Xellia Pharmaceuticals ApS

CVR no. 61 09 46 28

Dalslandsgade 11, DK-2300 Copenhagen S

Annual report for 2024

Adopted at the annual general meeting on

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Søren Hostrup
chairman

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Statement by management on the annual report

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Xellia Pharmaceuticals ApS for the financial year January 1 – December 31, 2024.

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, 2024 and of the results of the company's operations for the financial year January 1 - December 31, 2024.

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 approved at the general meeting.

Copenhagen, April 2, 2025

Executive Board:

Signiert von:
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Michael Kocher
Chief Executive Officer

Board of Directors:

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Søren Hostrup
chairman

Signiert von:
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Michael Kocher

Signed by:
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Bente Schmidt Nielsen

Signed by:
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Michael Uhd

Signed by:
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Lars Beck Madsen

Signed by:
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Martin Bech

Independent Auditor's Report

To the Shareholder of Xellia Pharmaceuticals ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at December 31, 2024, and of the results of the Company's operations for the financial year January 1 - December 31, 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Xellia Pharmaceuticals ApS for the financial year January 1 - December 31, 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.

- 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, April 2, 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

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Torben Jensen
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Torben Jensen
State Authorised Public Accountant
mne18651

Signed by:
Allan Knudsen
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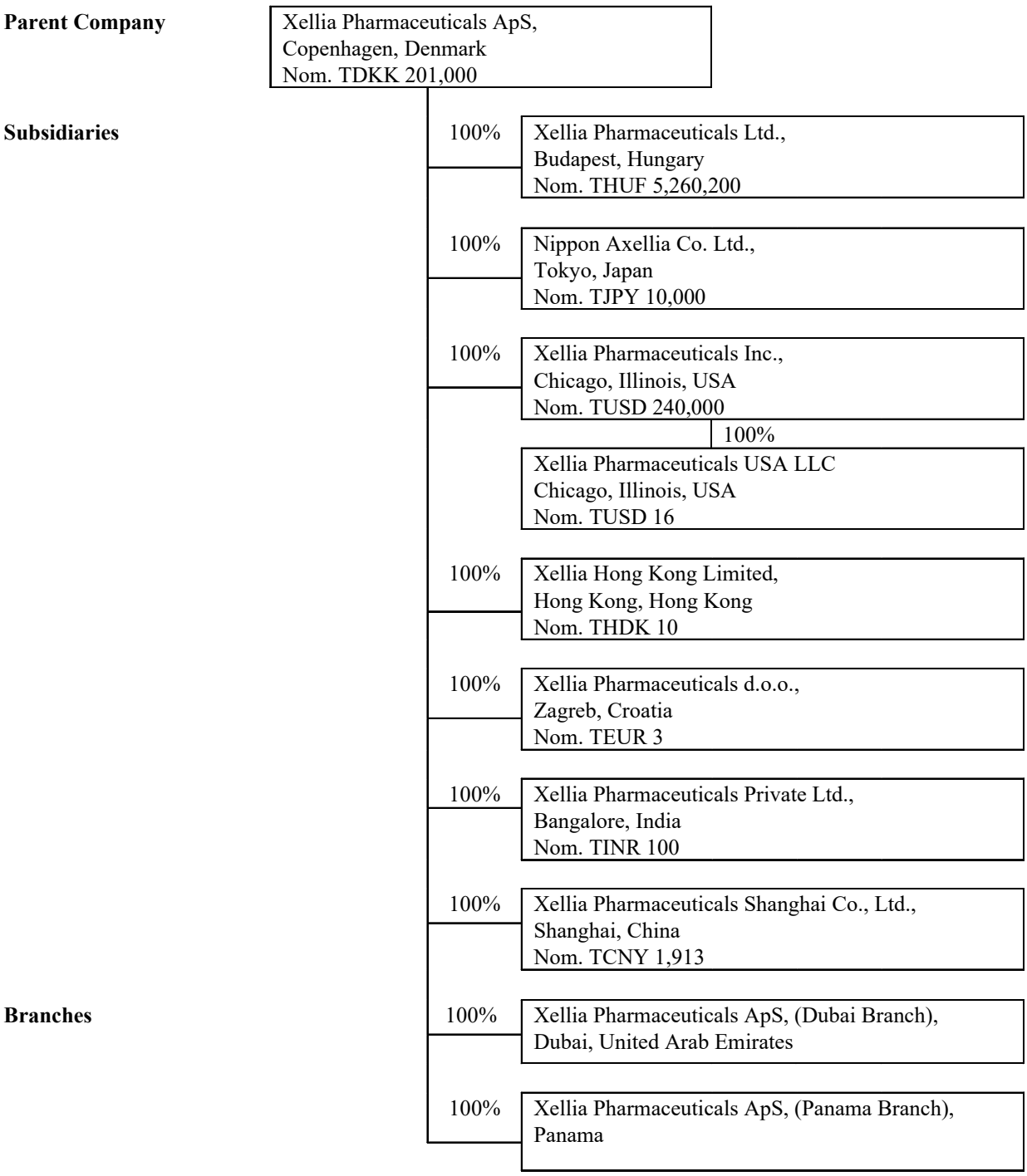
Allan Knudsen
State Authorised Public Accountant
mne29465

Company details

The company	Xellia Pharmaceuticals ApS Dalslandsgade 11 DK-2300 Copenhagen S	
	Telephone:	+45 32 64 55 00
	Website:	www.xellia.com
	CVR no.:	61 09 46 28
	Reporting period:	January 1 - December 31
	Domicile:	Copenhagen
Board of Directors:	Søren Hostrup, chairman Michael Kocher Bente Schmidt Nielsen Michael Uhd Lars Beck Madsen Martin Bech	
Executive Board:	Michael Kocher	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	
Consolidated financial statements	The company is included in the Group Report of Novo Nordisk Fonden. The Group Annual Report of Novo Nordisk Fonden may be obtained at the following address: Novo Nordisk Fonden, Tuborg Havnevej 19, DK-2900 Hellerup	
Parent Company	The company's parent company is Xellia Group ApS, Denmark. The ultimate owner of Xellia Group ApS is Novo Nordisk Fonden.	

Group chart



Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2024	2023	2022	2021	2020
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Revenue	1,599	1,987	2,245	1,622	2,043
Profit/loss before amortisation/depreciation and impairment	-236	-910	-218	-465	-45
Net financials	1,028	-1,455	-103	-16	18
Profit/loss for the year	829	-2,385	-371	-503	-116
Balance sheet					
Non-current assets	1,804	782	2,389	2,424	2,384
Current assets	1,396	1,323	1,071	1,310	1,707
Balance sheet total	3,200	2,105	3,460	3,734	4,091
Equity	162	-598	1,751	2,083	2,621
Provisions	70	121	55	63	79
Long-term debt	569	538	560	680	699
Short-term debt	2,400	2,043	1,095	909	691
Financial ratios					
EBIT margin	-21%	-60%	-24%	-10%	19%
Gross margin	2%	-32%	-2%	23%	43%
Return on assets	-13%	-43%	-15%	-4%	12%
Solvency ratio	6%	-28%	51%	56%	64%
Return on equity	-381%	-414%	-19%	-21%	-6%
Average number of employees	547	650	648	640	624
Investment in tangible assets	42	135	139	108	92

The financial ratios are calculated in accordance with the definitions described under accounting policies.

Management's review

Business review
Xellia Pharmaceuticals ("Xellia") is a specialty pharmaceutical company developing, manufacturing, and commercializing anti-infective treatments against serious and often life-threatening bacterial and fungal infections.

Xellia is a global leader in providing anti-infective treatments for serious and often life-threatening conditions. Xellia has an extensive history in developing, manufacturing, and commercializing anti-infective products, including Active Pharmaceutical Ingredients (APIs) and Finished Dosage Forms (FDF). As an organization, Xellia is committed to providing security and consistency in the supply of critical care therapies. Through a global interlocked supply chain, the company continuously works to improve supply security through multiple sources of in-house production of its APIs and drug products and working alongside Xellia's R&D center. Supplying products to more than 80 countries worldwide and with more than 500 customers internationally, Xellia is the leading supplier of several essential anti-infectives, including vancomycin, tobramycin, amphotericin, and colistimethate sodium (CMS).

Headquartered in Copenhagen, Denmark, Xellia has a global footprint with manufacturing, R&D, and commercial operations across Europe, Asia, the Middle East, and North America. Xellia's three manufacturing facilities, located in China, Denmark, and Hungary, operate according to current Good Manufacturing Practice (cGMP), and Xellia's facilities have been inspected by relevant regulatory health authorities.

Xellia is a Business-to-business company that provides APIs to pharmaceutical companies worldwide. The B2B business is supported by the quality assurance, supply and distribution, and R&D teams. The Global sales organization operates in all geographic markets and oversees the three plants in Denmark, Hungary, and China. In addition to supporting current customers, the sales organization continuously works to introduce the company's core product portfolio to new markets.

Xellia is wholly owned by Novo Holdings A/S and employs a dedicated team of more than 1,200 full-time employees.

Further information about Xellia can be found at:
www.xellia.com

Recognition and measurement uncertainties
The recognition and measurement of items in the Annual Report is not subject to material uncertainties that could significantly impact the Annual Report.

Financial review
The company's income statement for the year ended December 31, 2024, shows a net profit of MDKK 828,9 and the balance sheet on December 31, 2024, shows an equity of MDKK 162,5.

Investments
In 2024, Xellia invested MDKK 0,3 in intangible assets and MDKK 42,2 in tangible assets to maintain and upgrade current production facilities and to meet compliance requirements.

Management's review

Uncertainties relating to going concern
The parent company New Xellia Group A/S has issued a Letter of support to which the parent company will provide any support necessary for Xellia Pharmaceuticals ApS to fulfil its obligations until January 1, 2026.

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

Subsequent events
After the balance sheet date, the following significant subsequent event occurred in the period between the end of the financial year and the Board of Directors' adoption of the annual report.

The parent company New Xellia Group A/S held a Board of Directors meeting on 18 February 2025, and budget and plans for gradual closure of the production site in Copenhagen over a ten-year period was approved. The detailed planning and design of this is an ongoing process that is affected by capital and operating expenditures as well as geopolitical factors.

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

The company's knowledge resources if of particular importance to its future earnings
Xellia is committed to providing anti-infective treatments and other critical care therapies for serious and often life-threatening conditions. Customers depend on Xellia for reliable supply and consistent quality and to exemplify responsible manufacturing, production, and research and development that promote long-term sustainability. Xellia's strong market position is built on more than 120 years of pharmaceutical industry experience with the patient in focus. Xellia is dedicated to leadership, where management believes in distributed empowerment and leadership to drive success. There is a high concentration on ensuring collaboration across functions and sites to foster empowerment amongst the leaders to achieve targets.

Development in activities and financial position
Revenue decreased for the year (ended December 31, 2024) compared to 2023. The company achieved revenue of MDKK 1,599 (2023 MDKK 1,987).The company experienced a decrease in revenue due to divested activities.
The net result is positively impacted by special items because of divested activities and reversal of impairment losses on investment in subsidiaries as described in note 3. The divested activities relate to the US B2i activities. The related investment in the subsidiary was impaired in 2023.

Profit/(loss) for the year relative to the expectations most recently expressed
The 2024 financial performance was below expectations, with decreased revenue and profitability compared to the expected single digit point decrease. The net profit of 828,9 MDKK for the year (net loss 2023: MDKK 2,384.9) was better than expected because of one-time gain from divested activities and reversal of impairment losses on investment in subsidiaries.

Management's review

Outlook
Xellia expects a stabilized revenue in 2025 with a single digit percentage point growth compared to 2024. Profitability is expected to be positively affected in 2025 by initiatives to lower cost, however management expect a loss before financial income and expenses in the range of MDKK 75 - MDKK 125.

Special risks apart from generally occurring risks in industry
Operating risks
The company experience price pressure in the market and competition from manufacturers in Asia.

Currency risks
The company has significant activities in foreign currencies and is affected by trends in USD and HUF exchange rates. The company's currency policy is to hedge expected net cash flow risk from those currency exposures.
The hedging is made by forward exchange contracts in USD and HUF for the next 12 - 30 months.

Statutory statement regarding ESG in accordance with section 99a of the Danish Financial Statements Act
Xellia aims to become a sustainable enterprise that contributes positively to society and collaborates closely with essential stakeholders to tackle worldwide issues. Sustainability is ingrained across every aspect of our value chain.

We are dedicated to conducting business in a responsible manner, working to minimize our environmental footprint through responsible manufacturing practices. Ensuring patient and product safety remains paramount, through rigorous quality standards and safe production protocols. Ethical business conduct is fundamental, as well as safeguarding human rights by maintaining safe working environments, combating corruption, and promoting fair labor practices across all Xellia sites within the supply chain.

Business model
Xellia is a world-leading, and only European, supplier of amphotericin B, vancomycin, tobramycin, CMS, and other critical anti-infectives, including bacitracin and polymyxin B.

Xellia aims to be the preferred partner for the global supply of critical anti-infectives to the pharmaceutical industry by providing its customers with a unique and reliable service level.

We supply a wide variety of customers across branded, specialty, and generic pharmaceutical companies. Our customers rely on us to provide a consistent and robust supply of quality products, protecting their reputation and patients. The success of our business is based on customer satisfaction and loyalty, demonstrated by long-standing and multi-product repeat orders. We build strong and lasting relationships with our broad customer base by providing excellent quality, compliant records, and service through our dedicated global customer service and technical support teams. For example, our outstanding technical services team collaborates closely with customers to help them develop and register their products for market entry and resolve technical challenges to support business continuity and growth. In addition to supporting current customers, we have been working to introduce our core portfolio into new markets.

Management's review

Xellia's work with environment and climate change
Risks related to environment and climate change:

Manufacturing our critical care products consumes a large amount of energy and produces related carbon emissions. We continually explore opportunities to minimize our footprint and implement sustainable approaches across our sourcing, manufacturing, and development processes to lower our negative environmental impact.

Our approach to working with environment and climate change:

Xellia strives to be a sustainable business. We are always looking for ways to reduce our negative impact on the environment and find sustainable solutions in our sourcing, manufacturing, and development practices.

Activities and results obtained in the reporting period regarding environment and climate change:

In 2024, Xellia continued to increase the amount of electricity purchased from renewable sources to achieve the 2030 target of purchasing 75% of our electricity consumption as carbon neutral. Similarly, we have worked to reduce the amount of waste disposed of, working towards our target of preventing, reusing, and recycling 50% of our waste by 2030.

Examples of projects completed include:

Taizhou organized a "barter" activity on Earth Day (employees recycled e-waste such as electronic products and old cables and exchanged the e-waste into small green plants) to advocate for employees to reduce resource waste and improve recycling awareness (80% participation rate, and about 50 kilograms of e-waste were recycled on Earth Day.)

Budapest enhanced energy efficiency significantly by installing two cooling compressors and an air compressor in Building 8 and improved the process monitoring of the cooling system. Additionally, our Budapest site continued efforts in renewable energy production, by equipping the roofs of Buildings 15, 25, and 8 with an off-grid solar system, which is expected to save 1.5% of total electricity consumption.

Copenhagen introduced a Steam Trap Project as part of an energy optimization effort at Xellia's Copenhagen API site, the Steam Trap project replaced continuous steam bleeding with automatic steam traps in the fermentation hall. This led to significant savings - 191,000 m^3 of gas and 2,400 m^3 of water annually – and earned a 950,000 DKK grant from the Danish Energy Agency. The project improved cost-efficiency, enhanced sustainability, competitiveness, and working conditions.

Expectations for the work related to environment and climate change going forward:

Xellia has committed to long term targets towards 2030, thus, we expect to maintain our high focus on lowering our negative environmental and climate change impact in the years to come.

Management's review

Xellia's work with social and employee issues
Risks related to social and employee issues:

As a producer of important anti infective drugs, highlighting the criticality of AMR (anti microbial resistance) is key to Xellia. Patient advocacy is also a key area of focus, alongside supporting our safe, healthy workplace to ensure our ability to attract the best candidates for our company.

Our approach to working with social and employee issues:

As a producer of important anti infective drugs, it is pivotal that Xellia follows responsible business practices and highlights the criticality of AMR – both externally and internally. At Xellia, we continually work to provide a healthy, secure, and safe working environment for our employees, and we are determined to maintain high health and safety standards to reduce the risk of accidents.

Activities and results obtained in the reporting period regarding social and employee issues:

In 2024, Xellia reaffirmed its commitment to sustainability by updating its Sustainability Policy to include a focus on water quality. Recognizing the potential impact of manufacturing activities on aquatic environments, Xellia pledges to ensure that its operations have no adverse effects on water quality. Different projects were initialized during 2024 but are still in an early stage. Effluents from manufacturing processes undergo treatment in accordance with local regulatory standards, employing both on site and off site mechanical biological treatments. The ratio of the API load to surface water (predicted environmental concentration, PEC) to the predicted no effect concentration (PNEC) shall be below 1 (PEC/PNEC<1), with the concerned PNEC value retrieved from a scientifically sound and reliable approved source.

Actively engaging in collaborative efforts, Xellia is a proud member of the Critical Medicines Alliance. Through this alliance, Xellia collaborates with peers to address critical public health issues and advocates for effective strategies to combat AMR. By participating in advocacy efforts, Xellia contributes to raising awareness and driving action toward mitigating the impact of AMR on global health.

In 2024, teams at all sites continued to focus on high-risk and high-exposure programs. These initiatives integrated safe manufacturing and industry best practices. Specific projects included:

- Fall protection engineering enhancements, including installations and improvements to guardrails, anchor points, swing gates, fixed ladders, and fall arrest systems, were implemented in Budapest to further reduce risk for employees and contractors working at height. All sites have also focused on their lockout tagout programs, updating programming to cover applicable equipment and procedures for the isolation of hazardous energy.

- Taizhou performed quantitative fit-testing using 3M devices for all respirator users, ensuring seal efficiency (100% pass rate, 61 employees). It also delivered mandatory training on respirator use, maintenance, and emergency protocols (100% workforce completion).

Management's review

Expectations for the work related to social and employee issues going forward:

AMR, patient advocacy and a healthy workplace remain important focus areas in years to come.

Xellia's work with human rights (responsible sourcing, diversity, inclusion and belonging)
Risks related to human rights (responsible sourcing, diversity, inclusion and belonging):

As a truly international company, at Xellia we benefit from a diverse and multicultural workforce, with sites located in the Denmark, Norway, Hungary, Croatia, The United States, China, India, Japan, and the United Arab Emirates. Further, to be a sustainable business, it is important for us to develop and maintain ethical supplier relationships, ensure ethical working conditions, and protect human rights in our supply chain.

Our approach to working with human rights (responsible sourcing, diversity, inclusion and belonging):

Diversity and equal opportunities for all are key to our success. We have an integrated, open, and transparent culture built on mutual respect, trust, and accountability. We benefit from a diverse and multicultural workforce across the Xellia sites. All employees in Xellia are responsible for treating each other with dignity and respect. This is integrated in our values and is included in our Code of Conduct. One of our long term sustainability goals is to achieve greater gender equality by ensuring a representation of >45% women for all managers, High Potential Employees, and successors.

Activities and results obtained in the reporting period regarding human rights (responsible sourcing, diversity, inclusion and belonging):

By the end of 2024, the Xellia Group employed a total of 1,224 individuals, consisting of 532 females and 692 males, representing 43,5% and 56.5% of the workforce, respectively. The gender distribution has a slight increase compared to 2023, where 42.6% employee were female. Among people managers, there were 68 females and 126 males, comprising 35.1% and 64.9% of the leadership, respectively.

In 2024, our company continued to raise awareness about important issues such as gender equality, unconscious bias, Diversity and Inclusion, and LGBTQI+ rights through different initiatives. At Xellia, we strongly believe in the right of every individual to bring their whole selves to work.

In 2024, Xellia continued its EHS (Environment, Health, and Safety) and Sustainability audit program, aligning with the framework established by the Pharmaceutical Supply Chain Initiative (PSCI). As a committed advocate for ethical business practices, we recognize the importance of fostering transparent and sustainable relationships with our suppliers. Upholding ethical labor standards and safeguarding human rights throughout our supply chain remains central to our corporate values. Actively participating in PSCI, Xellia collaborates with industry peers to champion transparency and advance responsible supply chain practices.

Building upon our commitment from 2022, Xellia continued the Xellia Responsible Sourcing policy, underpinning our dedication to ethical business conduct. Our objective is to assess the sustainability maturity of our key suppliers and diligently monitor their alignment with our Responsible Sourcing Policy. Through these initiatives, we strive to cultivate a supply chain characterized by integrity, sustainability, and social responsibility.

Management's review

Expectations for the work related to human rights (diversity, inclusion and belonging) going forward:

Diversity, inclusion, belonging and responsible sourcing in close collaboration with our suppliers continue to be at the center of our values and priorities in the coming years.

Xellia's work with anti-corruption
Risks related to anti-corruption:

Xellia operates in countries where there is risk of being exposed to corruption and general violations of our Code of Conduct and policies.

Our approach to working with anti-corruption:

At Xellia, we value integrity and openness, and we are committed to full compliance in all areas of our business. Based on this, we expect that no Xellia employee or a third party working on behalf of Xellia will participate in bribery or corruption under any circumstances.
Our customers, owners, and legislators receive the same expectations worldwide. Xellia's anti-bribery compliance program aims to ensure compliance with applicable laws and regulations, covering, amongst others, the following areas: interactions with healthcare professionals and healthcare organizations, sales and marketing of our products, third-party management and risk screenings, and gifts and hospitality. This includes periodic risk assessments and due diligence procedures for agents and other businesses. All relevant employees receive regular training in the compliance program, and training in anti-bribery and anti-corruption is part of our Code of Conduct training.

Xellia's Whistleblower System substantiates and supports Xellia's commitment to ensuring responsible and ethical business behaviour and compliance with laws following Xellia's Code of Conduct. Through this system, Xellia encourages employees and third parties to report any concerns and aims to increase the likelihood of early detection of possible serious illegal or unethical misconduct. Thus, Xellia will be better equipped to minimize the damage caused by such wrongdoing and establish the proper preventive measures.

Activities and results obtained in the reporting period regarding anti-corruption:

In 2024, 100% of our employees have received training on our Code of Conduct including our zero tolerance towards bribery and corruption.

Our appointed compliance function has investigated any alleged or suspected cases where the guidelines may have been violated, as stated in the Whistleblower System Policy.

Expectations for the work related to anti-corruption going forward:

Xellia will continue with periodic risk assessments, due diligence procedures, and employee training and regularly assess if further activities are required.

Management's review

Statutory statement regarding data ethics in accordance with section 99d of the Danish Financial Statements Act

Xellia has implemented policies and procedures related to the EU General Data Protection Regulation (GDPR) in all areas, which are supported by training on our policies. The Xellia Data Privacy Policy sets out roles, responsibilities, and requirements when processing personal data to ensure compliance with the GDPR and EU Member States' data protection legislation.

Further, the Xellia Data Ethics Policy also included in the Xellia Sustainability Policy, applies to all forms of data processing, and describes how data ethics are considered and included in the use of data and design and implementation of technologies; especially new technologies used for processing data within Xellia. The policies apply to all employees at Xellia Pharmaceuticals (New Xellia Group A/S and its subsidiaries).

Our data ethical values:

• We work with data minimization and data protection by design and default when we develop new products.
• We strive to ensure that our use of data is not discriminatory, for example, against gender, ethnicity, or communities.
• We work with data in an open and transparent manner.
• We strive to ensure that data is not used in a way that misleads customers.
• We strive to ensure that our users get the most value possible from the data we collect.
• We are conscious that the data we collect can be useful for some, a burden for others, and be misused unintentionally.
• We strive to ensure diversity in our staff with data expertise – regarding skills, environment, and background.
• We strive to ensure that we possess the necessary competencies to manage data ethical dilemmas.
• We strive to ensure that our partners process data as we would ourselves in compliance with the GDPR and our standards.

During 2024, Xellia continued to train and inform key employees about its data ethics policy. There have been no cases or needs for decisions regarding data being used for different purposes than they were intended for.

Income statement January 1 - December 31

	Note	2024	2023
		TDKK	TDKK
Revenue	2	**1,599,382**	**1,986,816**
Cost of Sales	3	-1,562,369	-2,626,268
Gross profit		**37,013**	**-639,452**
Distribution costs		-62,739	-80,230
Administrative costs	3	-396,518	-247,832
Research and development costs		-185,809	-218,927
Other operating income and expenses	3	264,374	-595
Profit/loss before financial income and expenses		**-343,679**	**-1,187,036**
Income from investments in subsidiaries	3	107,258	12,912
Impairment losses on investments in subsidiaries	10	-17,314	-1,453,052
Reversal of impairment losses on investments in subsidiaries	10	1,121,116	0
Financial income	4	24,141	58,877
Financial expenses	5	-207,163	-73,441
Profit/loss before tax		**684,359**	**-2,641,740**
Tax on profit/loss for the year	6	144,607	256,839
Net profit/loss for the year		**828,966**	**-2,384,901**
Distribution of profit	7		

Balance sheet December 31

	Note	2024	2023
		TDKK	TDKK
Assets			
Technology and development projects		6,119	9,575
Rights and licenses		66,066	76,911
Goodwill		0	0
Software		8,155	18,249
Intangibles under construction		2,610	8,404
Intangible assets	8	**82,950**	**113,139**
Land and buildings	9	86,312	59,211
Plant and machinery	9	226,331	232,339
Fixtures and fittings, tools and equipment	9	24,661	27,838
Property, plant and equipment under construction	9	90,535	144,474
Property, plant and equipment		**427,839**	**463,862**
Investments in subsidiaries	10	1,293,451	205,324
Fixed asset investments		**1,293,451**	**205,324**
Total non-current assets		**1,804,240**	**782,325**
Raw materials		75,473	74,755
Work in progress		156,918	215,216
Finished goods		258,827	283,063
Inventories		**491,218**	**573,034**
Trade receivables		272,787	199,654
Receivables from group companies		496,729	256,994
Other receivables		33,171	124,593
Corporation tax		81,063	138,251
Prepayments	11	20,945	29,899
Receivables		**904,695**	**749,391**
Cash at bank		**315**	**252**
Total current assets		**1,396,228**	**1,322,677**
Total assets		**3,200,468**	**2,105,002**

Balance sheet December 31

	Note	2024	2023
		TDKK	TDKK
Equity and liabilities			
Share capital		201,000	201,000
Reserve for development expenditure		3,379	4,868
Retained earnings		-1,442	-831,897
Derivative		-40,483	28,254
Equity	12	**162,454**	**-597,775**
Provision for deferred tax	13	69,945	121,249
Total provisions		**69,945**	**121,249**
Mortgage loans		128,262	150,513
Lease obligations		681	1,310
Holiday allowance		42,967	42,184
Payables to group companies		344,919	313,629
Deferred income	16	31,724	14,236
Other payables		19,986	16,388
Total non-current liabilities	14	**568,539**	**538,260**
Short-term part of non-current liabilities	14	23,869	22,206
Trade payables		81,968	120,863
Payables to group companies		2,073,420	1,741,394
Other liabilities	15	220,273	158,805
Total current liabilities		**2,399,530**	**2,043,268**
Total liabilities		**2,968,069**	**2,581,528**
Total equity and liabilities		**3,200,468**	**2,105,002**
Staff	17		
Uncertainty about the continued operation (going concern)	18		
Subsequent events	19		
Contingent liabilities	20		
Financial instruments	21		
Related parties and ownership structure	22		
Fee to auditors appointed at the general meeting	23		

Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Derivative	Total
TDKK					
Equity at January 1, 2024	201,000	4,868	-831,897	28,254	-597,775
Other equity movements	0	0	0	-88,124	-88,124
Net profit/loss for the year	0	-1,489	830,455	0	828,966
Tax on other equity movements	0	0	0	19,387	19,387
Equity at December 31, 2024	**201,000**	**3,379**	**-1,442**	**-40,483**	**162,454**

	Share capital	Reserve for development expenditure	Retained earnings	Derivative	Total
TDKK					
Equity at January 1, 2023	201,000	6,354	1,551,518	-8,197	1,750,675
Other equity movements	0	0	0	46,733	46,733
Net profit/loss for the year	0	-1,486	-2,383,415	0	-2,384,901
Tax on other equity movements	0	0	0	-10,282	-10,282
Equity at December 31, 2023	**201,000**	**4,868**	**-831,897**	**28,254**	**-597,775**

Notes

1 Accounting policies

The Annual Report of Xellia Pharmaceuticals ApS for the period January 1 - December 31, 2024 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

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

The Annual Report is presented in TDKK.

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

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

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

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

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

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

Income statement

Segment information
Information on geographical markets and business segments are based on the companys' risks, profile and data in internal financial reporting systems. Geographical markets are regarded as the primary segments.

Segment assets comprise assets that are used directly in the segment's revenue-producing activities.

Notes

1 Accounting policies

Segment liabilities comprise liabilities resulting from the segment's operations, including trade payables and other payables.

Revenue

Revenue is derived from contracts with customers through the production and transfer of products across various product categories and within several geographical regions. Revenue is recognized in the income statement when the performance obligation is satisfied, and when all obligations stated in the contract are fulfilled. This is defined as the point in time when control of the products has been transferred to the buyer. The transfer of control to customers takes place according to trade agreement terms, Incoterms, and can vary depending on the customer or the specific trade.

Sales are measured at the fair value of the consideration received or receivable. When sales are recognized, the company records estimates for a variety of sales deductions, including product returns, rebates, and discounts. Sales deductions are recognized as a reduction of gross sales to arrive at net sales, by assessing the expected value of the sales deductions (variable consideration).

The company has entered into agreements with customers where the customer undertakes sales to third parties and the profit is distributed between the customer and the company based on a predetermined formula.

Income from sales & usage-based registration rights, royalties, licenses or similar are recognized as revenue when the company has fulfilled its performance obligation.

Cost of Sales

Cost of sales comprise the cost of goods sold. Cost includes the cost of raw materials, transport costs, consumables, and goods for resale, direct labor, and indirect costs of production, including operating costs, amortization, depreciation and impairments relating to manufacturing facilities, equipment, production related technology and amortization and impairments of development projects related to the company’s product portfolio. Cost of sales includes expenses in connection with quality assurance of products and any write-down to net realizable value of unsalable or slow-moving items.

Other operating income and expenses

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

Distribution costs

Distribution costs comprise costs in the form of salaries to sales and distribution staff, advertising, and marketing expenses as well as depreciation. Amortization of goodwill is included to the extent that goodwill relates to distribution activities.

Notes

1 Accounting policies

Administrative costs

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

Impairment losses on investments in subsidiaries

Impairment losses comprise the impairment on subsidiaries companies.

Research and development costs

Research and development costs comprise costs relating to development projects that do not qualify for recognition in the balance sheet and amortization of capitalized development projects.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realized and unrealized capital/exchange gains and losses on securities, liabilities and foreign currency transactions and amortization of financial assets and liabilities.

Income from investments in subsidiares

Dividends from subsidiaries are recognized as income in the income statement when adopted at the General Meeting of the subsidiary.

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

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Customer relationships and technology acquired in a business combination are recognized at fair value at the acquisition date.

Software

Software represents is measured at cost less accumulated amortization and write-downs. Amortization is made on a straight-line basis over the expected useful life, which is three to five years. Depreciation amortization begins when the asset is ready for use.

Notes

1 Accounting policies

Property, plant and equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition up until the time when the asset is ready for its intended use. In the case of assets under construction, cost comprises direct and indirect expenses for employee cost, materials, components, and contractors. Borrowing costs relating to both specific and general borrowing directly attributable to assets under construction with a lengthy construction period are recognized in cost during the construction period.

Land and assets under construction are not depreciated.

Depreciation based on the cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	13-40 years
Plant and machinery	5-13 years
Fixtures and fittings, tools and equipment	3-13 years

Depreciation is recognized in the income statement as of cost of sales, distribution costs and administrative costs respectively.

Gains or losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses from the disposal of property, plant and equipment are recognized in the income statement as other operating income/expenses.

Right of use assets

Right of use assets are measured at cost less accumulated depreciation and impairment losses adjusted for any re-measurements of the lease liability where initial cost is equal to the initial amount of the related lease liability.

Depreciation is straight-line on basis of the underlying contracts which are 1-10 years.

Notes

1 Accounting policies

Investments in subsidiaries

Investment in subsidiaries are recognized and measured at purchase price.

Dividends from subsidiaries are recognized as income in the income statement when adopted at the General Meeting of the subsidiary.

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

Technology and development projects and Rights and licenses

Technology and development projects are capitalized when the technology and development costs relate to new products or processes that are clearly defined and identifiable and the company can demonstrate a future economic benefit, the technical feasibility, sufficient resources, a future market, and the intention of completing the intangible asset and ability to use or sell it as well as measure reliably the expenditure attributable to the development. Furthermore, acquired technology and development assets, including milestone and upfront payments which are deemed to enhance the company's intellectual productions and sales rights are capitalized. Technology and development projects that do not fulfill these requirements are expensed. Ongoing development and technology projects are until finished classified as assets under construction.

Following the completion of the development work, development costs are amortized on a straight-line basis over the estimated useful life. The amortization period is usually five years.

Gains and losses on the disposal of development projects, patents and licenses are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognized in the income statement as other operating income or other operating expenses, respectively.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortization and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of an asset’s net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Notes

1 Accounting policies

Inventories

Inventories are measured at cost using the FIFO method. Where the net realizable value is lower than the cost, inventories are recognized at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

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

Production overheads include the indirect cost of materials, wages, and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management.

The net realizable value of inventories is calculated as the expected selling price less. The net realizable value is determined considering marketability, obsolescence and expected selling price movements.

Trade receivables

Trade receivables are recognized at the invoiced amount less expected losses for amounts considered irrecoverable (amortized cost). Expected losses are measured as the difference between the carrying amount and the present value of anticipated cash flow. Expected losses are assessed on major individual receivables or in groups at portfolio level based on the receivables' age and maturity profile as well as historical records of losses. The calculated expected losses are adjusted for specific significant negative developments in geographical areas.

Payment terms are typically 30 - 45 days.

Other receivables and prepayments

Other receivables and prepayments are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Receivables from group companies are measured at amortized cost, which is usually equivalent to nominal value.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognized as a liability at the date of declaration by the annual general meeting.

Capitalized development cost occurred from January 1, 2016 are reflected as a reserve in equity in accordance with the Danish Financial Act section 83.

Notes

1 Accounting policies

Corporation tax

Corporation tax liabilities and corporation 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.

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.

Liabilities

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

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

Deferred income

Deferred income is recognized when the company receive advance payments for delivery of products or services and the performance obligation is satisfied in future.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as financial income or financial expenses.

Notes

1 Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognized asset or liability are recognized in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognized in other receivables or other payables and in equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognized in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognized in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

Changes in the fair value of financial instruments concerning loans that are designated and qualify as hedges of net investments in independent foreign subsidiaries are recognized directly in equity.

The fair value of derivative financial instruments is calculated using inputs, other than quoted priced observable marked data for the asset or liability, either directly or indirectly. This is level II of the fair value hierarchy.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognized in the income statement on a current basis.

Cash flow statement

Pursuant to section 86 (4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. The financial statement of Xellia Pharmaceuticals ApS is included in the cash flow statement of the consolidated Annual Report of Novo Nordisk Fonden.

Notes

1 Accounting policies

Financial Highlights

Definitions of financial ratios.

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials x 100}}{\text{Average Total assets}}$
Return on equity	$\frac{\text{Profit/loss from ordinary operations after tax x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year-end}}$
EBIT margin	$\frac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$

Notes

		2024	2023
		TDKK	TDKK
2	**Revenue**		
	Revenue	1,599,382	1,986,816
	Total revenue	**1,599,382**	**1,986,816**
	Information on geographical segments		
	Europe	583,954	563,534
	North America	535,988	950,432
	South America	59,256	83,389
	Asia	380,335	367,401
	Other	39,849	22,060
	Total revenue	**1,599,382**	**1,986,816**
	Active Pharmaceuticals Ingredients - API	949,027	962,705
	Finished Dosage Forms - FDF	636,614	982,689
	Royalty	8,120	5,240
	License fee	-544	16,098
	Profit Share	6,165	7,806
	Interest revenue	0	12,278
	Total revenue	**1,599,382**	**1,986,816**

The geographical distribution of API revenue is based on the country in which the goods are delivered and FDF revenue is based on the market of authorization.

Notes

		2024	2023
		TDKK	TDKK
3	**Special items**		
	Impairment losses on intangible assets under construction presented as Cost of Sales	-5,794	0
	Reversal of impairment losses on intangible assets under construction presented as Cost of Sales	0	8,675
	Impairment losses on tangible assets presented as Cost of Sales	0	-196,702
	Costs of services related to disposal of shares and activities presented as Administrative costs	-49,196	0
	Gain on sales of activities presented as Other operating income and expenses	277,748	0
	Loss on sales of activities presented as Other operating income and expenses	-6,730	0
	Gain on sale of shares presented as Income from investment in subsidiaries	26,062	0
	Impairment losses on investments in subsidiaries	-17,314	-1,453,052
	Reversal of impairment losses on investments in subsidiaries	1,121,116	0
		1,345,892	**-1,641,079**
4	**Financial income**		
	Interest received from group companies	86	129
	Other financial income	14,186	11,882
	Foreign exchange adjustments	9,869	46,866
		24,141	**58,877**
5	**Financial expenses**		
	Interest to group companies	99,331	58,620
	Other financial expenses	10,122	13,937
	Foreign exchange adjustments	97,710	884
		207,163	**73,441**

Notes

		2024	2023
		TDKK	TDKK
6	**Tax on profit/loss for the year**		
	Current tax on profit / loss for the year	-115,356	-324,305
	Change in deferred tax	-5,908	66,827
	Adjustments of tax prior years	3,508	12,609
	Adjustments of deferred tax prior years	-26,851	-11,970
		-144,607	**-256,839**

7	**Distribution of profit**		
	Transferred to other statutory reserves	-1,489	-1,486
	Retained earnings	830,455	-2,383,415
		828,966	**-2,384,901**

8 Intangible assets

	Technology and development projects	Rights and licenses	Goodwill	Software	Intangibles under construction	Total
Cost at January 1, 2024	229,003	371,257	21,156	106,276	320,922	1,048,614
Additions	0	0	0	0	265	265
Disposals	0	0	-21,156	-1,419	0	-22,575
Transfers	0	0	0	265	-265	0
Cost at December 31, 2024	229,003	371,257	0	105,122	320,922	1,026,304
Amortization and impairment at January 1, 2024	219,428	294,346	21,156	88,027	312,518	935,475
Impairment	0	0	0	0	5,794	5,794
Amortization	3,456	10,845	0	10,176	0	24,477
Disposals	0	0	-21,156	-1,236	0	-22,392
Amortization and impairment at December 31, 2024	222,884	305,191	0	96,967	318,312	943,354
Carrying amount at December 31, 2024	**6,119**	**66,066**	**0**	**8,155**	**2,610**	**82,950**
Useful lives	5-15 years	5-20 years	20 years	3-5 years		

Notes

9 Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at January 1, 2024	401,808	984,335	63,331	447,973	1,897,447
Additions	0	0	0	42,163	42,163
Disposals	0	-13,378	-1,654	0	-15,032
Transfers	38,069	51,780	6,253	-96,102	0
Cost at December 31, 2024	439,877	1,022,737	67,930	394,034	1,924,578
Depreciation and impairment at January 1, 2024	342,597	751,996	35,493	303,499	1,433,585
Depreciation	10,968	57,625	8,865	0	77,458
Disposals	0	-13,215	-1,089	0	-14,304
Depreciation and impairment at December 31, 2024	353,565	796,406	43,269	303,499	1,496,739
Carrying amount at December 31, 2024	**86,312**	**226,331**	**24,661**	**90,535**	**427,839**
Useful lives	13-40 years	5-13 years	3-13 years		

The company has contractual obligations at December 31, 2024 regarding purchase of equipment's amounting to MDKK 0.0 (2023: MDKK 0.4)

Capitalization of interest related to tangible assets under construction in 2024 amounts to TDKK 0,0 (2023: TDKK 7,858). A capitalization rate of 7.63% in 2024 (2023: 6.88%) has been applied.

The residual value of the company's tangible assets are reviewed annually.

Notes

		2024	2023
		TDKK	TDKK
10	**Investments in subsidiaries**		
	Purchase price at January 1	1,658,376	1,658,376
	Additions	19	0
	Disposals for the year	-15,694	0
	Purchase price at December 31	1,642,701	1,658,376
	Revaluations at January 1	-1,453,052	0
	Revaluations for the year, net	1,103,802	-1,453,052
	Revaluations at December 31	-349,250	-1,453,052
	Carrying amount at December 31	**1,293,451**	**205,324**

Investments in subsidiaries are specified as follows:

Name	Registered Office	Ownership/ Votes	Equity	Profit/loss for the year
Xellia Pharmaceuticals Ltd. (THUF)	Hungary	100.00%	9,119,699	-1,365,737
Nippon Axellia Co. Ltd. (TJPY)	Japan	100.00%	60,558	1,005
Xellia Pharmaceuticals Inc. (TUSD)	USA	100.00%	156,956	1,117
Xellia Pharmaceuticals USA, LLC (TUSD)	USA	100.00%	122,458	74,607
Xellia Hong Kong Limited (THKD)	Hong Kong	100.00%	99,105	-1,927
Xellia (Taizhou) Pharmaceuticals Company Ltd (TCNY)	China	51.00%	258,786	27,426
Xellia Pharmaceuticals d.o.o. (TEUR)	Croatia	100.00%	70	68
Xellia Pharmaceuticals Private Ltd. (TINR)	India	99.99%	161,540	13,501
Xellia Pharmaceuticals Shanghai Co., Ltd. (TCNY)	China	100.00%	1,901	-7

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

11 Prepayments

Prepayments comprise prepaid expenses related to third-party services and insurance premiums.

12 Equity

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

Notes

		2024	2023
		TDKK	TDKK
13	**Provision for deferred tax**		
	Provision for deferred tax at January 1	121,249	54,557
	Change for the year recognised in the income statement	-32,759	54,857
	Change for the year recognised in equity	-18,545	11,835
	Provision for deferred tax at December 31	**69,945**	**121,249**
	Provisions for deferred tax on:		
	Intangible assets	20,520	27,163
	Property, plant and equipment	23,075	25,377
	Inventories	52,581	66,415
	Other taxable temporary variances	-26,231	2,294
		69,945	**121,249**

14 Non-current liabilities

	Non-current liabilities at Jan. 1, 2024	Non-current liabilities at Dec. 31, 2024	Instalment next year	Non-current liabilities after 5 years
Mortgage loans	150,513	128,262	22,601	32,360
Lease obligations	1,310	681	817	0
Holiday allowance	42,184	42,967	451	39,792
Payables to group companies	313,629	344,919	0	0
Deferred income	14,236	31,724	0	0
Other payables	16,388	19,986	0	0
	538,260	**568,539**	**23,869**	**72,152**

Xellia Pharmaceuticals ApS' land, buildings, plant and machinery and property, plant and equipment under construction are pledged in favour of the mortgage loan from Realkredit Danmark. Per December 31, 2024 total carrying amount of land and buildings including plant and machinery and property, plant and equipment under construction is MDKK 403.1.

Notes

		2024	2023
		TDKK	TDKK
15	**Other liabilities**		
	Wages/salaries, salary taxes, holiday allowance and social security contributions	97,042	68,119
	Other accrued expenses	90,497	90,686
	Derivative financial instruments liabilities	32,728	0
		220,267	**158,805**

16 Deferred income

The company entered into long-term contracts with customers, where the company received advance payments for non-distinct performance obligations. The performance obligations are to be delivered after 1 year from the balance sheet date.

The long-term contracts include financing elements. The interest rate used is equal to the company's borrowing rate at the commencement dates. The total amount of interest in deferred income for 2024 is TDKK 1,130 (2023: TDKK 3,371).

Notes

		2024	2023
		TDKK	TDKK
17	**Staff**		
	Wages and Salaries	433,186	432,495
	Pensions	45,682	51,347
	Other social security expenses	5,500	6,788
		484,368	**490,630**
	Wages and Salaries, pensions and other social security expenses are recognised in the following:		
	Cost of Sales	387,362	411,353
	Distribution costs	24,211	24,312
	Administrative costs	52,723	35,812
	Research and development costs	20,072	19,153
		484,368	**490,630**
	Number of fulltime employees on average	547	650

According to section 98B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

18 Uncertainty about the continued operation (going concern)

The parent company New Xellia Group A/S has issued a Letter of support to which the parent company will provide any support necessary for Xellia Pharmaceuticals ApS to fulfil its obligations until January 1, 2026.

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

19 Subsequent events

After the balance sheet date, the following significant subsequent event occurred in the period between the end of the financial year and the Board of Directors' adoption of the annual report.

The parent company New Xellia Group A/S held a Board of Directors meeting on 18 February 2025, and budget and plans for gradual closure of the production site in Copenhagen over a ten-year period was approved. The detailed planning and design of this is an ongoing process that is affected by capital and operating expenditures as well as geopolitical factors.

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

Notes

20 Contingent liabilities

Pending disputes, litigations and claims

The company and subsidiaries are currently involved in pending disputes, litigations and claims arising out of the normal course of business. For the cases where the Xellia Group has an uncapped, infinitive indemnification right from the former owners of the Group, management has taken this into consideration in determining the appropriate provision. Management does not expect any pending disputes, litigations and claims to have a material impact on the company's financial position, operating profit, or cash flows.

Joint taxation

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.

Contract condition

Xellia has commitments in contracts with some customers to pay for additional costs that the customers eventually will have in case that it is not possible for Xellia to deliver confirmed orders. The amount required to meet such commitments cannot be estimated.

Borrowings

In December 2024, the parent company New Xellia Group AS and the company entered into a 200,0 MUSD Club Facilities Agreement with Danske Bank and Nordea. The facilities consist of a 100,0 MUSD committed term loan facility and a 100,0 MUSD committed revolving loan facility. The termination date is December 23, 2027 with an option to extend the loan with 1+1 years subject to lender consent. The 200,0 MUSD Club Facilities agreement with Danske Bank and Nordea replaces the 430,0 MUSD Senior Club Facilities agreement with Danske Bank and Nordea, which was signed in November 2022. The outstanding loans under the previous 430,0 MUSD Senior Club Facilities were repaid in connection with the closing transactions of the 200,0 MUSD Club Facilities Agreement with Danske Bank and Nordea.

Notes

20 Contingent liabilities (continued)

Per December 31, 2024 the Group has utilized 100,0 MUSD of the 100,0 MUSD committed term loan facility and the remaining available commitment under the term loan facility is 0,0 MUSD. The rate of interest is the aggregate of a 1,1% margin and the reference rate (3M SOFR). Per December 31, 2024, the interest rate is 5,75%.

The borrowed amount is utilized and presented as borrowings by the parent company New Xellia Group A/S.

The Group has one overdraft credit line. The Group's overdraft facility at Danske Bank is MUSD 10,0 of which a total of MUSD 0 is drawn.

Xellia Pharmaceuticals ApS and New Xellia Group A/S have joint and several liability for the unsecured Facilities Agreement with Danske Bank and Nordea. In addition, the Group has a negative pledge associated with the Facilities Agreement with Danske Bank and Nordea which limits the amount of security which the Group may offer to 3rd parties.

In 2016, Xellia Pharmaceuticals ApS entered a mortgage loan of MDKK 240,0 with Realkredit Danmark covering the buildings and equipment owned by Xellia Pharmaceuticals ApS. In 2024, Xellia Pharmaceuticals ApS has repaid MDKK 20,8, and the mortgage principal was reduced to MDKK 151,6 by the end of 2024. Furthermore, Xellia Pharmaceuticals ApS has capitalized mortgage loan cost which will be amortized over the period of the mortgage loan. As per end 2024, the capitalized mortgage loan cost is MDKK 0,8.

The mortgage loan is based on a 15 year loan period. The initial 5 years are based on interest only followed by 10 years of annuity. The mortgage loan carries a rate which is hedged by a fixed interest rate at 1.142% p.a. for the whole loan period. In addition, Xellia pay a contribution fee of 0.725% p.a. to the mortgage institute.

Xellia Pharmaceuticals ApS and New Xellia Group A/S have joint and several liability for the secured mortgage loan with Realkredit Danmark and the unsecured overdraft facility with Danske Bank as well the derivatives agreements with Danske Bank and Nordea.

Notes

21 Financial instruments

Forward exchange contracts

The overall objective of foreign exchange risk management is to reduce the short- term negative impact of exchange rate fluctuations on EBITDA and cash flow, thereby contributing to the predictability of the financial results.

The company hedges future expected EBITDA cash flows up to 12 months forward. Hedge accounting is applied to match the impact of the hedged item and the hedging instrument in the income statement.

The foreign exchange contracts are entered into to hedge the functional currency equivalent of the predominantly USD dominated sales.

Xellia Pharmaceuticals ApS are exposed to variability in foreign currency on highly probable USD future income as well as highly probable future payments in DKK and HUF. Xellia Pharmaceuticals ApS expenses in DKK cover salaries and purchase of raw materials and services. Xellia Pharmaceuticals ApS expenses in HUF cover purchase of products manufactured by Xellia Pharmaceuticals Ltd. (Hungary) and services delivered by Xellia Pharmaceuticals Ltd. (Hungary).

During 2024, the hedging horizon varied between 15 and 26 months for DKK and HUF. The average hedged rate for the forward foreign currency hedge contracts are 6.81 USD/DKK and 420 USD/HUF in 2024 and 6.77 USD/DKK and 377 USD/HUF in 2025.

There is no ineffectiveness at December 31, 2024, primarily because hedging instruments match currencies of hedged cash flows.

Derivative financial instruments are recognized at fair value based on a valuation report prepared by an external party who valuates the instruments based on discounted cash flows.

The company's foreign exchange contracts at the end of December are:

			Contractual value		Realized gains and losses recognised in income statement	
TDKK		Period	2024	2023	2024	2023
USD/DKK		< 1 year	685,714	678,198	-58,737	30,529
USD/HUF		< 1 year	85,714	64,749	0	326
			771,428	**742,947**	**-58,737**	**30,855**

Notes

22 Related parties and ownership structure

Controlling interest

Xellia Group ApS, Denmark holds the majority of the share capital in the company.
Xellia Group AS, Norway holds the majority of the share capital in Xellia Group ApS.
Otnortopco AS, Norway holds the majority of the share capital i Xellia Group AS.
New Xellia Group A/S, Denmark holds the majority of the share capital in Otnortopco AS.
Xellia Holdco A/S, Denmark holds the majority of the share capital in New Xellia Group A/S.
Novo Holdings A/S, Denmark holds the majority of the share capital in Xellia Holdco A/S.
Novo Nordisk Fonden, Denmark holds the majority of the share capital in Novo Holdings A/S.

Transactions

Pursuant to section 98c(7) of the Danish Financial Statements Act, transactions with related parties have not been disclosed in the financial statements as they have been made on an arm's length basis.

Ownership structure

According to the company’s register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Xellia Group ApS, Dalslandsgade 11, DK-2300 Copenhagen S.
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.

23 Fee to auditors appointed at the general meeting

	2024 TDKK	2023 TDKK
Audit fee	1,065	1,200
Tax services	5,134	864
Other audit related fees	2,595	407
	8,794	**2,471**