

***AJ Vaccines Holding ApS***  
Artillerivej 5, DK-2300 Copenhagen S  
**Annual Report for 1 January - 31  
December 2024**

CVR No 38 31 57 73

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
30 June 2025

Chairman of the General Meeting  
Grant Lawrence, CFO

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## Management's Statement

The Executive Board have today considered and adopted the Annual Report of AJ Vaccines Holding ApS for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations as well as cash flows for 2024.

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, 30 June 2025

### **Executive Board**

Abdulaziz Abdulhamid  
Abdulrhman Albassam  
CEO

Tarek Sherif Ahmed Abbas  
Hegazy

Mustafa Nasir Farooki

Saddam Abdulqawi Hussein  
Alhumaikani

Muhammed Ali A. Alesayi

# Independent Auditor's Reports

To the Shareholder of AJ Vaccines Holding ApS

## **Opinion**

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

We have audited the Consolidated Financial Statements and Parent Company Financial Statements of AJ Vaccines Holding ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("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 Group 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 Financials Statements Act.

## Independent Auditor's Reports

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

### **Management's responsibilities for the Financial Statements**

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent 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.

## Independent Auditor's Reports

- 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 Group's and 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 Group's and 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 Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion of the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 30 June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Torben Jensen

State Authorised Public Accountant

mne18651

Claus Carlsson

State Authorised Public Accountant

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## Company Information

### **The company**

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CVR No: 38 31 57 73  
Financial period: 1 January – 31 December  
Municipality of reg. office: Copenhagen

### **Executive Board**

Abdulaziz Abdulhamid Abdulrhman Albassam, CEO  
Mustafa Nasir Farooki  
Tarek Sherif Ahmed Abbas Hegazy  
Saddam Abdulqawi Hussein Alhumaikani  
Mohammed Ali A-Alesayi

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Financial Highlights

The development of the Group is described by the following financial highlights:

<b>Key figures</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
Revenue	412.969	468.886	423.175	368.067	362.250
Gross profit/loss*	(587.049)	(30.723)	(64.032)	(245.328)	(311.564)
Operating profit/loss	(767.597)	(216.706)	(231.827)	(460.392)	(442.217)
Profit/loss before financial income and expenses	(767.302)	(206.882)	(227.963)	(450.667)	(427.843)
Net financials	(37.902)	(86.095)	(292.098)	(273.243)	41.317
Net profit/loss for the year	(805.127)	(293.446)	(519.341)	(721.899)	(384.203)
<b>Balance sheet</b>					
Total assets	998.260	1.511.826	1.484.930	1.451.138	1.735.402
Equity	409.994	929.253	(1.238.217)	(1.188.621)	(716.627)
<b>Cashflow</b>					
Cashflow from operating activities	(200.552)	(246.459)	(228.488)	(231.662)	(260.741)
Investment activities	(42.676)	(12.787)	(39.917)	(18.699)	(130.862)
- Including investment in property, plant and equipment	(18.369)	(21.512)	(39.917)	(18.632)	(72.903)
Financing activities	250.327	189.900	329.658	252.967	352.059
Change in cash and cash equivalents for the year	3.272	(78.836)	61.253	2.606	(39.544)
Number of employees	581	577	575	558	722

\*) For 2020 another principle was used for allocation of the cost by nature to cost by function

# Management's review

## Key activities

AJ Vaccines Group ("AJV"), a biopharmaceutical group, specialized in developing and manufacturing innovative vaccines, diagnostics, and innovative therapeutic products. The group's portfolio includes stand-alone and combination vaccines for polio, tuberculosis control, and treatment for non-muscle invasive bladder cancer. AJV is involved in the entire manufacturing process, from producing bulk to filling and packaging the final products for global distribution.

## Our vision is becoming more relevant

AJV vision is "Together we keep the world safe." This powerful statement embodies our commitment to creating a world free from serious diseases, generation after generation, life by life. This vision profoundly influences all aspects of what we do, ensuring that every initiative undertaken supports the overarching goal of protecting and preserving lives.

## 2024 – A Challenging Year

2024 results were significantly below expectations, with revenue and earnings below budget, primarily due to delays in key product sales. The positive highlights were the Tetanus restart project executed to plan. Positive dialog established with FDA on BCG culture. By horizontal alignment the group focused on achieving the improved manufacturing volumes and productivity for BCG. We will continue to grow our core business, and we expect to make progress on each of our potential growth initiatives to safeguard and accelerate AJV's short- and long-term value potential.

2024 is negatively impacted by an impairment of DKK 565m as a consequence of the decision to phase out Picovax business. The impairment is split on intangible and tangible assets with DKK 496m and on inventory with DKK 69m. As mentioned in the outlook, the decision was made in response to unfavorable market conditions and significant financial challenges associated with Polio vaccine business.

## Strategy

The group's immediate focus is on achieving continuous growth and improving profitability. Management has identified significant opportunities for growth by transforming AJV into a performance and commercially focused business.

One such opportunity lies in the further expansion of BCG Culture for the standard treatment of non-muscle invasive bladder cancer. BCG Culture holds compelling commercial potential, and obtaining additional market authorization coverage would significantly expand the addressable market.

In addition, the management has decided to discontinue the polio business over the next three years with bulk production stop in early 2025, while still fulfilling our supply commitments for the next two years.

## Market overview

AJ Vaccines operates on several different pharmaceutical product markets. Both the vaccine market for its classic vaccines; BCG Vaccine (Tuberculosis), Picovax (Polio) and Tetanus Diphtheria (Td), as well as Tuberculosis testing market for AJV Tuberculin test (TB test), and the market for bladder cancer treatment where AJV offers the Vesiculture (BCG Culture) product for treatment of non-muscle invasive bladder cancer.

## Vaccine Market:

80% of the vaccine market is patent driven and dominated by five multinational pharmaceuticals, Pfizer., Merck & Co., Sanofi, GlaxoSmithKline, and Johnson & Johnson. The most significant production volumes however are

## Management's review

supplied by vaccine dedicated companies, the largest of which located in countries where cost of manufacturing is more competitive like India (i.e., Serum Institute of India) and China (i.e., Sinovac, Sinopharm). AJV is not in competition with these big market players but rather complementing where the market needs exist. AJV niche of generic products are well established and positioned with a portfolio of marketing authorizations and WHO prequalified status for 2 vaccines.

AJV sells BCG Vaccine (Tuberculosis), Picovax (Polio) and Tetanus Diphtheria vaccine (Td ) globally via local distributors network and often via tender business processes.

### Tuberculosis testing market:

AJV produces, distributes and sells AJV Tuberculin (Mantoux TB test) in several global markets. The Tuberculosis testing market has experienced in recent years a volume increase in actual numbers of diagnostic tests performed. This growth is amongst other things driven by increases in Tuberculosis incidents globally. Increased travel activity by the world population is amongst other things the reason behind the increase (airborne transmission from person to person), however the introduction of the IGRA TB test (blood sample based) in combination with national guidelines to increase TB testing has facilitated an increasing TB test volume market. Recently Sanofi has made an exit of the Mantoux TB test market and withdrawn their test from the market. This is providing more opportunities for AJV Tuberculin TB test.

### Bladder Cancer Market:

AJV produces, distributes and sells Vesiculture on the Bladder Cancer Market. Vesiculture is BCG Culture product and is recommended globally as a first line treatment for patients diagnosed with non-muscle invasive bladder cancer. The volume market for bladder cancer is increasing with, e.g. 80.000 new bladder cancer patients yearly diagnosed in the USA. Same trend is reported in Europe and Rest of World International markets, eg. China. The Bladder Cancer Market is dominated by Tice (BCG Culture from Merck), however Merck, is not able to manufacture enough treatments, thus there is a shortage of treatment in several markets, e.g. USA. 2-3 years ago, this shortage was also seen in Europe. However, the German based company Medac, BCG culture manufactured by - SSI India, has launched in Europe and is currently market leader. AJV sees with Vesiculture major opportunities for sales growth in the bladder cancer market, both in Europe, USA and International Markets.

## **Statement of corporate social responsibility in accordance with the Danish Financial Statement Act 99a**

Our business model is described under Key activities in this Management's review

AJV has in 2020 initiated the official certification process to comply with the requirement for containment of poliovirus in accordance with WHO's Global Action Plan to eradicate polio (GAPIII). The official Certificate of Participation (CP) was endorsed and issued to AJ Vaccines in July 2020 by the Global Certification Commission for Polio Eradication. The WHO published a revised Global Action Plan (GAPIV) in 2022. AJV has finalized the implementation of GAPIV in 2024 by the completion of the official certification audit conducted by the National Authority of Polio-containment.

As a global pharmaceutical group, we support the United Nation's Sustainable Development Goals that aim to ensure a sustainable future by addressing social, environmental and economic challenges across the globe. We contribute by protecting people from serious infectious diseases across generations; hence our support initiatives are focused on UN Goal 3 (Health) and 17 (Partnerships).

# Management's review

## **1. RESPONSIBLE MANUFACTURING**

### *1.1 Policy*

We endeavor to protect the environment and reduce our carbon footprint by monitoring and reducing the environmental impact of our business activities. Related to our manufacturing of vaccines, we comply with all regulatory requirements in this area. Furthermore, we strive to reduce the environmental impact of all our business activities.

### *1.2 Risks*

AJ Vaccines acknowledges that there is an inherent risk of negatively impacting the environment and climate through our manufacturing. We have identified our main environmental impact to be release of infectious substances, energy consumption and noise emissions. How we control and reduce our impact is described below.

### *1.3 Actions*

The environmental work is headed by our department for Environment, Health and Safety that facilitates the implementation and monitoring of our environmental permits and our environmental management system is anchored.

Our environmental management system in accordance with the CWW BREF ensures continuous environmental improvements and compliance with legislative requirements.

Examples of how we control and reduce our environmental impact:

- Ensuring a systematic approach to monitor adherence to environmental permits
- Conducting internal audits to ensure legislative compliance
- Ensuring compliance regarding containment requirements
- Maintaining a biorisk management system in compliance with WHO requirements (GAPIV)
- Continuously working on yield improvements and scrap reductions on API-production and finished products
- Reducing energy consumption by initiating energy-saving measures and define reduction targets on a continuous basis.

### *1.4 2024 Result's*

Based on our continuing efforts in this area in 2024, it is our belief that we have succeeded in demonstrating that AJV is a responsible manufacturer as we have seen a reduction in the environmental impact of our business activities by implementing optimizations of our manufacturing processes resulting in significant improvements of our yields.

Further regarding legislative compliance related to our handling and containment of polio virus, the National Authority of Polio-Containment conducted a 10-day GAPIV certification audit assessing our Biorisk Management System.

Our energy consumption remained at a similar level as for 2023 even though we increased production activities.

## **2. RESPONSIBLE EMPLOYER**

### *2.1 Policy*

Health and Safety at work

We are committed to ensuring that our employees have a safe working environment. Thus, relevant training and protective equipment are provided to all employees. Furthermore, we encourage and support a proactive approach to prevent and mitigate accidents and incidents related to our safety risks.

## Management's review

Having a highly skilled and engaged workforce is key to the success of our group and we believe that one of the most relevant factors in this regard is a combined focus on the physical and psychological working conditions for and the wellbeing of our employees.

In this regard we have implemented regular surveys to monitor employee satisfaction and engagement. The responses provide us with an indication as to how engaged and motivated our employees are as well as how well AJV is managed as a group. The results also assist us in identifying action areas in our drive for continuous improvements towards an attractive workplace.

In addition to the above we strongly support the “Universal Declaration of Human Rights” and the “ILO Declaration of Fundamental Principles and Rights at Work” and do not tolerate offensive behavior in any form.

### *2.2. Risks*

Despite the above-mentioned efforts we acknowledge that there are risks within our activities that potentially can result in injuries and have a negative impact on the working environment of our employees. To ensure a safe working environment we encourage registration and mitigation to prevent work-related incidents, as well as prioritize to conduct Workplace Assessments and Risk Assessments in close collaboration with the Safety Organization and management.

To ensure that we adhere to our policies and act on identified risks, we have taken the following measures, among others:

- Ensure new employees receive safety related information and training targeted their specific tasks
- Use an electronic system to register all accidents and near miss incidents and perform mitigating actions by identifying root causes and establishing the needed action plans to ensure a proactive approach to accident prevention.
- Prioritize Risk Assessments targeted chemical- and biological safety.

### *2.3. Actions*

To ensure that we adhere to our policies and commitments to protect human and labor rights as well as to act on identified risks, we have taken the following measures, among others:

- We have conducted employee engagement surveys. Following up with workshops to ensure prioritization and alignment with the results of the survey.
- We have conducted corporate Workplace Assessments including all our workplaces and potential risk scenarios.
- We have increased our focus on and encouraged a proactive safety mindset by increasing our number of Safety Walks.
- We have, as a part of our compliance efforts, implemented policies and processes to ensure adherence to the EU General Data Protection Regulation and thereby protection of personal data and the right to privacy.
- We have conceptualized Performance and Development Dialogue (PDD) ensuring a continuous focus on our employee's well-being, personal development and performance. The PDD naturally addresses the findings and key conclusions of the employee engagement surveys.
- We train our leaders to drive the transformation of our group, people and culture.

### *2.4. 2024 Results*

Based on our continuing efforts in this area, in 2024 it is our belief that we have succeeded in showing that AJV is a responsible employer as the corporate Workplace Assessment demonstrated very positive results in relation to the sufficiency of our safety- training and instructions, our legislative compliance as well as the management of our most significant risks related to biological and chemical safety. We have also increased our focus on the wellbeing of our employees.

AJV will continue to work and have focus on making actions to comply with the policies for human rights.

# Management's review

## **3. RESPONSIBLE BUSINESS**

### *3.1 Policy*

Business ethics and integrity are core values at AJV and we are committed to maintain high professional standards across all areas of our activities. We have a zero-tolerance policy regarding corruption and bribery in all its forms. AJV is working with the UN sustainability development goals are supporting human rights via this work. We take pride in complying with the regulations concerning “Good Manufacturing Practices”, “Good Pharmacovigilance Practices” and “Good Distribution Practices” that apply to our products. We are also highly aware of our ability to contribute positively to the surrounding society with our specific skills and products.

### *3.2 Risks*

We assess our risk of exposure to corruption in connection with our business to be low. However, we take corruption and bribery in all its forms as very serious. We have implemented policies and procedures to prevent our employees from being exposed to and engaging in such activities. The handling of these risks is described in the sections below.

### *3.3. Actions*

We have implemented ambitious standards for ethics and integrity through several instruments. Some examples are:

- Our “Group Rules of Procedures” provides employees with guidance on our strict practice on gifts and the risk of conflict of interest.
- We have clear procedures and controls in place regarding signing and approving contracts and invoices on behalf of AJV.
- We comply with regulations on human and animal trials, and we are reducing our use of animal tests.

### *3.4. 2024 Results*

The result of our ethical business practices is that no incidents related to corruption or human rights issues have been reported in 2024, and we continue to have a good reputation and legacy as being an ethical and trustworthy business partner.

AJV will continue to work proactively and take actions to comply with the policies for corruption and bribery.

## **4. Outlook for the future**

We plan to continue our efforts in the following area's in the coming years:

- Further reducing our environmental impact by continuously setting objectives and targets for our environmental improvements
- Implement requirements from the revised EU Industrial Emissions Directive and the WGC BREF
- Supporting Global Polio Eradication Initiative by obtaining a WHO endorsed certification of our Biorisk Management System according to GAPIV.
- Supporting United Nation's Sustainable Development Goals related to Health and Partnerships
- Further improving the health and safety of our employees by ensuring a proactive approach to accident prevention and continuously setting objectives and targets for health and safety related improvements
- Proactively conduct Workplace- and Risk Assessments and ensure legislative compliance.

### **Privacy in accordance with the Danish Financial Statements Act 99d**

AJV is committed to transparency and ethical data practices, as outlined in our Data Ethics Policy. This policy underscores our values of dignity, privacy, self-determination, and equality as well as our commitment to being a

## Management's review

trustworthy group for customers, suppliers, authorities, employees, and patients when it comes to data. The scope of this policy encompasses all data, especially personal data, across AJ Vaccines, ensuring a consistent approach to data ethics.

In addition to our Data Ethics Policy, we have implemented comprehensive data protection policies, including technical and organizational measures, to safeguard personal data. Our commitment extends to inter alia raising awareness and providing training to employees involved in processing activities.

These policies aim to ensure that personal data is processed legally, transparently, and with utmost care, emphasizing its relevance, correctness, and limited retention.

All employees have received GDPR and data training and going forward all new employees will get trained as part of their introduction program. In 2024 AJ Vaccines will keep the same level of effort to secure that AJV complies with the above-mentioned policies and new employees receive the training in GDPR and data.

## Financial Statements

In 2024 revenues were DKK 413m (2023: DKK 469m). Loss for the year DKK-805m (2023: DKK DKK-293m) primarily impacted by the impairment from Picovax. Revenue was just below expectations for the year due to (timing of sales from end 2024 to beginning of 2025). EBIT was below expectation for the year due to the IPV impairment. As of 31st December 2024, the Group had free cash and cash equivalents of DKK 9m (2023: DKK 6m).

### *Income Statement*

#### *Revenue*

Revenue for the period was DKK 413m (2023: DKK 469m). Revenue from vaccines sales was DKK 406m (2023: DKK 461m). Revenue from other product sales and contract work amounted to DKK 7m (2023: DKK 7m).

#### *Cost of Sales*

Cost of sales total DKK 1.000m (2023: DKK 499m). For the year 2024, the cost increased due to the impairment from Picovax DKK 569m.

#### *Development Expenses*

The total research and development cost total 2024 DKK 22m (2023: DKK 17m) which relates to the other product development and product improvement activities.

#### *Sales and distribution expenses and administrative expenses*

The sales and administrative cost are in total DKK 141m (2023: DKK 150m). The cost for 2024 decreased due to partly lower activities and fewer employees.

#### *Financial income and financial expenses*

Financial income was DKK 0,6m (2023: DKK 68m). Income was primarily due to FX gains on working capital.

Financial expenses amounted to DKK 39m (2023: DKK 154m) of which DKK 8m (2023: DKK 124m) was interest expense on loans and DKK 11m (2023: DKK 6m) due to FX loss and DKK 20m (2023: DKK 24m) was interest expenses related to lease liabilities.

#### *Other operating income*

Other income was DKK 0,3m (2023: DKK 10m). Other income is smaller amounts related to deferred income releases.

#### *Tax on loss for the year*

Tax for the year was DKK 0,1 (2023: DKK -0.1m) corresponding to a tax rate under 1% (2023: under -1%)

## Management's review

### *Liquidity and capital resources*

As of 31 December 2024, AJ Vaccines had free cash and cash equivalents of DKK 9m (2023: DKK 6m).

### *Currency risk*

Currency risk includes the risk arising from sales contracts being denominated in currencies other than Danish kroner. Contracts are primarily in DKK, USD and EUR, meaning that other currencies do not represent significant currency risks.

The exposure from fluctuations in USD is decreased because a significant part of the exposure relates to three USD denominated loans. These loans are not hedged.

### *Balance Sheet*

The balance sheet total was DKK 998m as of 31 December 2024 (2023: DKK 1,511m).

### *Assets*

The intangible assets are DKK 89m (2023: DKK 234m).

Tangible assets are DKK 289m (2023: DKK 676m).

Additions for the year are primarily related to investment related to Lab Information Systems, manufacturing equipment.

Inventories 31 December 2024 DKK 532m (2023: DKK 452m) of which finished goods amounted to DKK 31m (2023: DKK 53m) net of write-down. Increase in inventory before impairment relates to an improvement of yield outputs from production.

Receivables and prepayment 31 December 2024 DKK 78m (2023: DKK 144m) of which trade receivables amounted to DKK 47m (2023: DKK 116m).

As of 31 December, 2024 cash and cash equivalents are DKK 9m (2023: DKK 6m).

### *Equity*

After the transfer of the loss for the year and the capital contribution for the year the equity is DKK 410m (2023: DKK 929m).

The reason for the net increase in equity is because of conversion of remaining loan balances to the immediate parent company as of 31 December 2024 to equity contribution to a total capital increase of DKK 289m and impairment on assets and inventory of DKK 569m.

### **2025 Outlook**

On January 29 2025 the Group announced the decision to phase out its Polio (Picovax) production as part of its strategy to ensure a sustainable and competitive future. This decision was made in response to unfavorable market conditions and significant financial challenges associated with Polio vaccine production.

The polio business has been a financial burden for AJV for several years, with annual losses ranging between DKK 110–140 million. The market is characterized by excess capacity, intensified international competition, and declining prices, making it difficult to sustain profitable production. A gradual phase-out will ensure a responsible transition, by 2027 while honoring existing supply agreements. This approach will ensure a stable supply to customers and partners during the phase-out period. The decision also allows for a reallocation of resources toward high-value products and markets with greater growth potential.

Although this decision will result in redundancies, it is necessary to eliminate recurring financial losses and establish a solid foundation for future growth.

## Management's review

Focus on the Future. The phase-out of Polio is an important part of AJV' development towards becoming a broadly based healthcare Group. Moving forward, the Group will focus on high-value products, including tuberculosis products (BCG Vaccine and Tuberculin), treatment of non-muscle invasive bladder cancer (BCG Culture), and immunization against Diphtheria and Tetanus (dT Vaccine), which are expected to drive growth in the coming years.

During the next years, we aim to secure an alternative utilization of our polio facility, which is based on the widely used VERO-Cell technology.

Management estimates to improve the poor 2024 sales performance with organic growth in 2025 of 15%-20%, and an improvement in EBIT versus 2024 due to the IPV shut-down impairment. EBIT improvement will be in range of DKK 575-585 million in 2025 versus EBIT in 2024. The Company is still in a turnaround phase and funding from the owners is still required.

### **Uncertainty relating to recognition and measurement.**

In connection with the preparation of the financial statements. Management has made several estimates and assumptions concerning carrying amounts. Management has made the following accounting judgments which significantly affect the amounts recognized in the financial statements.

- Impairment of assets
- Inventories. including impairment and production overheads

The carrying amounts of plant and equipment carried at cost or amortized costs are tested annually to determine whether there are indications of any impairment more than that expressed in normal depreciation. If that is the case the asset is written down to the recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Impairment losses on property, plant and equipment are recognized under the same line items as depreciation of the assets.

## Income Statement 1 January – 31 December

	<u>Note</u>	<u>Consolidated</u>		<u>Parent</u>	
		<u>2024</u> TDKK	<u>2023</u> TDKK	<u>2024</u> TDKK	<u>2023</u> TDKK
Revenue	2	412.969	468.886	0	0
Cost of sales	3	<u>(1.000.018)</u>	<u>(499.609)</u>	<u>0</u>	<u>0</u>
<b>Gross loss</b>		<b><u>(587.049)</u></b>	<b><u>(30.723)</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
Sales and distributions expenses	3	(16.839)	(18.021)	0	0
Development expenses	3	(22.437)	(17.484)	0	0
Administrative expenses	3	<u>(141.272)</u>	<u>(150.478)</u>	<u>(649)</u>	<u>(697)</u>
<b>Operating profit/loss</b>		<b><u>(767.597)</u></b>	<b><u>(216.706)</u></b>	<b><u>(649)</u></b>	<b><u>(697)</u></b>
Other operating income		<u>295</u>	<u>9.824</u>	<u>0</u>	<u>0</u>
<b>Profit before financial income and expenses</b>		<b><u>(767.302)</u></b>	<b><u>(206.882)</u></b>	<b><u>(649)</u></b>	<b><u>(697)</u></b>
Income/expenses from Investments in subsidiaries	4	0	0	(807.117)	(242.974)
Finance income	5	605	67.873	7.941	67.173
Finance expenses	6	<u>(38.507)</u>	<u>(153.968)</u>	<u>(5.302)</u>	<u>(117.076)</u>
<b>(Loss)/Profit before tax</b>		<b><u>(805.204)</u></b>	<b><u>(292.977)</u></b>	<b><u>(805.127)</u></b>	<b><u>(293.574)</u></b>
Taxation	7	<u>77</u>	<u>(469)</u>	<u>0</u>	<u>128</u>
Net (loss)/Profit for the financial year	14	<b><u><u>(805.127)</u></u></b>	<b><u><u>(293.446)</u></u></b>	<b><u><u>(805.127)</u></u></b>	<b><u><u>(293.446)</u></u></b>

## Balance Sheet 31 December

<u>Assets</u>	<u>Note</u>	<u>Consolidated</u>		<u>Parent</u>	
		<u>2024</u> <u>TDKK</u>	<u>2023</u> <u>TDKK</u>	<u>2024</u> <u>TDKK</u>	<u>2023</u> <u>TDKK</u>
Technology		56.240	223.231	0	0
Software		3.244	5.265	0	0
Development projects in progress		29.556	5.249	0	0
<b>Intangible assets</b>	8	<b>89.040</b>	<b>233.745</b>	<b>0</b>	<b>0</b>
Right-of-use assets		189.782	236.068	0	0
Leasehold Improvements		0	123.570	0	0
Plant and machinery		61.952	235.920	0	0
Other fixtures and fittings, tools and equipment		6.755	8.435	0	0
Property and land hold		0	0	0	0
Property, plant and equipment in progress		30.738	72.471	0	0
<b>Property, plant and equipment</b>	9	<b>289.227</b>	<b>676.464</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	10	0	0	501.918	1.020.361
<b>Fixed assets investments</b>		<b>0</b>	<b>0</b>	<b>501.918</b>	<b>1.020.361</b>
<b>Total non-current assets</b>		<b>378.267</b>	<b>910.209</b>	<b>501.918</b>	<b>1.020.361</b>
<b>Inventories</b>	11	<b>532.306</b>	<b>451.850</b>	<b>0</b>	<b>0</b>
Trade receivables		46.882	115.652	0	0
Receivables from group enterprises		0	0	0	0
Other receivables		24.015	21.075	0	0
Prepayments		7.468	6.990	0	0
<b>Receivables</b>		<b>78.365</b>	<b>143.717</b>	<b>0</b>	<b>0</b>
Cash at Bank and in hand		9.322	6.050	88	109
<b>Current assets</b>		<b>619.993</b>	<b>601.617</b>	<b>88</b>	<b>109</b>
<b>Assets</b>		<b>998.260</b>	<b>1.511.826</b>	<b>502.006</b>	<b>1.020.470</b>

## Balance Sheet 31 December

<b>Liabilities and equity</b>	<b>Note</b>	<b>Consolidated</b>		<b>Parent</b>	
		<b>2024</b> <b>TDKK</b>	<b>2023</b> <b>TDKK</b>	<b>2024</b> <b>TDKK</b>	<b>2023</b> <b>TDKK</b>
Share capital		329	306	329	306
Share premium account		3.465.685	3.179.851	3.465.685	3.179.851
Accumulated losses		(3.056.020)	(2.250.904)	(3.056.020)	(2.250.904)
<b>Equity</b>	12	<b>409.994</b>	<b>929.253</b>	<b>409.994</b>	<b>929.253</b>
Lease Liabilities	13	250.519	265.509	0	0
Other provisions		60.966	61.153	0	0
<b>Total non-current liabilities</b>		<b>311.485</b>	<b>326.662</b>	<b>0</b>	<b>0</b>
Lease Liabilities	13	14.740	13.864	0	0
Trade payables		53.491	27.381	0	0
Bridge loans to group enterprises		155.715	143.144	91.283	76.034
Other payables		52.835	71.522	729	15.183
<b>Current liabilities</b>		<b>276.781</b>	<b>255.911</b>	<b>92.012</b>	<b>91.217</b>
<b>Total liabilities</b>		<b>588.266</b>	<b>582.573</b>	<b>92.012</b>	<b>91.217</b>
<b>Liabilities and equity</b>		<b>998.260</b>	<b>1.511.826</b>	<b>502.006</b>	<b>1.020.470</b>
Letter of support			1		
Distribution of loss			14		
Contingent assets, liabilities and other financial obligations			17		
Related parties			18		
Fee to auditors appointed at the general meeting			19		
Accounting policies			20		

## Statement of Changes in Equity

<b>Consolidated 2024</b>	<b><u>Share capital</u> TDKK</b>	<b><u>Share premium account</u> TDKK</b>	<b><u>Accumulated losses</u> TDKK</b>	<b><u>Total</u> TDKK</b>
Equity at 1 January 2024	306	3.179.851	(2.250.904)	929.253
Capital increase	23	285.834	0	285.857
Exchange rate adjustments	0	0	11	11
Net profit/loss for the year	0	0	(805.127)	(805.127)
<b>Equity at 31 December 2024</b>	<b><u>329</u></b>	<b><u>3.465.685</u></b>	<b><u>(3.056.020)</u></b>	<b><u>409.994</u></b>

<b>Consolidated 2023</b>	<b><u>Share capital</u> TDKK</b>	<b><u>Share premium account</u> TDKK</b>	<b><u>Accumulated losses</u> TDKK</b>	<b><u>Total</u> TDKK</b>
Equity at 1 January 2023	108	718.368	(1.956.693)	(1.238.217)
Capital increase	198	2.461.483	0	2.461.681
Exchange rate adjustments	0	0	(765)	(765)
Net profit/loss for the year	0	0	(293.446)	(293.446)
<b>Equity at 31 December 2023</b>	<b><u>306</u></b>	<b><u>3.179.851</u></b>	<b><u>(2.250.904)</u></b>	<b><u>929.253</u></b>

<b>Parent 2024</b>	<b><u>Share capital</u> TDKK</b>	<b><u>Share premium account</u> TDKK</b>	<b><u>Accumulated losses</u> TDKK</b>	<b><u>Total</u> TDKK</b>
Equity at 1 January 2024	306	3.179.851	(2.250.904)	929.253
Capital increase	23	285.834	0	285.857
Exchange rate adjustments	0	0	11	11
Net profit/loss for the year	0	0	(805.127)	(805.127)
<b>Equity at 31 December 2024</b>	<b><u>329</u></b>	<b><u>3.465.685</u></b>	<b><u>(3.056.020)</u></b>	<b><u>409.994</u></b>

<b>Parent 2023</b>	<b><u>Share capital</u> TDKK</b>	<b><u>Share premium account</u> TDKK</b>	<b><u>Accumulated losses</u> TDKK</b>	<b><u>Total</u> TDKK</b>
Equity at 1 January 2023	108	718.368	(1.956.693)	(1.238.217)
Capital increase	198	2.461.483	0	2.461.681
Exchange rate adjustments	0	0	(765)	(765)
Net profit/loss for the year	0	0	(293.446)	(293.446)
<b>Equity at 31 December 2023</b>	<b><u>306</u></b>	<b><u>3.179.851</u></b>	<b><u>(2.250.904)</u></b>	<b><u>929.253</u></b>

## Cash Flow Statement 1 January – 31 December

	Note	Consolidated		Parent	
		2024 DKK	2023 DKK	2024 DKK	2023 DKK
Net (loss)/profit for the financial year		(805.127)	(293.446)	(805.127)	(293.446)
Adjustments	15	612.531	175.832	804.478	292.748
Change in networking capital	16	(7.868)	(128.845)	794	23.324
<b>Cash flows from operating activities before financial income and expenses</b>		<b>(200.464)</b>	<b>(246.459)</b>	<b>147</b>	<b>22.626</b>
Financial expenses		(3.915)	(9.795)	2.637	(52)
Received tax		0	305	0	901
<b>Cash flows from operating activities</b>		<b>(204.379)</b>	<b>(255.949)</b>	<b>2.784</b>	<b>23.475</b>
Purchase of intangible assets		(24.307)	(5.643)	0	0
Purchase of property, plant and equipment		(18.369)	(21.512)	0	0
Investments in subsidiaries		0	0	(288.663)	(269.438)
Sale of property, plant and equipment		0	14.368	0	0
<b>Cash flow from investing activities</b>		<b>(42.676)</b>	<b>(12.787)</b>	<b>(288.663)</b>	<b>(269.438)</b>
Repayment of COVID loan from Government		0	(19.888)	0	0
Capital increase		285.857	269.438	285.857	269.438
Raising of loans from group companies		0	0	0	0
Installments on lease liabilities		(33.890)	(34.665)	0	0
Paid interest and withholding tax		(1.640)	(24.985)	0	(23.434)
<b>Cash flow from financing activities</b>		<b>250.327</b>	<b>189.900</b>	<b>285.857</b>	<b>246.004</b>
<b>Change in cash and cash equivalents</b>		<b>3.272</b>	<b>(78.836)</b>	<b>(22)</b>	<b>41</b>
Cash and cash equivalents at 1 January		6.050	84.886	109	68
<b>Cash and cash equivalents at 31 December</b>		<b>9.322</b>	<b>6.050</b>	<b>87</b>	<b>109</b>
<b>Cash and cash equivalents are specified as follows</b>					
Cash at bank and in hand		9.322	6.050	87	109
<b>Cash and cash equivalents at 31 December</b>		<b>9.322</b>	<b>6.050</b>	<b>87</b>	<b>109</b>

## Note to the Financial Statements

### Note 1 - Letter of Support

The Company is still in a turnaround phase and need further liquidity to finance the turnaround and investments in accordance with business plan.

The Company has received a letter of support from the owners of the Company, in which it is guaranteed that the Company will be supported with sufficient liquidity, to support the current investment program, and to finance expected losses until 30 June 2026. Hence the annual report is prepared on going concern basis.

AJ Vaccines Group is committed to settle all their financial obligations when they fall due. The Board of Directors are determined to address any delays in settlement arising due to temporary issue that can occur. The owners have since acquisition of AJ Vaccines Group demonstrated their full support to fund the AJ Vaccines Group.

### Note 2 – Revenue

	Consolidated		Parent	
	2024	2023	2024	2023
Geographical revenue	TDKK	TDKK	TDKK	TDKK
Denmark	155.158	147.150	0	0
The European Union	79.742	143.913	0	0
Other	178.069	177.823	0	0
	<b>412.969</b>	<b>468.886</b>	<b>0</b>	<b>0</b>
<b>Business Segments</b>				
Vaccine sale	406.061	461.478	0	0
Other Product sale	2.683	3.164	0	0
Contract work	4.225	4.244	0	0
	<b>412.969</b>	<b>468.886</b>	<b>0</b>	<b>0</b>

## Note to the Financial Statements

### Note 3 – Staff

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
Wages and salaries	(351.677)	(341.024)	0	0
Pensions	(41.619)	(39.798)	0	0
Other social security expenses	(6.204)	(5.424)	0	0
Other staff expenses	(19.803)	(18.743)	0	0
	<b>(419.303)</b>	<b>(404.989)</b>	<b>0</b>	<b>0</b>

Wages and salaries, pensions, other social security expenses and other staff expenses are recognized in the following items:

Cost of sales	(323.302)	(307.929)	0	0
Sales and distribution expenses	(9.368)	(11.317)	0	0
Development expenditure	(13.511)	(11.889)	0	0
Administrative expenses	(73.122)	(73.854)	0	0
	<b>(419.303)</b>	<b>(404.989)</b>	<b>0</b>	<b>0</b>
<b>Average number of employees</b>	<b>581</b>	<b>577</b>	<b>0</b>	<b>0</b>

No remuneration is paid to the Executive Board

### Note 4 – Loss from subsidiaries

Share of losses of subsidiaries	<b>0</b>	<b>0</b>	<b>(807.117)</b>	<b>(242.974)</b>
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### Note 5 – Financial income

Exchange gains	130	67.834	7.928	67.135
Other financial gains	475	39	13	38
	<b>605</b>	<b>67.873</b>	<b>7.941</b>	<b>67.173</b>

### Note 6 – Financial expenses

Interest expense to group enterprises	(7.597)	(124.237)	0	(116.980)
Interest expenses from lease liabilities	(19.776)	(23.489)	0	0
Other financial expenses	(259)	(367)	(178)	(94)
Exchange loss	(10.875)	(5.875)	(5.124)	(2)
	<b>(38.507)</b>	<b>(153.968)</b>	<b>(5.302)</b>	<b>(117.076)</b>

### Note 7 – Tax on loss for the year

Current tax for the year	0	0	0	0
Adjustment of tax concerning previous year	77	(469)	0	128
	<b>77</b>	<b>(469)</b>	<b>0</b>	<b>128</b>

## Note to the Financial Statements

### Note 8 – Intangible assets

	<u>Technology</u> TDKK	<u>Software</u> TDKK	<u>Develop- ment projects in progress</u> TDKK	<u>Total</u> TDKK
<u>Costs</u>				
At 1 January 2024	342.075	193.594	5.249	540.918
Additions for the year	0	0	24.307	24.307
<b>Cost at 31 December 2024</b>	<b><u>342.075</u></b>	<b><u>193.594</u></b>	<b><u>29.556</u></b>	<b><u>565.225</u></b>
<u>Accumulated amortization and impairment losses</u>				
At 1 January 2024	(118.844)	(188.329)	0	(307.173)
Impairment	(150.356)	0	0	(150.356)
Amortization for the year	(16.635)	(2.021)	0	(18.656)
<b>Impairment losses and amortization at 31 December 2024</b>	<b><u>(285.835)</u></b>	<b><u>(190.350)</u></b>	<b><u>0</u></b>	<b><u>(476.185)</u></b>
<b>Carrying amount at 31 December 2024</b>	<b><u>56.240</u></b>	<b><u>3.244</u></b>	<b><u>29.556</u></b>	<b><u>89.040</u></b>
			<b><u>2024</u></b>	<b><u>2023</u></b>
Amortization and impairment of property, plant and equipment are recognized in the following items:			<b>TDKK</b>	<b>TDKK</b>
Cost of sales			(162.919)	(12.544)
Administrative expenses			(6.093)	(19.114)
			<b><u>(169.012)</u></b>	<b><u>(31.658)</u></b>

#### Impairment

AJ Vaccines has not generated profits since acquisition of activities in 2017. For 2024 AJ Vaccines has performed an impairment test of all assets. Management considers AJ Vaccines as a single cash-generating unit as this is how Management makes decisions and assess business performance. Subsidiaries are excluded as no subsidiary is significant or have identical cash flows at the end of 2024. An impairment test was also performed on the Picovax business as this line of business has never generated positive cash flows. Due to unfavorable market conditions and significant financial challenges associated with Polio vaccine business to generate positive cash flow, it has been decided to phase out Picovax business as mentioned in the Management Review. Consequently, all assets allocated to the business line is currently considered fully impaired. In total this impacts Intangible and Tangible assets by TDKK 496.060 including right of use assets.

## Note to the Financial Statements

### **Note 8 – Intangible assets, continued**

#### **Method**

The impairment test of AJ Vaccines remaining business lines is based on a discounted cash-flow model. The net present value is compared to the carrying value of assets. The discounted cash flow includes a budget period of 3 years. The WACC used in the impairment test are based on benchmarked data and compared to peers. Historical trends have been used for estimate for key parameters such as revenue, productivity improvements, working capital. Significant assumptions and estimates are applied to the discounted expected future cash flows. WACC used in the impairment test was 11,5% after tax and growth in terminal period 2%. The test showed no further indications of impairment.

## Note to the Financial Statements

### Note 9 – Property, plant and equipments

	<u>Right-of- use assets</u> TDKK	<u>Leasehold improve- ment</u> TDKK	<u>Plant and machinery</u> TDKK	<u>Other equipment and plant</u> TDKK	<u>Assets under construction</u> TDKK	<u>Total</u> TDKK
<u>Costs</u>						
At 1 January 2024	374.638	166.078	459.431	19.455	100.707	1.120.309
Remeasurement for the year	(218)	0	0	0	0	(218)
Additions for the year	0	0	1.158	1.085	16.124	18.367
Transfers for the year	0	0	26.361	423	(26.784)	0
Disposals for the year	-	-	-	-	(336)	(336)
Currency adjustment	0	0	0	0	0	0
<b>At 31 December 2024</b>	<b><u>374.420</u></b>	<b><u>166.078</u></b>	<b><u>486.950</u></b>	<b><u>20.963</u></b>	<b><u>89.711</u></b>	<b><u>1.138.122</u></b>
<u>Accumulated depreciation and impairment loss</u>						
At 1 January 2024	(138.570)	(42.508)	(223.511)	(11.020)	(28.236)	(443.845)
Impairment	(27.323)	(114.465)	(173.179)	-	(30.737)	(345.704)
Depreciation	(18.745)	(9.105)	(28.308)	(3.188)	0	(59.346)
Currency adjustment	0	0	0	0	0	0
<b>At 31 December 2024</b>	<b><u>(184.638)</u></b>	<b><u>(166.078)</u></b>	<b><u>(424.998)</u></b>	<b><u>(14.208)</u></b>	<b><u>(58.973)</u></b>	<b><u>(848.895)</u></b>
<b>Net book value At 31 December 2024</b>	<b><u>189.782</u></b>	<b><u>0</u></b>	<b><u>61.952</u></b>	<b><u>6.755</u></b>	<b><u>30.738</u></b>	<b><u>289.227</u></b>
					<b><u>2024</u></b>	<b><u>2023</u></b>
					<b>TDKK</b>	<b>TDKK</b>
Cost of sales					(398.665)	(55.109)
Development costs					(1.047)	(1.001)
Administrative expenses					(5.338)	(6.089)
					<b><u>(405.050)</u></b>	<b><u>(62.199)</u></b>

## Note to the Financial Statements

### Note 10 – Investments in subsidiaries

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	<b>TDKK</b>	<b>TDKK</b>
Cost at 1 January	2.690.237	2.420.800
Additions for the year	288.663	269.437
Cost at 31 December	<u>2.978.900</u>	<u>2.690.237</u>
Value adjustments at 1 January	(1.669.876)	(1.426.137)
Net profit/loss for the year	(807.117)	(242.974)
Currency adjustments	11	(765)
Value adjustments at 31 December	<u>(2.476.982)</u>	<u>(1.669.876)</u>
<b>Carrying amount at 31 December</b>	<b><u>501.918</u></b>	<b><u>1.020.361</u></b>

### Note 11 – Inventories

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
Raw materials and consumables	42.421	53.570	0	0
Semi finished goods	410.432	345.159	0	0
Finished goods and goods for resale	79.453	53.121	0	0
<b>Inventory at 31 December</b>	<b><u>532.306</u></b>	<b><u>451.850</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

### Note 12 – Equity

The share capital consists of 328.507 shares of nominal value of DKK 1. No shares carry any special rights.

### Note 13 – Lease liabilities

	<b>Consolidated 2024</b>		
	<b>Lease payments</b>	<b>Interest</b>	<b>Accounting value</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
Under 1 year	33.473	(18.733)	14.740
Between 1 and 5 years	159.938	(62.915)	97.023
Above 5 years	213.151	(59.655)	153.496
<b>Lease liabilities</b>	<b><u>406.562</u></b>	<b><u>(141.303)</u></b>	<b><u>265.259</u></b>

## Note to the Financial Statements

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
Lease liability recognised in the balance				
Non-current	(250.519)	(265.509)	0	0
Current	(14.740)	(13.864)	0	0
<b>Total lease liabilities</b>	<b>(265.259)</b>	<b>(279.373)</b>	<b>0</b>	<b>0</b>

### Note 14 – Distribution of loss

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	<b>TDKK</b>	<b>TDKK</b>
Accumulated losses	(805.127)	(293.446)
	<b>(805.127)</b>	<b>(293.446)</b>

### Note 15 – Cash flow statement adjustments

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
Financial income	(605)	(67.873)	(7.941)	(67.174)
Financial expenses excl. IFRS 16 interests	18.731	130.948	5.302	117.076
IFRS 16 interests	19.776	23.489	0	0
Depreciation, amortization and impairment losses, including gain/losses on disposals	574.552	88.799	0	0
Income/losses from investments in subsidiaries	0	0	807.117	242.974
Tax on profit/loss for the year	77	469	0	(128)
	<b>612.531</b>	<b>175.832</b>	<b>804.478</b>	<b>292.748</b>

### Note 16 – Change in working capital

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
Change in inventories	(80.456)	(66.894)	0	0
Change in receivables	65.352	(54.203)	0	0
Change in payables	7.236	(7.748)	794	23.324
	<b>(7.868)</b>	<b>(128.845)</b>	<b>794</b>	<b>23.324</b>

## Note to the Financial Statements

### Note 17 – Contingent assets, liabilities and other financial obligations

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
Within 1 year	(714)	(1,263)	0	0
Between 1 and 5 years	(597)	(730)	0	0
After 5 years	0	0	0	0
	<b>(1,311)</b>	<b>(1,993)</b>	<b>0</b>	<b>0</b>

#### Other contingent liabilities

The AJ Vaccines Holding group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of AJ Vaccines Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

### Note 18 – Related parties

#### **Controlling interest**

	<b>Basis</b>
AJ Intech Sdn. Bhd.	Parent
AJ Pharma Ltd. II	Parent
White Crystal Limited	Parent
Pergola Holding Inc.	Parent

#### **Other related parties**

Abdulaziz Abdulhamid Abdulrhman Albassam	CEO
Mustafa Nasir Farooki	Director
Tarek Sherif Ahmed Abbas Hegazy	Director
Saddam Abdulqawi Hussein Alhumaikani	Director
Mohammed Ali A Alesayi	Director
Maha Investment Company Limited	Non-controlling owner
Topaz Hub Holding Company	Non-controlling owner
Golden Edge Ltd, Cayman Islands	Affiliate

#### Transactions

All transactions with related parties have been carried out at arm's length principle.

There have been no transactions with the Executive Board, significant shareholders, group enterprises or other related parties, except for intercompany transaction related to financing.

# Note to the Financial Statements

## Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<b>Name</b>	<b><u>Place of registered office</u></b>
Pergola Holding Inc.	British Virgin Islands
AJ Intech Sdn. Bhd.	Malaysia

The Group Annual Report of AJ Intech Sdn. Bhd. can be obtained at the following address:

Suite 2-03 Level 4, 2nd floor Menara Atlan 161B, Jalan Ampang 50450 Kuala Lumpur, Wilayah Persekutuan

### Note 19 – Audit fee

	<b>Consolidated</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b><u>TDKK</u></b>	<b><u>TDKK</u></b>
Audit fee	(1,309)	(1,344)
Other assurance engagements	(380)	(160)
Tax advisory services	(193)	(230)
	<b><u>(1,882)</u></b>	<b><u>(1,734)</u></b>

# Note to the Financial Statements

## **Note 20 – Accounting Policies**

The Annual Report of AJ Vaccines Holding ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C including use of IFRS 9, 15 and 16 with respect to recognition and measurement.

The Financial Statements for 2024 are presented in TDKK. There have been no changes in accounting policies applied compared to the previous financial year.

### **Recognition and measurement**

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

Assets are recognized 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 recognized 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.

### **Basis of consolidation**

The Consolidated Financial Statements comprise the Parent Company, AJ Vaccines Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control is classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realized and unrealized profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the first time of consolidation.

# Note to the Financial Statements

## **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 recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized 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 recognized in financial income and expenses in the income statement.

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

## **Business segments and geographical segments**

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## **Income Statement**

### **Revenue**

Revenue comprises the fair value of the consideration received or receivable for sales of goods. Revenue is measured net of value added tax, duties, etc. collected on behalf of a third party and discounts. The revenue is recognized when control of the products has transferred, and there is no unfulfilled obligation that could affect customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied

Agreements with commercial partners generally include non-refundable upfront license and collaboration fees, milestone payments, the receipt of which is dependent upon the achievement of certain clinical, regulatory or commercial milestones, as well as royalties on product sales of licensed products, if and when such product sales occur, and revenue from the supply of products. For these agreements that include multiple elements, total contract consideration is attributed to separately identifiable components on a reliable basis that reasonably reflects the selling prices that might be expected to be achieved in standalone transactions provided that each

## Note to the Financial Statements

component has value to the partner on a standalone. The allocated consideration is recognized as revenue in accordance with the principles described above.

Sales of goods and licenses that transfer the rights associated with ownership of an intangible asset are recognized at a point in time when control is transferred. Revenue from development services and licenses that do not transfer the right of ownership to an intangible asset are recognized over time in line with the execution and delivery of the work. If multiple components are not separable, they are combined into a single component and recognized over the period where the company is actively involved in development and deliver significant services to the collaboration partner.

### **Cost of sales**

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labor costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Cost of sales also includes research and development costs that do not qualify for capitalization as well as amortization of capitalized technology costs.

### **Distribution expenses**

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses.

### **Development expenditure**

Development expenditure indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### **Administrative expenses**

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main

## Note to the Financial Statements

activities of the company, including bad will and income related to the Bill & Melinda Gates Foundation.

### **Income from investments in subsidiaries**

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

### **Financial income and expenses**

Financial income and expenses are recognized 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 recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

The company are using the possibility to apply for the tax credit scheme.

The Company is jointly taxed with the parent company. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## **Balance Sheet**

### **Intangible assets**

Intangible assets include Software, Technology (include completed development projects), development projects in progress and lease agreement.

Intangible assets are measured at historic cost less accumulated amortization and impairment losses.

Software	3-8 years
Technology	20 years
Acquired other similar rights	4 years

## Note to the Financial Statements

The carrying amounts of plant and equipment carried at cost or amortized costs are tested annually to determine whether there are indications of any impairment in excess of that expressed in normal depreciation. If that is the case, the asset is written down to the recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Impairment losses on property, plant and equipment are recognized under the same line items as depreciation of the assets.

### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognized in cost over the period of construction. All indirectly attributable borrowing expenses are recognized in the income statement.

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

Plant and machinery	3-18 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-14 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 125,000 are expensed in the year of acquisition.

### **Right of use assets**

AJ Vaccines Holding ApS mainly leases office buildings, warehouses, laboratories and vehicles.

For contracts which are, or contain, a lease, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, being the initial amount of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term. The right-of-use asset is periodically adjusted for certain remeasurements of the lease liability and reduced by any impairment losses.

## Note to the Financial Statements

The lease is the non-cancellable period of a lease.

When determining the term, Management considers multiple factors that create economic incentives to exercise an option to extend the lease or not to terminate the lease, including termination penalties, potential relocation costs and whether significant leasehold improvements have been capitalised on the lease, with a remaining useful life which exceeds the fixed minimum duration of the lease.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted using the incremental borrowing rate. Lease payments consist of fixed payments from commencement date.

The lease liability is measured using the effective interest method.

The lease liability is remeasured when there is a change in future lease payments, typically due to a change in index or rate (e.g. inflation) on property leases.

Residual value guarantees that are expected to be paid are included in the initial measurement of the lease liability.

### **Impairment of fixed assets**

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, the asset is written down to its lower recoverable amount.

### **Investments in subsidiaries**

Investments in subsidiaries are recognized and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealized intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to

## Note to the Financial Statements

“Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries. Subsidiaries with a negative net asset value are recognized at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognized in provisions.

The acquisition method of accounting is used to account for business combinations. In case on group internal acquisition, difference between the net book value in the company acquired from a group company and the acquisition price paid is recognized directly on equity under accumulated losses.

### **Inventories**

Inventories except for raw materials are measured at the standard cost method less write-downs for obsolescence and net realizable value. Raw materials are measured at moving average.

For raw materials, cost is determined as direct acquisition costs incurred. The cost of finished goods produced in-house and work in progress includes raw materials, consumables, filling cost, QC testing and direct payroll costs plus indirect costs of production.

Indirect cost of production include indirect materials and labor as well as maintenance of and depreciation on the machinery used in production processes, rent for factory buildings and equipment used and cost of production administration and management. The net realizable value is the estimated sales price in the ordinary course of business less relevant sales costs determined on the basis of marketability, obsolescence and changes in the expected sales price.

### **Receivables**

Trade receivables are recognized initially at the amount of consideration that is unconditional. They are subsequently measured to amortized cost.

Group balances and other receivables are recognized to amortized cost.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Note to the Financial Statements

### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively. Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognized 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 recognized in the income statement in financial income and expenses.

### **Financial debts**

Loans are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortized cost; the difference between the proceeds and the nominal value is recognized as an interest expense in the income statement over the loan period.

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost.

### **Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.

## Note to the Financial Statements

### **Cash Flow Statement**

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

#### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortization and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

#### **Cash flows from investing activities**

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

#### **Cash flows from financing activities**

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.