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# ***Asahi Kasei Pharma Denmark A/S***

Langelinie Allé 35, DK-2100 København Ø

## **Annual Report for 21 November 2019 - 31 March 2021**

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CVR No 40 94 80 74

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
23/7 2021

Masaya Etoh  
Chairman of the General  
Meeting



**pwc**

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## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Asahi Kasei Pharma Denmark A/S for the financial year 21 November 2019 - 31 March 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2021 of the Company and of the results of the Company operations for 2019/21.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 23 July 2021

### **Executive Board**

Daisuke Matsuo  
Executive officer

### **Board of Directors**

Masaya Etoh  
Chairman

Daisuke Matsuo

Matthew Ryan Dumont

# Independent Auditor's Report

To the Shareholder of Asahi Kasei Pharma Denmark A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2021 and of the results of the Company's operations for the financial year 21 November 2019 - 31 March 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Asahi Kasei Pharma Denmark A/S for the financial year 21 November 2019 - 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 in Management's Review.

# Independent Auditor's Report

## 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 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.

## Independent Auditor's Report

- 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.

Hellerup, 23 July 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Søren Ørjan Jensen  
State Authorized Public Accountant  
mne33226

Henrik Ødegaard  
State Authorized Public Accountant  
mne31489

## Company Information

### **The Company**

Asahi Kasei Pharma Denmark A/S  
Langelinie Allé 35  
DK-2100 København Ø

CVR No: 40 94 80 74  
Financial period: 21 November - 31 March  
Municipality of reg. office: Copenhagen

### **Board of Directors**

Masaya Etoh, Chairman  
Daisuke Matsuo  
Matthew Ryan Dumont

### **Executive Board**

Daisuke Matsuo

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's Review

## Key activities

The company purpose is directly or through ownership of shares in other companies to discover develops, manufacture and deliver products related to the pharmaceutical business as well as other business that, in the opinion of the Board of Directors, is associated with it.

## Development in the year

The income statement of the Company for 2019/21 shows a loss of DKK 625,492,608, and at 31 March 2021 the balance sheet of the Company shows equity of DKK 8,386,903,392.

In March 2020 the company acquired all the shares in Veloxis Pharmaceuticals A/S. In December 2020 group management decided to reconstructure the group and consequently the shares in Veloxis Pharmaceuticals A/S where sold to the parent company.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 21 November - 31 March

	<u>Note</u>	<u>2019/21</u> DKK
Other external expenses		-3,437,589
<b>Gross profit/loss</b>		<b>-3,437,589</b>
Financial income	1	4,405,237
Financial expenses		-625,962,462
<b>Profit/loss before tax</b>		<b>-624,994,814</b>
Tax on profit/loss for the year	2	-497,794
<b>Net profit/loss for the year</b>		<b>-625,492,608</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-625,492,608
		<b>-625,492,608</b>

## Balance Sheet 31 March

### Assets

	<u>Note</u>	<u>2019/21</u> DKK
Receivables from group enterprises		8,388,310,387
Other receivables		<u>2,500</u>
<b>Receivables</b>		<b><u>8,388,312,887</u></b>
<b>Cash at bank and in hand</b>		<b><u>1,172,135</u></b>
<b>Currents assets</b>		<b><u>8,389,485,022</u></b>
<b>Assets</b>		<b><u>8,389,485,022</u></b>

# Balance Sheet 31 March

## Liabilities and equity

	<u>Note</u>	<u>2019/21</u> DKK
Share capital		901,599,600
Share premium account		8,110,796,400
Retained earnings		<u>-625,492,608</u>
<b>Equity</b>		<b><u>8,386,903,392</u></b>
Trade payables		250,000
Payables to group enterprises		1,828,836
Corporation tax		497,794
Other payables		<u>5,000</u>
<b>Short-term debt</b>		<b><u>2,581,630</u></b>
<b>Debt</b>		<b><u>2,581,630</u></b>
<b>Liabilities and equity</b>		<b><u>8,389,485,022</u></b>
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## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Share premium</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 21 November	400,000	0	0	400,000
Cash capital increase	901,199,600	8,110,796,400	0	9,011,996,000
Net profit/loss for the year	0	0	-625,492,608	-625,492,608
<b>Equity at 31 March</b>	<b><u>901,599,600</u></b>	<b><u>8,110,796,400</u></b>	<b><u>-625,492,608</u></b>	<b><u>8,386,903,392</u></b>

# Notes to the Financial Statements

	2019/21
	DKK
<b>1 Financial income</b>	
Asahi Kasei Corporation	4,396,387
Other finansiel income	8,850
	<u>4,405,237</u>
<b>2 Tax on profit/loss for the year</b>	
Current tax for the year	497,794
	<u>497,794</u>

## 3 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The company is part of a case related to the acquisition price of the shares in Veloxis Pharmaceuticals A/S which is subject to uncertainty.

# Notes to the Financial Statements

## 4 Accounting Policies

The Annual Report of Asahi Kasei Pharma Denmark A/S for 2019/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2019/21 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 4 Accounting Policies (continued)

### Income Statement

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

### Balance Sheet

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

#### Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash

## **Notes to the Financial Statements**

### **4 Accounting Policies** (continued)

value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.