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ØRESUND PHARMA APS
DRONNINGENS TVÆRGADE 9 3., 1302 KØBENHAVN K
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 4 March 2024**

Patrick Cohn Johansen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 39 49 20 59

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COMPANY DETAILS

Company	Øresund Pharma ApS Dronningens Tværgade 9 3. 1302 Copenhagen K
	CVR No.: 39 49 20 59 Established: 17 April 2018 Municipality: Copenhagen Financial Year: 1 January - 31 December
Executive Board	Patrick Cohn Johansen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Jyske Bank
Law Firm	Horten Advokatpartnerselskab

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Øresund Pharma ApS for the financial year 1 January - 31 December 2023.

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

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 21 February 2024

Executive Board

Patrick Cohn Johansen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Øresund Pharma ApS

Opinion

We have audited the Financial Statements of Øresund Pharma ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 judgment 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.

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 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 Management Commentary

Management is responsible for Management Commentary.

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

Based on the work we have performed, we conclude that 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 Management Commentary.

Copenhagen, 21 February 2024

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Brian Olsen Halling
State Authorised Public Accountant
MNE no. mne32094

MANAGEMENT COMMENTARY

Principal activities

The company's main activities are to develop and commercialize pharmaceutical pharmaceuticals and related business.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2023 DKK	2022 DKK
GROSS PROFIT		38.259.550	17.238.144
Staff costs.....	1	-15.090.155	-10.054.735
Depreciation, amortisation and impairment losses.....		-1.227.709	-1.065.158
OPERATING PROFIT		21.941.686	6.118.251
Other financial income.....		58.197	574
Other financial expenses.....		-517.009	-595.757
PROFIT BEFORE TAX		21.482.874	5.523.068
Tax on profit/loss for the year.....	2	-4.731.905	-1.220.684
PROFIT FOR THE YEAR		16.750.969	4.302.384
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		16.750.969	4.302.384
TOTAL		16.750.969	4.302.384

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Intangible fixed assets acquired.....		3.320.838	2.204.684
Intangible assets.....	3	3.320.838	2.204.684
Other plant, machinery tools and equipment.....		592.150	773.287
Property, plant and equipment.....	4	592.150	773.287
Other investments.....		710	710
Rent deposit and other receivables.....		363.803	270.461
Financial non-current assets.....	5	364.513	271.171
NON-CURRENT ASSETS.....		4.277.501	3.249.142
Work in progress.....		0	78.210
Finished goods and goods for resale.....		11.881.055	7.704.388
Inventories.....		11.881.055	7.782.598
Trade receivables.....		14.836.061	18.881.844
Receivables from group enterprises.....		339.290	185.458
Deferred tax assets.....		308.660	29.055
Other receivables.....		781.570	75.118
Prepayments.....		703.291	743.255
Receivables.....		16.968.872	19.914.730
Cash and cash equivalents.....		9.390.689	4.239
CURRENT ASSETS.....		38.240.616	27.701.567
ASSETS.....		42.518.117	30.950.709

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		55.600	55.600
Retained earnings.....		24.387.798	7.636.829
EQUITY.....		24.443.398	7.692.429
Bank debt.....		103.659	6.408.885
Trade payables.....		10.313.436	14.329.138
Joint tax contribution payable.....		5.011.510	1.274.100
Other liabilities.....		2.646.114	1.246.157
Current liabilities.....		18.074.719	23.258.280
LIABILITIES.....		18.074.719	23.258.280
EQUITY AND LIABILITIES.....		42.518.117	30.950.709
 Contingencies etc.	 6		
Charges and securities	7		
Related parties	8		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2023.....	55.600	7.636.829	7.692.429
Proposed profit allocation.....		16.750.969	16.750.969
Equity at 31 December 2023.....	55.600	24.387.798	24.443.398

NOTES

	2023 DKK	2022 DKK	Note
Staff costs			1
Average number of full time employees	9	6	
Wages and salaries.....	13.843.098	9.053.335	
Pensions.....	1.183.842	961.050	
Social security costs.....	63.215	40.350	
	15.090.155	10.054.735	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	5.011.510	1.274.100	
Adjustment of deferred tax.....	-279.605	-53.416	
	4.731.905	1.220.684	
Intangible assets			3
		Intangible fixed assets acquired	
Cost at 1 January 2023.....		3.290.765	
Additions.....		1.859.573	
Disposals.....		-148.820	
Cost at 31 December 2023.....		5.001.518	
Amortisation at 1 January 2023.....		1.086.081	
Reversal of amortisation of assets disposed of		-148.820	
Amortisation for the year.....		743.419	
Amortisation at 31 December 2023.....		1.680.680	
Carrying amount at 31 December 2023.....		3.320.838	
Property, plant and equipment			4
		Other plant, machinery tools and equipment	
Cost at 1 January 2023.....		2.051.258	
Additions.....		302.217	
Disposals.....		-84.478	
Cost at 31 December 2023.....		2.268.997	
Depreciation and impairment losses at 1 January 2023.....		1.277.035	
Reversal of depreciation of assets disposed of		-84.478	
Depreciation for the year.....		484.290	
Depreciation and impairment losses at 31 December 2023.....		1.676.847	
Carrying amount at 31 December 2023.....		592.150	

NOTES

			Note
Financial non-current assets			5
	Other investments	Rent deposit and other receivables	
Cost at 1 January 2023.....	710	290.509	
Additions.....	0	73.294	
Cost at 31 December 2023.....	710	363.803	
Carrying amount at 31 December 2023.....	710	363.803	
Contingencies etc.			6
Contingent liabilities			
	2023 DKK	2022 DKK	
Leasing obligation (operational leasing):			
Leasing obligation.....	0	253.000	
Rent obligation	290.500	0	
Renting obligations with an irresistible period:			
Rent obligation.....	0	452.000	
	0	452.000	
Joint liabilities			
The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.			
Tax payable on the Group's joint taxable income is stated in the annual report of Machpali ApS, which serves as management Company for the joint taxation.			
Charges and securities			7
As collateral in the bank, the company has provided a corporate mortgage of a nominal amount of T.kr 8.000 The corporate mortgage comprises the following assets, the carrying amount of which at the balance sheet date amounts to:			
		DKK	
Intangible fixed assets acquired.....		3.320.838	
Other plant, machinery tools and equipment.....		592.150	
Inventories.....		11.881.055	
Trade receivables.....		14.836.061	

NOTES**Note****Related parties****8**

The Company's related parties include:

Controlling interest

Machpali ApS, Sundvægnet 10, 2900 Hellerup, is the principal shareholder.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of Øresund Pharma ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from the sale and handling of finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 10 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

ACCOUNTING POLICIES

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0-20 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.