liabilities | 15 | | |
| Related parties with controlling interest | 16 | | |
| Non-arm's length related party transactions | 17 | | |
| Group relations | 18 | | |

Statement of changes in equity for 2022

| | Contributed capital DKK | Share premium DKK | Retained earnings DKK | Total DKK |
|---------------------------|--|----------------------------------|--------------------------------------|----------------------|
| Equity beginning of year | 101,000 | 64,581,612 | 43,505,236 | 108,187,848 |
| Profit/loss for the year | 0 | 0 | 11,107,406 | 11,107,406 |
| Equity end of year | 101,000 | 64,581,612 | 54,612,642 | 119,295,254 |

Notes

1 Revenue

Disclosures of revenue broken down by activities and geographical areas are omitted for competitive reasons; see section 96(1) of the Danish Financial Statements Act.

2 Fees to the auditor appointed by the Annual General Meeting

Pursuant to section 96.3 in the Danish Financial statements Act, is the summary of the fee to the auditor not prepared. The fee is integrated in the consolidated financial statements of Viartis.

3 Staff costs

| | 2022 | 2021 |
|-----------------------------|-------------------|-------------------|
| | DKK | DKK |
| Wages and salaries | 34,609,594 | 33,113,005 |
| Pension costs | 2,802,669 | 2,643,855 |
| Other social security costs | 92,592 | 87,290 |
| Other staff costs | 2,045,900 | (4,111,927) |
| | 39,550,755 | 31,732,223 |

| | | |
|---------------------------------------|-----------|-----------|
| Average number of full-time employees | 41 | 38 |
|---------------------------------------|-----------|-----------|

In accordance with the Danish Financial Statements Act section 98B (3), remuneration to the Executive Board and Board of Directors has not been disclosed

4 Depreciation, amortisation and impairment losses

| | 2022 | 2021 |
|---|------------------|------------------|
| | DKK | DKK |
| Amortisation of intangible assets | 4,439,896 | 4,794,989 |
| Depreciation of property, plant and equipment | 130,531 | 130,531 |
| | 4,570,427 | 4,925,520 |

5 Other financial income

| | 2022 | 2021 |
|---|----------------|----------------|
| | DKK | DKK |
| Financial income from group enterprises | 25,345 | 277,207 |
| Exchange rate adjustments | 194,622 | 63,673 |
| | 219,967 | 340,880 |

6 Other financial expenses

| | 2022 | 2021 |
|---|------------------|------------------|
| | DKK | DKK |
| Financial expenses from group enterprises | 2,980,739 | 1,060,071 |
| Exchange rate adjustments | 33,520 | 5,414 |
| Other financial expenses | 117,364 | 162,843 |
| | 3,131,623 | 1,228,328 |

7 Tax on profit/loss for the year

| | 2022 | 2021 |
|--------------------------------------|------------------|------------------|
| | DKK | DKK |
| Current tax | 3,202,805 | 5,100,037 |
| Change in deferred tax | (33,036) | 9,756 |
| Adjustment concerning previous years | 90,090 | 0 |
| | 3,259,859 | 5,109,793 |

8 Proposed distribution of profit and loss

| | 2022 | 2021 |
|-------------------|-------------------|-------------------|
| | DKK | DKK |
| Retained earnings | 11,107,406 | 18,078,563 |
| | 11,107,406 | 18,078,563 |

9 Intangible assets

| | Acquired rights | Goodwill |
|---|----------------------------|--------------------|
| | DKK | DKK |
| Cost beginning of year | 29,291,000 | 4,225,741 |
| Cost end of year | 29,291,000 | 4,225,741 |
| Amortisation and impairment losses beginning of year | (4,227,007) | (4,225,741) |
| Amortisation for the year | (4,439,896) | 0 |
| Amortisation and impairment losses end of year | (8,666,903) | (4,225,741) |
| Carrying amount end of year | 20,624,097 | 0 |

10 Property, plant and equipment

| | Other fixtures and fittings, tools and equipment DKK |
|---|---|
| Cost beginning of year | 783,188 |
| Cost end of year | 783,188 |
| Depreciation and impairment losses beginning of year | (331,767) |
| Depreciation for the year | (130,531) |
| Depreciation and impairment losses end of year | (462,298) |
| Carrying amount end of year | 320,890 |

11 Financial assets

| | Deposits DKK |
|------------------------------------|-------------------------|
| Cost beginning of year | 374,450 |
| Cost end of year | 374,450 |
| Carrying amount end of year | 374,450 |

12 Prepayments

Prepayments consist of insurance, subscription fees, etc. in respect of subsequent financial years.

13 Deferred tax

| | 2022 DKK | 2021 DKK |
|-------------------------------|---------------------|---------------------|
| Intangible assets | 855,004 | 889,073 |
| Property, plant and equipment | 15,824 | 26,283 |
| Provisions | (56,308) | (67,800) |
| Deferred tax | 814,520 | 847,556 |

| | 2022 DKK | 2021 DKK |
|------------------------------------|---------------------|---------------------|
| Changes during the year | | |
| Beginning of year | 847,556 | 837,800 |
| Recognised in the income statement | (33,036) | 9,756 |
| End of year | 814,520 | 847,556 |

14 Unrecognised rental and lease commitments

| | 2022 DKK | 2021 DKK |
|--|---------------------|---------------------|
| Liabilities under rental or lease agreements until maturity in total | 4,189,906 | 5,784,992 |

15 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 these entities.

16 Related parties with controlling interest

Viatrix Inc., 1000 Mylan Blvd, Canonsburg, PA 15317, USA

17 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Viartis Inc, 1000 Mylan Blvd, Canonsburg, PA 15317, USA

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and equipment.

Other financial income

Other financial income comprises of interest income, including interest income on receivables from group enterprises and receivables transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and payables transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise of acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant, machinery, other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

| | Useful life |
|--|--------------------|
| Other fixtures and fittings, tools and equipment | 5 years |

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have

any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

#Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Pursuant to section 86 (4) of the Danish Financial statement Act the Entity has not prepared any cash flow statement, as its included in the annual report of Viatrix Inc.