



ANNUAL REPORT

**For the Period 1 April 2023 to
31 March 2024**

**Veloxis Pharmaceuticals A/S
c/o Bech-Bruun
Gdanskgade 18
DK-2150 Nordhavn
CVR No.: 26 52 77 67**

**The Annual Report was presented and
approved at the Annual General Meeting
on 1/11 2024**

**Jacob Hjortshøj
Chair of the Meeting**

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Management Review

(in thousands USD)

Key activities

The company sold all activities in 2020/21 and is without operating activities.

Veloxis Pharmaceuticals A/S was acquired by Asahi Kasei Pharma Denmark A/S (“AKPD”) effective 23 January 2020. Following the acquisition, AKPD’s ultimate Parent, Asahi Kasei Corporation (“AKC”) set forth a restructuring plan for Veloxis Pharmaceuticals A/S and its previous subsidiary, Veloxis Pharmaceuticals, Inc. In conjunction with the restructuring process, Veloxis Pharmaceuticals A/S (“A/S”, “Veloxis” or “the Company”) transferred the intellectual property (“IP”) relating to Envarsus to Veloxis Pharmaceuticals, Inc. (“Inc.”) effective 1 January 2021.

Furthermore A/S’s shares in Inc. were transferred to AKC effective 31 March 2021.

Development in the year

During 2023/24, Veloxis recognized a net loss of USD 13,269 compared with USD 103 in net loss in 2022/23. The net loss is primarily due recognition of tax related to ongoing tax cases.

Veloxis has two ongoing tax cases with the Danish Tax Authority regarding valuation of transferred IP rights and the associated exchange rate applied to the tax return in the effected year for the IP transfer. After the balance sheet date, the Company received decisions from the Danish Tax Authorities which increases the taxable income and consequently payable taxes.

Management and external tax advisors disagree with the decisions and has appealed the exchange rate case and US / Denmark Mutual Agreement Procedures (MAP’s) have been filed regarding the IP case. The recognized tax is based on several scenarios and the estimated probabilities.

As of 31 March 2024, the balance sheet reflects cash and cash equivalents of USD 3,123 compared with USD 3,142 as of 31 March 2023.

As of 31 March 2024, total assets and shareholder’s equity were USD 3,326 and USD (10,491) respectively compared with USD 3,367 and USD 2,778 as of 31 March 2023.

Capital resources

Management is certain that Veloxis remains financially secure through 2024/25, and should there be any requirement for further capital related to especially the tax cases, the current shareholder will provide the same support as shown previously. Management has in September completed a capital increase of USD 15,807. Due to this, the financial statements have been prepared on a going concern basis.

Subsequent events

In September 2024 a capital increase of USD 15,807 was completed resulting in reestablishment of the negative equity. No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Executive Management and Board of Directors' Statement on the Annual Report

The Executive Management and the Board of Directors have today considered and adopted the Annual Report of Veloxis Pharmaceuticals A/S for the financial year 1 April 2023 to 31 March 2024.

The Annual Report is prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position as of 31 March 2024 of the Company and of the results of the Company operations and cash flows for the period from 1 April 2023 to 31 March 2024.

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

Copenhagen, 1 November 2024

Executive Management

Daisuke Matsuo

CEO

Board of Directors

Keigo Nakatsukasa

Chair

Daisuke Matsuo

Member

Yusuke Hiramatsu

Member

Independent Auditor's Report

To the shareholder of Veloxis Pharmaceuticals A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2024, and of the results of the Company's operations and cash flows for the financial year 1 April 2023 - 31 March 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Veloxis Pharmaceuticals A/S for the financial year 1 April 2023 - 31 March 2024, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, 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 in 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 IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 1 November 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Henrik Ødegaard
State Authorised Public Accountant
mne31489

Financial Statements

Income Statement

(USD'000)	Note	12 Months 2023/24	12 Months 2022/23
Selling, general and administrative costs	3	(308)	(214)
Other operating income (loss)		-	-
Operating result		(308)	(214)
Intercompany interest	4	-	-
Financial income	4	36	52
Financial expenses	5	(8)	(18)
Result before tax		(280)	(180)
Tax for the year	6	(12,989)	77
Net loss		(13,269)	(103)

The Board of Directors proposes that the net result for the year to be carried forward to next year.

Statement of Comprehensive Income

(USD'000)		12 Months 2023/24	12 Months 2022/23
Net loss for the period		(13,269)	(103)
Other comprehensive loss for the period		-	-
Total comprehensive loss for the period		(13,269)	(103)

Balance Sheet

Assets

(USD'000)	Note	31 Mar. 2024	31 Mar. 2023
Patent rights and software	7	-	-
Intangible assets		-	-
Property, plant and equipment	7	-	-
Tangible fixed assets		-	-
Non-current assets		-	-
Receivable from group enterprises relating to corporation tax		77	77
Other receivables		2	3
Prepayments		124	145
Receivables		203	225
Cash		3,123	3,142
Cash and cash equivalents		3,123	3,142
Current assets		3,326	3,367
Assets		3,326	3,367

Balance Sheet

Equity and Liabilities

(USD'000)	Note	31 Mar. 2024	31 Mar. 2023
Share capital	8	57	57
Retained earnings/loss		(10,548)	2,721
Equity		(10,491)	2,778
Intercompany payables		811	539
Tax payable		12,989	-
Other payables		17	50
Current liabilities		13,817	589
Liabilities		13,817	589
Equity and liabilities		3,326	3,367
Summary of significant accounting policies	1		
Significant accounting estimates and judgments	2		
Financial risks	9		
Related parties	10		
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Cash Flow Statement

(USD'000)	Note	12 Months 2023/24	12 Months 2023/22
Operating result		(308)	(214)
Depreciation and amortization		-	-
Changes in working capital	11	295	229
Cash flow from operating activities before interest		(13)	15
Corporate tax paid		-	(564)
Cash flow from operating activities		(13)	(549)
Cash flow from investing activities		-	-
Cash flow from financing activities		-	-
Increase/(decrease) in cash		(13)	(549)
Cash at beginning of period		3,142	3,715
Exchange gains/(losses) on cash		(6)	(24)
Cash at end of period		3,123	3,142

Statement of Changes in Equity

USD	Number of Shares	Share Capital USD'000	Special Reserve USD'000	Share Premium USD'000	Retained Earnings USD'000	Total USD'000
Equity as of 31 Mar. 2022	4,000,000	57	-	-	2,824	2,881
Net result for the period					(103)	(103)
Total comprehensive income		-	-	-	(103)	(103)
Other transactions	-	-	-	-	-	-
Equity as of 31 Mar. 2023	4,000,000	57	-	-	2,721	2,778
Net result for the period					(13,269)	(13,269)
Total comprehensive income		-	-	-	(13,269)	(13,269)
Other transactions	-	-	-	-	-	-
Equity as of 31 Mar. 2024	4,000,000	57	-	-	(10,548)	(10,491)

Notes

NOTE 1 Material Accounting Policy Information

General

The Annual Report of Veloxis Pharmaceuticals A/S for the 12 months ended 31 March 2024, comprising the financial statements of the Company (Financial Statements) has been prepared in accordance with the IFRS Accounting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act as required for reporting class B as well as selected rules applying to reporting class C.

The financial statements are presented on a historical cost basis. Otherwise, the accounting policies are as described in the following.

Accounting Policy Changes

Adoption of new or amended IFRS's

No new, amended, or revised accounting standards and interpretations issued by the International Accounting Standards Board (IASB) and IFRS endorsed by the European Union have a material effect on the Financial Statements for 2023/24.

New Financial Standards Adopted

The IASB has issued a number of new or amended and revised accounting standards and interpretations that have not yet come into effect. New or amended and revised standards are implemented when taking effect. None of the changed standards or interpretations are expected to have any significant monetary effect on the statements of the Company's results, assets and liabilities or equity.

Foreign Currency

The financial statements are presented in USD, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as financial income/expenses. Settlement gains and losses are recognized only for monetary items, not for non-monetary items such as prepayments.

Lease Commitments

The Company has no lease commitments that are required to be accounted for under IFRS 16 Leases.

Comprehensive Income

Veloxis presents comprehensive income in two statements: an income statement and a statement of total comprehensive income which includes results for the year and income recognized in other comprehensive income.

Income Statement

Selling, General and Administrative Costs

Selling, general and administrative expenses comprise expenses incurred for the management and administration of the Company and include other expenses relating to various functions within the Company.

In addition, amortization/depreciation and other direct costs are included in this line item.

Financial Items

Financial income and expenses include interest, dividends, gains and losses related to transactions denominated in foreign currencies and amortization of financial obligations.

Interest income and expenses are accrued based on the outstanding principal and the nominal interest rate.

Corporate Tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the income for the year and recognized directly in equity by the portion attributable to transactions recognized directly in equity. Current tax payable or receivable is recognized in the balance sheet as tax calculated on the taxable income for the year adjusted for prepaid tax.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty

Balance Sheet

Current Assets

Other Receivables

Other receivables are measured at fair value on initial recognition and subsequently measured at amortized cost according to the effective interest method less provision for impairment. Impairment losses are based on an individual evaluation of each amount collectible.

Prepayments

Prepayments comprise incurred costs related to a future financial period. Prepayments are measured at nominal value.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash and deposits with financial institutions. Cash and cash equivalents are measured at amortized cost.

Shareholders' Equity

The share capital comprises the nominal amount of the Company's ordinary shares, each at a nominal value of DKK 0.1. All shares are fully paid.

Current Liabilities

Other Payables

Other payables are measured in the balance sheet at amortized cost, which is considered to be equal to the fair value due to the short-term nature of the liabilities.

Intercompany Payables

Intercompany payables are measured in the balance sheet at amortized cost, which is considered to be equal to the fair value due to the short-term nature of the liabilities.

Cash Flow Statement

The cash flow statement is presented using the indirect method with basis in operating result and shows cash flow from operating, investing and financing activities as well as the cash and cash equivalents at the beginning and end of each financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items such as depreciation, amortization and impairment losses, working capital changes and financial income and expenses received or paid.

Cash flows from investing activities comprise cash flows from the purchase and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise cash flows from raising and repayment of loans and intercompany contributions.

Cash and cash equivalents comprise cash on hand and deposits with financial institutions.

The cash flow statement cannot be derived solely from the financial statements.

NOTE 2 Significant Accounting Estimates and Judgments

In preparing financial statements under IFRS, certain provisions in the standards require Management's judgments. Such judgments are considered important to understand the accounting policies and Veloxis's compliance with the standards. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are estimation of current tax payable and current tax expense in relation to an uncertain tax position, refer to note 6.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

NOTE 3 Staff Costs

(USD'000)	12 months 2023/24	12 months 2022/23
Wages and salaries	-	-
Total	-	-
Allocated by function:		
Selling, general and administrative	-	-
Total	-	-
Average number of employees (FTEs)	1	1
Remuneration of board of directors, and executive management:		
Board of directors		
Board fees	-	-
	-	-
Executive management		
Gross salary	613	826
Bonus	1,269	260
Pension contributions	27	24
	1,909	1,110
Total	1,909	1,110

Members of Executive Management are entitled to severance payments totaling 6 months of annual salary if they are terminated without cause in the ordinary course of business.

Veloxis's pension schemes are defined contribution schemes and Veloxis has no additional payment obligations.

Veloxis has implemented a Company-wide Remuneration Policy with a bonus element including both a cash element and a Long-Term Incentive-based element. Hence, a certain percentage of each employee's remuneration is dependent on the employee and the Company's specified goals and objectives agreed upon at the beginning of each year.

NOTE 4 Financial Income

<u>(USD'000)</u>	<u>12 months 2023/24</u>	<u>12 months 2022/23</u>
<u>Interest Income</u>	<u>36</u>	<u>52</u>
<u>Total</u>	<u>36</u>	<u>52</u>

NOTE 5 Financial Expenses

<u>(USD'000)</u>	<u>12 months 2023/24</u>	<u>12 months 2022/23</u>
<u>Exchange rate, net</u>	<u>8</u>	<u>18</u>
<u>Total</u>	<u>8</u>	<u>18</u>

NOTE 6 Tax and Deferred Tax

(USD'000)	12 months 2023/24	12 months 2022/23
Actual Corporate tax	41	77
Change in deferred tax	-	-
Adjustment of tax concerning previous years	(13,030)	-
Tax for the year	(12,989)	77
Tax for the year can be explained as follows:		
Loss for the year before tax	(280)	(180)
Tax rate	22.0%	22.0%
Computed tax on loss for the year	61	40
Reversal of writedown in previous years	40	53
Writedown of deferred tax assets	-	-
Adjustment of tax concerning previous years	(13,030)	-
Exchange rate adjustment	-	-
Permanent differences	(60)	(16)
Tax for the year	(12,989)	77
Tax rate	22.0%	22.0%
Calculated deferred tax asset, beginning	159	211
Exchange rate adjustment	-	1
Change in deferred tax assets	(40)	(53)
Calculated deferred tax asset, ending	119	159
Write down to assessed value	(119)	(159)
Carrying amount	-	-

The Company has two ongoing tax cases with the Danish Tax Authority (“DTA”) regarding valuation of transferred IP rights and the associated exchange rate applied to the tax return in the effected year for the IP transfer transaction. The DTA has determined additional taxation, penalties, and interest of approximately USD 100 million.

Management and external tax advisors disagree with the decisions from the DTA and has appealed the exchange rate case and US / Denmark Mutual Agreement Procedures (MAP’s) have been filed regarding the IP case. The Company has recognized a tax liability of USD 13 million related to the tax cases based on several scenarios and the estimated probabilities.

NOTE 7 Intangible and Tangible Fixed Assets

(USD'000)	Property, Plant & Equipment	
	2023/24	2022/23
Cost at 1 April 2023 / 1 April 2022	347	5,794
Disposals	-	-
Additions	-	-
Cost at 31 March 2024 / 31 March 2023	347	5,794
Amortization / Depreciation / Impairment loss at 1 April 2023 / 1 April 2022	(347)	(5,794)
Disposals	-	-
Amortization / Depreciation	-	-
Amortization / Depreciation / Impairment loss at 31 March 2024 / 31 March 2023	(347)	(5,794)
Net book value at 31 March 2023 / 31 March 2022	-	-

NOTE 8 Share Capital

On 31 March 2023 the total number of outstanding shares was 4,000,000. Each share has a nominal value of DKK 0.1 and one vote. The shares do not have any restrictions as to their transferability. The Board of Directors is authorized until 03 April 2024 to issue an additional 171,819,535 shares. Any new shares issued shall carry the same rights and other characteristics as the Company's existing shares.

The table below sets forth the changes in our issued share capital since 2018:

Changes in Share Capital from 2018 - 2023/24

Year	Transaction	Share Capital	Share classes after changes in capital	
2018	Cash contribution	5,756,817	1,718,195,348	shares
2019/20	Cash contribution	125,046,242	1,843,241,590	shares
2020/21	Cash contribution	10,100,000	1,853,341,590	shares
2021/22	Reduction in capital	(1,849,341,590)	4,000,000	shares

NOTE 9 Financial Risks

Interest Rate Risk

Our interest rate risk primarily relates to our cash and cash equivalent balances. In order to mitigate such risk, Veloxis's Treasury Policy allows the Company to hold excess cash at deposits with major Danish and US banks and in short-term Danish and US government bonds or Danish mortgage bonds with limited duration.

Cash Management

The Company's Finance function ensures that Veloxis has sufficient and flexible financial resources at its disposal. Veloxis's short-term liquidity is managed with quarterly budget reviews to balance the demand for liquidity needs.

Capital Structure

It is the Company's aim to have an adequate capital structure in relation to the underlying operating results, so that it is always possible to provide sufficient capital to support operations and its long-term growth targets. The Board of Directors determined that the current capital and share structure is appropriate for the shareholders and the Company.

Credit Risk

The credit terms on the Company's receivables are considered to be at market conditions, and the Company has not encountered any losses as a result of credit risk during the years presented. In regard to cash deposits, the AKC has a credit rating of A3 according to Moody's. The credit risk attributable to the Company's receivables is considered low as such receivables arise from collaboration agreements with wholesale distributors.

Liquidity Risk

The Company is exposed to liquidity risk arising from short-term payables.

Currency Exposure

Veloxis is subject to currency risk, as the Company incurs income and expenses in a number of different currencies, mainly DKK and EUR. Changes in exchange rates of such foreign currencies towards the Company's functional currency may affect the results and cash position.

The Company's cash balances in foreign currencies are stated below:

	31 Mar. 2024	31 Mar. 2023
EUR'000	48	49
DKK'000	4,896	5,227

All net positions are current.

The carrying amount approximately equals the fair value. Changes in currencies may affect future income and expenses in such foreign currencies and may have an impact on the Company's operating results and cash flows. The Company is primarily exposed to such risk from currency fluctuations between USD and EUR. Based on the EURO position as of 31 March 2024, a 10% change in the USD/EUR rate will impact result and equity with approximately USD 6.

NOTE 10 Related Parties

Members of the Executive Management and Board of Directors

The members of the Executive Management and Board of Directors are considered related parties following their positions in the Company.

Executive Management has received remuneration from Veloxis as described in Note 4 to the financial statements.

Asahi Kasei Pharma Denmark A/S / Asahi Kasei Corporation

Veloxis Pharmaceuticals A/S was acquired by Asahi Kasei Pharma Denmark A/S, a subsidiary of Asahi Kasei Corporation (“AKC”). On 31 March 2021, Veloxis Pharmaceuticals A/S transferred its shares in Veloxis Pharmaceuticals, Inc. to AKC for a transfer price of USD 1,300,000 in an arm’s length transaction.

On 27 September 2021, the Board of Directors adopted a proposal to distribute an extraordinary dividend in the amount of USD 1,303,094 in the form of non-cash assets. The dividend was distributed to AKC in the form of the note receivable discussed above.

Other Related Parties

Other related parties may exist as the members of Veloxis’s Board of Directors and Executive Management hold positions as Board members in other companies, and as the shareholders of Veloxis may also be shareholders of other companies. Except for the companies listed above, Veloxis has not identified any such parties as related parties and no transactions have been identified as related party transactions as we are not aware of such relationships.

Consolidated financial statements

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Asahi Kasei Corporation.

Copies of the consolidated financial statements of Asahi Kasei Corporation may be ordered at the following address: https://www.asahi-kasei.com/ir/library/asahikasei_report/

NOTE 11 Changes in Working Capital

(USD'000)	12 months 2023/24	12 months 2022/23
Other receivables	1	(75)
Prepayments	21	21
Trade payables	-	-
Other payables	280	301
Exchange gains/(losses)	(7)	(18)
Total	295	229

NOTE 12 Liabilities and Other Financial Obligations

The group companies are jointly and severally liable for tax on the jointly taxed incomes of the group. The total amount of corporation tax payable is disclosed in the Annual Report of Asahi Kasei Pharma Denmark A/S, 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.