
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number: 001-36815

Ascendis Pharma A/S

(Exact name of Registrant as specified in its charter and translation of Registrant's name into English)

The Kingdom of Denmark
(Jurisdiction of incorporation or organization)

Tuborg Boulevard 12
DK-2900 Hellerup, Denmark
(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
American Depositary Shares, each representing one ordinary share, nominal value DKK 1 per share	ASND	The Nasdaq Stock Market LLC
Ordinary shares, nominal value DKK 1 per share*		The Nasdaq Stock Market LLC*

* Not for trading, but only in connection with the registration of the American Depositary Shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

60,689,487 ordinary shares (including 845,887 ordinary shares represented by ADSs held by the registrant and its consolidated subsidiaries)
(as of December 31, 2024)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Auditor Firm ID:
1294

**Auditor Name: Deloitte Statsautoriseret
Revisionspartnerselskab**

Auditor Location:
Copenhagen, Denmark

TABLE OF CONTENTS

	Page
General	1
Special Note Regarding Forward-Looking Statements	1
Summary of Material Risks Associated With Our Business	3
PART I	
Item 1 Identity of Directors, Senior Management and Advisers	5
Item 2 Offer Statistics and Expected Timetable	5
Item 3 Key Information	5
Item 4 Information on the Company	73
Item 4A Unresolved Staff Comments	129
Item 5 Operating and Financial Review and Prospects	129
Item 6 Directors, Senior Management and Employees	138
Item 7 Major Shareholders and Related Party Transactions	149
Item 8 Financial Information	153
Item 9 The Offer and Listing	154
Item 10 Additional Information	155
Item 11 Quantitative and Qualitative Disclosures About Market Risk	178
Item 12 Description of Securities Other than Equity Securities	178
PART II	
Item 13 Defaults, Dividend Arrearages and Delinquencies	180
Item 14 Material Modification to the Rights of Security Holders and Use of Proceeds	180
Item 15 Controls and Procedures	180
Item 16A Audit Committee Financial Expert	181
Item 16B Code of Ethics	181
Item 16C Principal Accountant Fees and Services	181
Item 16D Exemptions from the Listing Standards for Audit Committees	182
Item 16E Purchases of Equity Securities by the Issuer and Affiliated Purchasers	182
Item 16F Change in Registrant's Certifying Accountant	182
Item 16G Corporate Governance	182
Item 16H Mine Safety Disclosure	183
Item 16I Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	183
Item 16J Insider Trading Policies	183
Item 16K Cybersecurity	183
PART III	
Item 17 Financial Statements	186
Item 18 Financial Statements	186
Item 19 Exhibits	II-1

General

As used herein, references to “we”, “us”, the “company”, “Ascendis”, or “Ascendis Pharma”, or similar terms in this annual report on Form 20-F shall mean Ascendis Pharma A/S and, as the context requires, its subsidiaries.

Our consolidated financial statements are presented in euros except where otherwise indicated, and are prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board. All references in this annual report to “Dollars”, “USD” and “\$” are to U.S. Dollars, and all references to “euro”, “EUR” or “€” are to European Union euro. Throughout this annual report, references to ADSs mean ADSs or ordinary shares represented by ADSs, as the case may be.

Special Note Regarding Forward-Looking Statements

This annual report contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- the timing or likelihood of regulatory filings and approvals for our product candidates;
- our expectations regarding the commercial availability of our approved products;
- the commercialization of our products and product candidates, if approved for commercial use;
- our commercialization, marketing, and manufacturing capabilities of our products and product candidates and associated devices;
- the scope, timing, progress, results and costs of developing our product candidates or any other future product candidates, and conducting preclinical studies and clinical trials;
- our pursuit of Oncology as an independent therapeutic area of focus and our development of product candidates related to oncology;
- Eyconis’s ability to develop, manufacture, and commercialize TransCon ophthalmology assets globally;
- our expectations regarding the potential market opportunities and patient populations for our products and product candidates, if approved for commercial use;
- our expectations regarding the potential advantages of our products and product candidates over existing therapies;
- our existing collaborations and license agreements and our ability to enter into new collaborations and license agreements;
- our expectations with regard to the ability to develop additional product candidates using our TransCon technologies and submit Investigational New Drug Applications (“INDs”) or similar for such product candidates;
- our ability to benefit from established data of clinically validated parent drugs or pathways to which we apply our TransCon technologies;
- our expectations with regard to our current and future collaboration partners to pursue the development of our product candidates and submit INDs or similar for such product candidates;
- our development plans with respect to our products and product candidates;

- our pursuit of additional indications for TransCon hGH;
- our ability to develop, acquire and advance product candidates into, and successfully complete, clinical trials;
- the implementation of our business model and strategic plans for our business, our products and product candidates and technologies, including global commercialization strategies;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our products and product candidates;
- our expectations regarding our ability to apply our technology platform and algorithm for product innovation to develop highly differentiated product candidates to address unmet medical needs;
- our ability to apply our TransCon Technology platform to build a leading, fully integrated, global biopharmaceutical company;
- our use of our TransCon technologies to create new and potentially best-in-class therapies;
- estimates of our expenses, future revenue, capital requirements, our needs for additional financing and our ability to obtain additional capital;
- our financial performance;
- our ability to attract and hire qualified personnel;
- developments and projections relating to our market conditions, competitors and industry;
- our expectations with respect to ongoing and potential litigation;
- the impact of international economic, political, legal, compliance, social and business factors, including inflation, tariffs, geopolitical conflicts and energy shortages; and
- the effects on our business of the worldwide pandemics and the ongoing conflict in the region surrounding Ukraine and Russia and the conflict between Israel and Hamas.

These forward-looking statements are based on senior management’s current expectations, estimates, forecasts and projections about our business and the industry in which we operate and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this annual report may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the section of this annual report titled “Item 3.D—Key Information—Risk Factors” and elsewhere in this annual report. You are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this annual report. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. Given these risks and uncertainties, you are cautioned not to rely on such forward-looking statements as predictions of future events.

You should read this annual report and the documents that we reference in this annual report and have filed as exhibits to this annual report completely and with the understanding that our actual future results may be materially different from what we expect. You should also review the factors and risks we describe in the reports we will file or submit from time to time with the U.S. Securities and Exchange Commission (“SEC”) after the date of this annual report. We qualify all of our forward-looking statements by these cautionary statements.

Additionally, certain information included herein or elsewhere (such as our website) is informed by various stakeholder expectations or third-party frameworks, and therefore should not necessarily be interpreted as rising to the level of materiality as defined under U.S. federal securities laws and regulations, even if we use the language “material” or “materiality.” Particularly in the ESG context, materiality is subject to varying definitions that are often different (and more expansive) than the concept for U.S. federal securities laws purposes.

Summary of Material Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties, including those described in “Item 3.D - Key Information - Risk Factors” in this annual report. You should carefully consider these risks and uncertainties when investing in our common stock. The principal risks and uncertainties affecting our business include the following:

- We have a limited operating history and we may incur significant losses in the future, which makes it difficult to assess our future viability.
- We may seek additional financing to achieve our goals, and a failure to obtain this capital if needed on acceptable terms, or at all, could force us to delay, limit, scale back or cease our commercialization activities, product development or any other or all operations.
- We are substantially dependent on the success of our products and product candidates, which may not be successful in nonclinical studies or clinical trials, receive regulatory approval or be successfully commercialized.
- Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter substantial delays in our clinical studies. Furthermore, results of earlier studies and trials may not be predictive of results of future trials.
- Interim, “top-line” and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.
- Our sales and marketing efforts may not be effective and we may not be successful in our commercial efforts.
- Competition in the biotechnology and pharmaceutical industries is intense and our competitors may discover, develop or commercialize products faster or more successfully than us. If we are unable to compete effectively, our business, results of operations and prospects will suffer.
- We rely on third-parties to manufacture preclinical, clinical and commercial supplies of our products, product candidates and their device components.
- The parent drug, drug product and other components of our products and product candidates are currently acquired from certain single-source suppliers. The loss of these suppliers, or their failure to supply could materially and adversely affect our business.
- Our operating results may vary significantly from period to period and these variations may be difficult to predict.
- The regulatory approval processes of the U.S. Food and Drug Administration (“FDA”), the European Medicines Agency (“EMA”), and comparable authorities are lengthy, time consuming, and inherently unpredictable. If we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.
- Failure to obtain or maintain adequate coverage and reimbursement for our product candidates could limit our ability to market those products and decrease our ability to generate revenue.
- If we are sued for allegedly infringing intellectual property rights of third parties, it will be costly and time consuming, and an unfavorable outcome in such litigation could harm our business.
- The potential effects of geopolitical conflicts, such as the military conflict between Russia and Ukraine and the conflict between Israel and Hamas could materially adversely impact our business, including our clinical trials, supply chain operation, regulatory timelines and commercial activities.
- Worldwide pandemics could materially adversely impact our business, including our clinical trials, supply chain operation, regulatory timelines and commercial activities.

The summary risk factors described above should be read together with the text of the full risk factors below in the section entitled “Risk Factors” and the other information set forth in this annual report on Form 20-F, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not precisely known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations, and future growth prospects.

PART I

Item 1 Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2 Offer Statistics and Expected Timetable

Not applicable.

Item 3 Key Information

A. Reserved

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Our business faces significant risks. You should carefully consider all of the information set forth in this annual report and in our other filings with the SEC, including the following risk factors which we face and which are faced by our industry. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. This annual report also contains forward-looking statements that involve risks and uncertainties. Our results could materially differ from those anticipated in these forward-looking statements, as a result of certain factors including the risks described below and elsewhere in this annual report and our other materials we file or furnish with the SEC. See "Special Note Regarding Forward-Looking Statements" above.

Risks Related to Our Limited Operating History, Financial Condition and Capital Requirements

We have a limited operating history and we may incur significant losses in the future, which makes it difficult to assess our future viability.

We are applying our innovative TransCon technology platform to build a leading, fully integrated biopharma company focused on making a meaningful difference in patients' lives. Guided by our core values of patients, science, and passion, we use our TransCon technologies to create new and potentially best-in-class therapies. We currently have a pipeline of multiple independent endocrinology rare disease, and oncology candidates in development. We are also working to apply our TransCon technology platform in additional therapeutic areas to address unmet medical needs. On August 25, 2021, the FDA approved TransCon hGH, known by its brand name SKYTROFA and its international nonproprietary name lonapegsomatropin-tcgd in the U.S. for the treatment of pediatric patients one year and older who weigh at least 11.5 kg (25.4 lb) and have growth failure due to inadequate secretion of endogenous growth hormone, and on August 9, 2024, the FDA approved TransCon PTH, known by its brand name YORVIPATH, for the treatment of hypoparathyroidism in adults. SKYTROFA (lonapegsomatropin), was granted marketing authorisation by the European Commission, or the EC, as a once-weekly subcutaneous injection for the treatment of children and adolescents ages 3 to 18 years with growth failure due to insufficient secretion of endogenous growth hormone on January 11, 2022. In addition, in November 2023, the EC granted marketing authorisation to YORVIPATH (palopegteriparatide), as a replacement therapy indicated for the treatment of adults with chronic hypoparathyroidism.

Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. To date, we have focused substantially all of our efforts on our research and development activities relating to our products, SKYTROFA and YORVIPATH, our product candidate TransCon CNP, our product candidates in oncology and our proprietary TransCon technologies, as well as on the commercialization of SKYTROFA and YORVIPATH in the United States. We have a limited operating history upon which our shareholders and ADS holders can evaluate our business and prospects. Going forward, we may incur significant losses from our operations. We had a net loss of €378.1 million for the year ended December 31, 2024, and a net loss of €481.4 million for the year ended December 31, 2023. Our total equity was negative by €105.7 million as of December 31, 2024, compared to a negative balance of €145.7 million as of December 31, 2023. The net losses we have experienced in prior years are not necessarily indicative of our future results.

Apart from the FDA's, the EC's and MHRA's respective approval of SKYTROFA and YORVIPATH, none of our other product candidates have been approved for commercial sale by the FDA, the EC or similar non-U.S. regulatory authorities. Our annual operating expenses may increase over the next several years as we incur additional commercialization expenses and continue our research and development expenses. Although we have begun to receive revenue from commercial product sales, we may incur substantial operating losses for the foreseeable future as we execute our operating plan.

Possible future losses would have an adverse effect on our shareholders' equity. Further, the net losses or net income we incur may fluctuate significantly from quarter to quarter and year to year, such that a period-to-period comparison of our results of operations may not be a reliable indication of our future performance.

We have limited revenue from commercial product sales and rely significantly on our TransCon technologies and TransCon products and product candidates.

YORVIPATH has only recently been launched in the U.S. and consequently we have had limited revenue from commercial product sales of YORVIPATH. We are yet to commercially launch SKYTROFA and YORVIPATH in the EU outside of Germany and Austria. Our ability to generate revenue will continue to depend significantly on our ability to successfully commercialize SKYTROFA and YORVIPATH in the U.S. and the EU, complete the research and development of our other product candidates and obtain the regulatory and marketing approvals necessary to commercialize such product candidates. Our ability to generate additional revenue from commercial product sales from SKYTROFA, YORVIPATH or other approved products, or pursuant to milestone payments or royalties from collaboration partners depends heavily on many factors, including but not limited to:

- completing research and development of our product candidates;
- obtaining additional regulatory approvals and pricing and reimbursement approvals for our products and product candidates on our own, or together with our strategic collaboration partners;
- negotiating favorable terms of and entering into collaboration, licensing or other arrangements;
- our ability to commercialize or co-promote, and/or the ability of our collaboration partners to successfully commercialize, our products and product candidates;
- developing and sustaining a scalable manufacturing process for our products and product candidates, if approved;
- the market opportunities and patient populations for our products and product candidates, if approved;
- obtaining market acceptance of our products and product candidates, if approved, as viable treatment options;
- addressing any competing technological and market developments;
- identifying, assessing, acquiring, in-licensing and/or developing new product candidates;
- maintaining, protecting, and expanding our portfolio of intellectual property rights, including patents, trade secrets, and know-how, and our ability to develop, manufacture and commercialize our product candidates and products without infringing intellectual property rights of others;

- our ability to prevent, avoid, and possibly recover from severe cyber attack(s) with impact on our intellectual property, e.g., data breach and ransomware attacks; and
- attracting, hiring, and retaining qualified personnel.

In cases where we are successful in obtaining regulatory approvals to market one or more of our product candidates (such as the approvals we have obtained for SKYTROFA and YORVIPATH), our revenue will be dependent, in part, upon the size of the markets in the territories for which regulatory approval is granted, the accepted price for the product, the availability of competing products, the ability to get reimbursement for our products at any price and the extent of our royalty rights for that territory. If the number of patients suitable for our products or product candidates is not as significant as we estimate, the indication approved by regulatory authorities is narrower than we expect or the reasonably accepted population for treatment is narrowed by competition, physician choice, treatment guidelines or third-party payor restrictions, we may not generate significant revenue from the sale of such products or product candidates, even if approved. Limitations on our ability to generate revenue from commercial product sales or pursuant to up-front or milestone payments and royalties from collaboration partners would likely depress our market value and could impair our ability to raise capital, expand our business, discover or develop other products and product candidates or continue our operations.

In addition, our revenue includes provision for a variety of sales deductions such as prompt pay discounts, shelf stock adjustments and applicable sales deductions attributable to various commercial arrangements, managed healthcare organizations, government programs, and co-pay arrangement. Provisions for sales deductions attributed to commercial arrangements are recognized when the related sales takes place and measured using the expected value method. Provisions for unsettled sales deductions and product returns are estimated on the basis of a percentage of sales as defined by individual agreements and contracts, and for government rebates by individual state- and plan agreements. Further inputs to the calculations are based on payer channel mix, current contract prices under eligible programs and current inventory levels in the distribution channels. Inputs to the calculations are subject to estimation and assumptions and are based on historical experience and other factors that are relevant, and which are available at the reporting date. These estimates and assumptions are subject to material uncertainties and could result in outcomes that require a material adjustment in future periods.

We may seek additional financing to achieve our goals, and a failure to obtain this capital if needed on acceptable terms, or at all, could force us to delay, limit, scale back or cease our commercialization activities, product development or any other or all operations.

Since our inception, most of our resources have been dedicated to our research and development and commercialization activities. We have funded our operations primarily through issuance of shares and convertible debt securities, royalty arrangements with third parties, and payments to us under collaboration agreements. As of December 31, 2024, we had cash and cash equivalents totaling €559.5 million. We believe that we will continue to expend substantial resources for the foreseeable future, including costs associated with research and development and commercialization activities. The Company maintains the majority of its cash and cash equivalents in accounts with major financial institutions, and our deposits at these institutions exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

Based on our current operating plan, we currently estimate that our existing cash and cash equivalents will be sufficient to fund our operations for at least the next twelve months from the date of this annual report. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned. Our future funding requirements will depend on many factors, including, but not limited to:

- the manufacturing, selling and marketing costs associated with our products and product candidates, if approved, including the cost and timing of building our sales and marketing capabilities;
- the timing, receipt, and amount of sales of, or royalties on, our products and any future products;

- the sales price and the availability of adequate third-party coverage and reimbursement for our products and product candidates, if approved;
- our ability to establish and maintain strategic partnerships, licensing or other arrangements and the financial terms of such agreements;
- our ability to collect payments which are due to us from customers and collaboration partners (if any), which in turn is impacted by the financial standing of any such customers and collaboration partners;
- the progress, timing, scope, results and costs of our preclinical studies and clinical trials and manufacturing activities for our products and product candidates, including the ability to enroll patients in a timely manner for clinical trials;
- the time and cost necessary to obtain regulatory approvals for our products and product candidates and the costs of post-marketing studies that could be required by regulatory authorities;
- the cash requirements of any future acquisitions or discovery of products or product candidates;
- the number and scope of preclinical and discovery programs that we decide to pursue or initiate;
- the potential acquisition and in-licensing of other technologies, products or assets;
- the time and cost necessary to respond to technological and market developments, including further development of our TransCon platform;
- the achievement of development, regulatory and commercial milestones resulting in the payment to us from collaboration partners of contractual milestone payments and the timing of receipt of such payments, if any;
- our progress in the successful commercialization and co-promotion of our products and product candidates, if approved, and our efforts to develop and commercialize our other existing product candidates;
- the market opportunities and patient populations for our products and product candidates, if approved, and our ability to obtain market acceptance of our products and product candidates, if approved;
- the costs of filing, prosecuting, maintaining, defending and enforcing any patent claims and other intellectual property rights, including litigation costs and the outcome of such litigation, including costs of defending any claims of infringement brought by others in connection with the development, manufacture or commercialization of our product candidates; and
- the extent to which we purchase ADSs prior to granting rights or awards for such shares under our equity incentive plans.

Additional funds may not be available if we need them or on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, scale back or cease our research and development and commercialization activities. Furthermore, uncertainty about the interest rate environment and an increase in interest rates, may make it more difficult, costly or dilutive for us to secure additional financing, which may have a negative impact on earnings and cash flow.

Raising additional capital may cause dilution to our holders of shares or ADSs, restrict our operations or require us to relinquish rights to our products or product candidates on unfavorable terms to us.

We may seek additional capital through a variety of means, including through public or private equity, debt financings or other sources, including up-front payments and milestone payments from strategic collaborations or royalty arrangements with third parties. To the extent that we raise additional capital through the issuance of convertible debt or equity securities, the ownership interest of our shareholders and ADS holders would be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our shareholders and ADS holders. Such financing may result in dilution to holders of shares or ADSs, imposition of debt covenants and repayment obligations, or other restrictions that may affect our business. If we raise additional funds through up-front payments or milestone payments pursuant to strategic partnerships with third-parties, we may have to relinquish valuable rights to our products or product candidates, or grant licenses on terms that are not favorable to us. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

For example, in September 2023, we entered into a \$150.0 million capped synthetic royalty funding agreement (“the SKYTROFA Agreement”), with Royalty Pharma. Under the terms of the SKYTROFA Agreement, we received an upfront payment of \$150.0 million in exchange for a 9.15% royalty on net U.S. SKYTROFA revenue. In September 2024, we entered into a \$150.0 million capped synthetic royalty funding agreement (“the YORVIPATH Agreement”), and together with the SKYTROFA Agreement, the Royalty Pharma Agreements, with Royalty Pharma. Under the terms of the YORVIPATH Agreement, we received an upfront payment of \$150.0 million in exchange for a 3.0% royalty on net U.S. YORVIPATH revenue.

Risks Related to Our Business

We are substantially dependent on the success of our products and product candidates, which may not be successful in nonclinical studies or clinical trials, receive regulatory approval or be successfully commercialized.

To date, we have invested a significant amount of our efforts and financial resources in research and development, including with respect to our proprietary TransCon technologies, and in commercialization activities. Our near-term prospects, including the extent of revenue from commercial product sales, will depend heavily on our successful development and commercialization of our products and product candidates, if approved. The clinical and commercial success of our products and product candidates and our TransCon technologies will depend on a number of factors, including the following:

- the outcome and successful execution of our ongoing and planned clinical trials of our products and product candidates;
- our ability and that of any collaboration partners to establish and maintain commercial-scale manufacturing processes for our products, product candidates and device components;
- whether our product candidates’ safety, purity, potency, tolerability and/or efficacy profiles will be satisfactory to the EMA, the FDA and similar regulatory authorities to warrant marketing approval;
- whether the EMA, the FDA or similar regulatory authorities will require additional clinical trials prior to approving or issuing a positive opinion in order for our product candidates to be authorized, if ever;
- the prevalence and severity of adverse side effects of our products and product candidates;
- the occurrence of adverse events that implicate the TransCon technologies, including among any out-licensed product candidates;
- the timely receipt of necessary marketing authorizations or certifications for our product candidates and associated device components from the FDA, similar regulatory authorities and notified bodies;
- our ability and that of any collaboration partners to successfully commercialize our products or product candidates, if approved for marketing and sale by the FDA, the EC or similar regulatory authorities, including educating physicians and patients about the benefits, administration and use of such products;
- achieving and maintaining compliance with all applicable regulatory requirements;

- our expectations regarding the potential market opportunities and patient populations for our products and product candidates;
- our progress in the successful commercialization and co-promotion of our products and product candidates, if approved, and our efforts to develop and commercialize our other existing product candidates;
- our ability to obtain market acceptance of our products or product candidates, if approved, including by patients and the medical community;
- our ability to obtain market acceptance of the device components of our combination products, and of our combination product candidates, if approved, including by patients and the medical community;
- the availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing treatments;
- obtaining and sustaining an adequate level of coverage and reimbursement for our products and product candidates by third-party payors;
- the effectiveness of our and any collaboration partners' marketing, sales and distribution strategies and operations;
- our ability and that of any collaboration partners, or any third-party manufacturer we contract with, to manufacture supplies of our products and product candidates and to develop, validate and maintain commercially viable manufacturing processes that are compliant with current good manufacturing practice ("cGMP"), or similar requirements;
- enforcing intellectual property rights in and to our products and product candidates;
- avoiding third-party interference, opposition, derivation or similar proceedings with respect to our patent rights, and avoiding other challenges to our patent rights and patent infringement claims; and
- continued acceptable safety profiles of our products and product candidates following any potential approval.

Many of these factors are beyond our control, including clinical development, the regulatory submission process, potential threats to our intellectual property rights and the manufacturing, marketing and sales efforts of any collaboration partners.

We cannot be certain that we will be able to successfully commercialize our products or that such products will be approved in additional jurisdictions, and we cannot be certain that any of our product candidates will ever be approved or successfully commercialized, or that we will ever generate revenue from sales of such product candidates. If we are not successful in completing the development of, obtaining approval for, and commercializing our product candidates, or are significantly delayed in doing so, our business will be harmed.

Our sales and marketing efforts may not be effective and we may not be successful in our commercial efforts.

Prior to launching our commercial sales in 2021, as a company we had no prior experience commercializing approved products. The success of our commercialization efforts is difficult to predict and subject to the effective execution of our business plan, including, among others, the continued development of our internal sales, marketing, and distribution capabilities and our ability to navigate the significant expenses and risks involved with the development and management of such capabilities. For example, our commercial launch of YORVIPATH in the United States may not develop as planned or anticipated, which may require us to, among others, adjust or amend our business plan and incur significant expenses. Further, given our limited experience commercializing products, we do not have a long track record of successfully executing commercial launches. If we are unsuccessful in accomplishing our objectives and executing on our business plan, or if our commercialization efforts do not develop as planned, we may not be able to successfully commercialize our approved products and any future approved products, we may require significant additional capital and financial resources, we may not become profitable, and we may not be able to compete against more established companies in our industry.

Factors which may affect the success of our commercialization efforts include, but are not limited to:

- our ability to hire and retain required and qualified sales and marketing personnel, including in connection with any specialty sales organization for specific products or product candidates, if approved;
- our ability to provide sufficient training to develop and strengthen the technical expertise of our sales and marketing personnel;
- our ability to provide required support materials and resources to our sales personnel to help them educate physicians and healthcare providers regarding our products, including the proper administration of our products; and
- our resources to meet and timely fulfill supply obligations to our customers.

Additionally, we or any collaboration partners may be required to build and/or maintain marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third-parties to perform these services, and we or any collaboration partners may not be successful in doing so. In addition, arrangements we enter into with third-parties to market and sell our products and product candidates, if approved, in one or multiple geographies might not be successful, and We may not be able to enter into such arrangements with others on acceptable terms, or at all. To the extent that we enter into such arrangements with other companies, our revenues, if any, will depend on the terms of any such arrangements and the efforts of others. These efforts may turn out not to be sufficient.

The acceptance and commercial success of our products and product candidates, if approved, will depend, in part, upon the degree of acceptance among physicians, patients, patient advocacy groups, third-party payors and the medical community.

Even after obtaining FDA or other regulatory approvals, our products and product candidates, if approved, may not achieve significant market acceptance among physicians, patients, patient advocacy groups, third-party payors and the medical community. The degree of market acceptance, if any, for our products for which marketing approval is obtained will depend on a number of factors, including:

- the safety, purity, potency and/or efficacy of the products as demonstrated in clinical trials;
- the prevalence and severity of any side effects and overall safety profile of the product;
- the perceived safety of the TransCon technologies;
- the convenience and features of the auto-injector or drug delivery device used to administer the drug;
- the clinical indications for which the product is approved;
- education of, and acceptance by, physicians, major operators of clinics and patients of the product as a safe and effective treatment and their willingness to pay for them;
- relative convenience and ease of administration of our products;
- the potential and perceived advantages of our products over current treatment options or alternative treatments, including future alternative treatments;
- the availability of supply of our products and their ability to meet market demand;
- marketing and distribution support for our products;
- the quality of our relationships with patient advocacy groups; and
- coverage and reimbursement policies of government and other commercial and third-party payors.

If our products or product candidates that obtain regulatory approval do not achieve significant market acceptance or commercial success, this could harm our business, results of operations and prospects, and the value of our shares or ADSs.

Our estimated market opportunities for our products and product candidates, if approved, are subject to numerous uncertainties and may prove to be inaccurate. If we have overestimated the size of our market opportunities, our future growth may be limited.

Our business plan is based in part on our estimated addressable markets and market opportunities for our products and product candidates, if approved, which are based on a variety of inputs, including data published by third parties, our own market insights and internal market intelligence, and internally generated data and assumptions. We have not independently verified any third-party information and there can be no assurance as to its accuracy or completeness. Such estimates, whether obtained or derived from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. While we believe the market opportunity estimates underlying our business plan are reasonable, such information is inherently imprecise. In addition, our assumptions and estimates of market opportunities are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including but not limited to those described in this annual report. If this third-party or internally generated data prove to be inaccurate or we make errors in our assumptions based on that data, our actual market may be more limited than our estimates. In addition, these inaccuracies or errors may cause us to misallocate capital and other critical business resources, which could harm our business.

Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter substantial delays in our clinical studies. Furthermore, results of earlier studies and trials may not be predictive of results of future trials.

Before obtaining marketing approval from regulatory authorities for the sale of any product candidates, we must conduct extensive clinical studies to demonstrate the safety, purity, potency and/or efficacy of the product candidates in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process; the results of preclinical and clinical studies of our product candidates may not be predictive of the results of later-stage clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through preclinical studies and initial clinical trials. A number of companies in the pharmaceutical, biopharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier studies, and we cannot be certain that we will not face similar setbacks. Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval for our product candidates.

We may experience delays or setbacks in our ongoing clinical trials, and we do not know whether future clinical trials will begin on time, need to be redesigned, enroll an adequate number of patients on time or be completed on schedule, if at all. Clinical trials can be delayed or terminated for a variety of reasons, including delay or failure to:

- generate sufficient preclinical, toxicology, or other in vivo or in vitro data to support the initiation or continuation of clinical trials;
- reach consensus with regulatory authorities on study design or implementation of the clinical trials and/or obtain regulatory authorization to commence a trial;
- reach agreement on acceptable terms with prospective contract research organizations, CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- identify, recruit and train suitable clinical investigators;
- obtain institutional review board (“IRB”), or ethics committee approval at each site;
- manufacture, test, release, validate or import sufficient quantities of drug product for use in a trial;
- recruit, screen and enroll suitable patients to participate in a trial;
- have patients complete a trial or return for post-treatment follow-up;
- ensure that clinical sites observe trial protocol or continue to participate in a trial;

- address any patient safety concerns that arise during the course of a trial;
- address any conflicts with new or existing laws or regulations; or
- initiate or add a sufficient number of clinical trial sites.

Patient enrollment is a significant factor in the timing of clinical trials and is affected by many factors, including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating.

We could also encounter delays if a clinical trial is suspended or terminated by us for a product candidate, by the IRBs of the institutions in which such trials are being conducted, by an independent data safety monitoring board, for such trial or by the FDA or similar regulatory authorities. Such authorities, or we, may suspend or terminate a clinical trial due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or similar regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial.

Further, we are conducting, and plan to conduct, clinical trials in sites outside of the United States and the EU. Conducting clinical trials in foreign countries presents additional risks that may delay completion of clinical trials. These risks include the failure of physicians or enrolled patients in foreign countries to adhere to clinical protocol as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory schemes, as well as political and economic risks relevant to such foreign countries. In addition, the EMA or the FDA may determine that the clinical trial results obtained in foreign subjects do not establish the safety, purity, potency and/or efficacy of a product candidate when administered in EU or U.S. patients, and are thus not supportive of approval of a marketing authorisation application ("MAA"), in the EU or of a New Drug Application ("NDA"), or Biologics License Application ("BLA"), in the United States. As a result, the EMA or the FDA may not accept data from clinical trials conducted outside the EU or the United States, respectively, and may require that we conduct additional clinical trials or obtain additional data before we can submit an NDA or BLA in the United States or a MAA in the EU. The EMA or the FDA may even require us to conduct additional clinical trials in the EU or the United States, respectively, before we are able to submit an NDA, BLA, MAA or other marketing application for any of our product candidates.

If there are delays in the completion of, or termination of, any clinical trial of our product candidates or if we are required to conduct additional clinical trials in addition to those we have currently planned, the commercial prospects of our product candidates may be harmed, and our ability to generate revenue from commercial product sales from any of these product candidates will be delayed. In addition, any delays in completing the clinical trials will increase costs, slow down our product candidate development and approval process and jeopardize the ability to commence product sales and generate revenue from commercial product sales. Any of these occurrences may significantly harm our business, financial condition and prospects. Clinical trial delays may also allow our competitors to bring products to market before we do, which could impair our ability to obtain orphan exclusivity for our products that potentially qualify for orphan drug designation. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

In addition, the FDA's and other regulatory authorities' policies with respect to clinical trials may change and additional government regulations may be enacted. For instance, the regulatory landscape related to clinical trials in the EU recently evolved. The EU Clinical Trials Regulation ("EU CTR"), which was adopted in April 2014 and repeals the EU Clinical Trials Directive, became applicable on January 31, 2022. While the Clinical Trials Directive required a separate clinical trial application ("CTA"), to be submitted in each member state in which the clinical trial takes place, to both the competent national health authority and an independent ethics committee, the EU CTR introduced a centralized process and only requires the submission of a single application for multi-center trials. The EU CTR allows sponsors to make a single submission to both the competent authority and an ethics committee in each member state, leading to a single decision per member state. The CTA must include, among other things, the trial protocol and an investigational medicinal product dossier containing information about the manufacture and quality of the medicinal product under investigation. The assessment procedure of the CTA has been harmonized as well, including a joint assessment by all member states concerned, and a separate assessment by each member state with respect to specific requirements related to its own territory, including ethics rules. Each member state's decision is communicated to the sponsor via the centralized EU IT portal. Once the CTA is approved, clinical study development may proceed. One of the main aims of EU CTR is to increase transparency about clinical trials, which is done by making documents and data from the CTA publicly available through the Clinical Trials Information System at the time of decision about the clinical trial. There are few exceptions to this, and release of personal data and company confidential information may be controlled through redaction. The CTR transition period ended on January 31, 2025, and all clinical trials (and related applications) are now fully subject to the provisions of the CTR. Compliance with the EU CTR requirements by us and our third-party service providers, such as CROs, may impact our development plans.

It is currently unclear to what extent the United Kingdom ("UK"), will seek to align its regulations with the EU. The UK regulatory framework in relation to clinical trials is governed by the Medicines for Human Use (Clinical Trials) Regulations 2004, as amended, which is derived from existing EU legislation (as implemented into UK law, through secondary legislation). The extent to which the regulation of clinical trials in the UK will mirror the EU CTR in the long term is not yet certain, however, on December 12, 2024, the UK government introduced a legislative proposal - the Medicines for Human Use (Clinical Trials) Amendment Regulations 2024 - that, if implemented, will replace the current regulatory framework for clinical trials in the UK. The legislative proposal aims to provide a more flexible regime to make it easier to conduct clinical trials in the UK, increase the transparency of clinical trials conducted in the UK and make clinical trials more patient centered. The UK government has provided the legislative proposal to the UK Parliament for its review and approval. Once the legislative proposal is approved (with or without amendment), it will be adopted into UK law which is expected in early 2026. A decision by the UK not to closely align its regulations with the new approach adopted in the EU may have an effect on the cost of conducting clinical trials in the UK as opposed to other countries and/or make it harder to seek a marketing authorization in the EU for our product candidates on the basis of clinical trials conducted in the UK.

If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies governing clinical trials, our development plans may be adversely impacted.

Certain of our product candidates are in various stages of preclinical development and we may not be successful in our efforts to successfully develop these products or expand our pipeline of product candidates.

A key element of our strategy is to expand our pipeline of product candidates utilizing our proprietary TransCon technologies, and to advance such product candidates through clinical development. Certain of our product candidates are in preclinical development and may require significant time and additional research and development before we can submit Investigational New Drug Applications, CTAs or other equivalent foreign regulatory applications to regulatory authorities to begin clinical studies. Of the large number of drugs and biologics in development, only a small percentage of such drugs successfully complete the EMA or FDA regulatory approval process and are commercialized. Accordingly, even if we are able to continue to fund such development programs, our product candidates may not be advanced to clinical studies or be successfully developed or commercialized. In addition, our preclinical product candidates may not demonstrate the advantages we expect from application of our TransCon technologies in preclinical studies. In such event, we may decide not to progress any such product candidates into clinical trials.

Research programs to identify product candidates require substantial technical, financial and human resources, whether or not any product candidates are ultimately identified. Although our research and development efforts to date have resulted in several development programs, we may not be able to develop product candidates that are safe, pure, potent and/or effective. Our research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development or commercialization for many reasons, including the following:

- the research methodology used and our TransCon technologies may not be successful in creating potential product candidates;
- competitors may develop alternatives that render our product candidates obsolete or less attractive;
- product candidates we develop may nevertheless be covered by third-parties' intellectual property rights or other types of exclusivity and we may not be able to obtain a license from such third-party or the license terms may not be acceptable to us;
- the market opportunity for a product candidate may change during our program or we may discover that such market opportunity was smaller than initially expected so that such a product may become financially unfeasible to continue to develop;
- a product candidate may be demonstrated to have harmful side effects or not to be effective, or otherwise not to meet other requirements for regulatory approval;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors, or reimbursable by third-party payors, if applicable.

Even if we are successful in continuing to expand our pipeline, through our own research and development efforts or by pursuing in-licensing or acquisition of product candidates, the potential product candidates that we identify or acquire may not be suitable for clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to receive marketing approval and achieve market acceptance. If we do not successfully develop and commercialize a product pipeline, we may not be able to generate revenue from commercial product sales in future periods or achieve or sustain profitability.

Interim, top-line and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary or top-line data from our preclinical studies and clinical trials, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the top-line or preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Top-line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, top-line data should be viewed with caution until the final data are available.

From time to time, we may also disclose interim data from our preclinical studies and clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available or as patients from our clinical trials continue other treatments for their disease. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and others may not agree with what we determine is material or otherwise appropriate information to include in our disclosure. If the interim, top-line, or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

By expending our limited resources to pursue particular product candidates and areas of focus we may fail to capitalize on product candidates or areas of focus that are more profitable or for which there is a greater likelihood of success.

We have focused on research programs and product candidates within the endocrinology and oncology therapeutic areas. As a result, we may forego or delay pursuit of opportunities with other product candidates or in other therapeutic areas that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

We rely on third parties to conduct our nonclinical studies and clinical trials. If these third-parties do not successfully carry out their contractual duties or meet expected deadlines, we may be unable to obtain regulatory approval for, or commercialize, our product candidates.

We do not currently have the ability to independently conduct clinical trials or IND-enabling nonclinical studies. We rely on medical institutions, clinical investigators, contract laboratories, collaboration partners and other third-parties, such as CROs, to conduct clinical trials of our products and product candidates. The third-parties with whom we contract for execution of our clinical trials play a significant role in the conduct of these trials and the subsequent collection and analysis of data. However, these third-parties are not our employees, and except for contractual duties and obligations, we control only certain aspects of their activities and have limited ability to control the amount or timing of resources that they devote to our programs. Although we rely on these third-parties to conduct our nonclinical studies and our clinical trials, we remain responsible for ensuring that each of our nonclinical studies and clinical trials is conducted in accordance with the applicable protocol, scientific standards and legal and regulatory requirements, and our reliance on third-parties does not relieve us of our regulatory responsibilities. We and these third-parties are required to comply with current good laboratory practices (“GLPs”), for certain nonclinical studies, and good clinical practices (“GCPs”), for clinical studies. GLPs and GCPs are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for all of our products in nonclinical and clinical development, respectively. Regulatory authorities enforce GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of our third-party contractors fail to comply with applicable regulatory requirements, including GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the EMA, the FDA, or similar regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot be certain that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP regulations. In addition, our clinical trials must be conducted with products produced under cGMP or similar foreign regulations outside the United States. The failure of our contract manufacturers to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

Our products and product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following regulatory approval, if any. If any of our product candidates receives marketing approval and subsequently causes undesirable side effects, the ability to market the product candidates could be compromised.

Undesirable side effects caused by any of our approved products or our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or similar authorities. In the event that trials conducted by us or any collaboration partners, or trials we conduct with our product candidates, reveal a high and unacceptable severity and prevalence of side effects, such trials could be suspended or terminated and the FDA or similar regulatory authorities could order any collaboration partners or us to cease further development of or deny approval of our product candidates for any or all targeted indications. The drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

Additionally, if we successfully develop a product candidate and it receives marketing approval, the FDA could require us to adopt a Risk Evaluation and Mitigation Strategy (“REMS”), to ensure that the benefits of treatment with such product candidate outweigh the risks for each potential patient, which may include, among other things, a communication plan to health care practitioners, patient education, extensive patient monitoring or distribution systems and processes that are highly controlled, restrictive and more costly than what is typical for the industry. Foreign regulatory authorities may require us to adopt similar risk management measures.

In addition, in the event that any of our product candidates receives regulatory approval and we or others later identify undesirable side effects caused by one of our products, a number of potentially significant negative consequences could occur, including:

- regulatory authorities may withdraw their approval of the product or seize the product;
- we, or any collaboration partners, may be required to recall the product;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof, including the imposition of a REMS or requirements for similar actions, such as patient education, certification of health care professionals or specific monitoring;
- we, or any collaboration partners, may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- regulatory authorities may require additional warnings on the label, including “boxed” warnings, or issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- we could be sued and held liable for harm caused to patients;
- the product may become less competitive; and
- our reputation may suffer.

For example, a number of adverse reactions have been reported among users of daily somatropin, and we may observe and be required to report similar adverse reactions for users of SKYTROFA. This reporting may result in Dear Healthcare Provider letters or other communications containing warnings or other safety information about the product.

Any of the foregoing events could prevent us, or any collaboration partners, from achieving or maintaining market acceptance of our products or product candidates, if approved, and could result in the loss of significant revenue to us, which would harm our results of operations and business.

Competition in the biotechnology and pharmaceutical industries is intense and our competitors may discover, develop or commercialize products faster or more successfully than us. If we are unable to compete effectively, our business, results of operations and prospects will suffer.

The markets in which we intend to compete are undergoing, and are expected to continue to undergo, rapid and significant technological changes. Some of our products and product candidates are for fields in which competitive products already exist and are established. We expect competition to intensify as technological advances are made or new drugs and biotechnology products are introduced. New developments by competitors may render our products and current or future product candidates and/or technologies non-competitive, obsolete or not economical. Our competitors' products may be more efficacious or marketed and sold more effectively than our products and product candidates.

We are aware of several pharmaceutical and biopharmaceutical companies that have commenced clinical studies of products or have successfully commercialized products addressing areas that we are targeting. A permanently PEGylated long-acting growth hormone (brand name Jintrolong®) developed by GeneScience Pharmaceuticals Co., Ltd. is available in China and the Somatropin Biopartners product (LB03002), is available in Korea. Novo Nordisk has received regulatory approval of once-weekly somapacitan (brand name SOGROYA®) for replacement of endogenous growth hormone in adult patients with GHD in the United States, Japan, Europe, Australia and Saudi Arabia and in pediatric patients with GHD in the United States, Japan, Europe, Canada, Brazil and Saudi Arabia. Pfizer (in collaboration with OPKO Health Inc.) has received regulatory approval of once-weekly somatrogen (brand name NGENLA) in more than 40 countries for pediatric GHD. Other experimental growth hormone therapies are in different stages of clinical development by various companies, including Genexine Inc., I-MAB, and JCR Pharmaceuticals Co., Ltd. In addition, Takeda owns the rights to parathyroid hormone (brand name NATPARA®), a treatment for hypoparathyroidism. Parathyroid hormone was voluntarily recalled in September 2019 in the U.S. and is now only available to a limited number of patients through a Special Use Program offered by its manufacturer, Takeda. In October 2022, Takeda announced manufacturing of all strengths of NATPARA will be discontinued globally by the end of 2024. In addition, we are aware of several academic groups and companies working on making longer-acting agonists of the PTH receptor, or PTH1R. Other companies and groups are developing or commercializing therapies for hypoparathyroidism, including Calcilytix (a BridgeBio company), Entera Bio, Extend Biosciences, Massachusetts General Hospital, Amolyt Pharma, and MBX Biosciences. Other companies are developing therapies for achondroplasia, including BioMarin Pharmaceutical, Inc. ("BioMarin"), and QED Therapeutics (a BridgeBio company). BioMarin has received regulatory approval for vosoritide (brand name VOXZOGO®) in more than 40 active markets for the treatment of achondroplasia and is developing BMN 333, a long-acting C-type natriuretic peptide (CNP) for multiple growth disorders. Tyra Biosciences, Sanofi, ProLynx Inc. and Ribomic, Inc., have achondroplasia programs in various clinical stages.

Other companies are developing toll like receptor agonists for cancer immunotherapy including: Seven and Eight Biopharmaceuticals Inc., Regeneron Pharmaceuticals Inc., Bolt Therapeutics, Inc., Surge Therapeutics Inc., Canwell Biotech Ltd., BioNTech SE and Tallac Therapeutics Inc. Other companies have Interleukin 2 program under development for cancer immunotherapy including: Mural Oncology plc, Medicenna Therapeutics Corp., Anaveon AG, Xilio Therapeutics Inc, Werewolf Therapeutics Inc., Sutro Biopharma Inc. and Philogen SpA.

In addition to product-based competition, our TransCon technologies face technology-based competition as we believe other companies are developing or evaluating enhanced drug delivery and sustained release technologies. In particular, we believe Nektar Therapeutics, OPKO Health, Inc., ProLynx Inc., MBX Biosciences and Serina Therapeutics, Inc. are developing technology platforms in the areas of enhanced drug delivery and/or reversible linkers that may be competitive with our TransCon technologies. We also expect that technological developments will occur at a rapid rate and that competition is likely to intensify as various enhanced delivery and sustained release technologies may achieve similar advantages.

It is also possible that our competitors will commercialize competing drugs or treatments before we can launch any other product candidates that are ultimately approved by regulatory authorities. We also anticipate that we will face increased competition in the future as new companies enter into our current and target markets.

Furthermore, to the extent we are developing TransCon product candidates that incorporate already approved drugs, we face competition from the pharmaceutical companies which are currently marketing such approved products.

These pharmaceutical companies can generally be expected to seek to delay the introduction of competing products through a variety of means including:

- filing new formulation patent applications on drugs whose original patent protection is about to expire;
- filing an increasing number of patent applications that are more complex and costly to challenge;
- filing suits for alleged patent infringement that automatically delay FDA or foreign regulatory authorities' approval;
- filing suits that challenge our marketing and promotion efforts;
- developing patented controlled-release or other "next-generation" products, which may compete with TransCon product candidates;
- establishing exclusive contracts with third-party payors; or
- changing product claims and product labeling.

Any one of these strategies may increase the costs and risks associated with our efforts to develop and commercialize our products and product candidates and may delay or altogether prevent such development or commercialization.

Many of our competitors have:

- significantly greater name recognition, financial, marketing, research, drug portfolios, drug development and technical and human resources than we have at every stage of the discovery, development, manufacturing and commercialization process and additional mergers and acquisitions in the biotechnology industries may result in even more resources being concentrated in our competitors;
- more extensive experience in commercializing drugs, conducting preclinical testing, conducting clinical studies, obtaining regulatory approvals, challenging patents and in manufacturing and marketing pharmaceutical products;
- products that have been approved or are in late stages of development; and
- collaboration arrangements in our target markets with leading companies and research institutions.

With respect to our products and product candidates that we successfully develop, we will face competition based on many different factors, including:

- the safety and effectiveness of such product candidates;
- the timing of and specific circumstances relating to regulatory approvals for these product candidates;
- the availability and cost of manufacturing, marketing and sales capabilities;
- the effectiveness of our marketing and sales capabilities;
- the price of our product candidates;
- the availability and amount of third-party reimbursement for our product candidates;
- the product's convenience and ease of administration compared to alternative treatments; and
- the strength of our patent position.

In addition, academic institutions, government agencies, and other public and private organizations conducting research may seek patent protection with respect to potentially competitive products or technologies. These organizations may also establish exclusive collaborative or licensing relationships with our competitors.

Our competitors may develop or commercialize products with significant advantages in regard to any of these factors. Our competitors may therefore be more successful in commercializing their products than we are, which could adversely affect our business, results of operations and prospects, and the value of our shares or ADSs.

Our proprietary TransCon technologies include a new approach to extending the residence time and duration of action of a variety of drug products.

Our TransCon technologies have been developed to improve the delivery of a variety of drug products. However, we cannot be certain that any of our other products or product candidates using our TransCon technologies will be deemed safe, pure, potent or efficacious (or that any of our products will be deemed safe, pure, potent or effective for other indications), nor that any aspects of our TransCon technologies will yield additional product candidates that could be commercially valuable. Further, our TransCon hydrogel carrier system has limited experience in humans and our drug molecules based on albumin avidity has no experience in humans. As a result, our TransCon hydrogel carriers and our albumin avidity based drug molecules, when dosed extensively in humans, may fail to perform as we expect. Failure of any of our product candidates to be successfully developed, approved and commercialized may result in our TransCon technologies being viewed as an ineffective approach to developing drug products which would harm our business and prospects.

We apply our TransCon technologies to both approved and unapproved parent drugs to extend the half-life of such drugs in the body, and to enhance the overall benefit of a given therapy. Even when applied to approved parent drugs, we have generated limited clinical data on our product candidates using our systemic TransCon technologies with respect to safety and efficacy for long-term treatment in humans. The long-term safety and efficacy of our TransCon technologies and the extended life in the body of our product candidates utilizing TransCon technologies is unknown, and it is possible that our product candidates may have an increased risk of unforeseen reactions following extended treatment relative to other approved products. If extended treatment with our products or product candidates utilizing TransCon in our ongoing or future clinical trials results in any concerns about the safety or efficacy of our TransCon technologies, we may be unable to successfully develop or commercialize our products or product candidates.

We have limited clinical data on product candidates utilizing our TransCon technologies to indicate whether they are safe or effective for long-term use in humans.

Our products and product candidates are designed to transiently link a parent drug molecule to select TransCon carriers via our TransCon linkers. Once injected, we believe that our prodrugs predictably release the unmodified parent drug molecule over time, thus preserving the parent drug's original mode of action, and, we believe, the parent drug's original safety and efficacy profile. We believe that our TransCon carriers remain bound to our TransCon linkers and that they are cleared from the body predominantly by renal filtration and biliary transport with fecal excretion. We have limited clinical data regarding utilizing the systemic TransCon technologies to indicate whether they are safe, pure, potent and/or effective for long-term use in humans, including the safety of any degradation products that may result after the TransCon carrier and TransCon linker are cleaved from the parent drug molecule. If treatment with any of our product candidates in our clinical trials results in concerns about their safety or efficacy, we and any collaboration partners may be unable to successfully develop or commercialize any or all of our TransCon technologies based on such product candidates or enter into collaborations with respect to our product candidates.

We depend on certain collaboration partners to develop and conduct clinical studies with, obtain regulatory approvals for, market and sell product candidates, and if such collaboration partners fail to perform as expected, or are unable to obtain the required regulatory approvals for such product candidates, the potential of such product candidates would be significantly reduced and our business would be significantly harmed.

We rely on our collaboration partners to conduct certain clinical studies. For example, in November 2018, we announced the formation of VISEN Pharmaceuticals (“VISEN”), a company established to develop, manufacture, and commercialize our endocrinology rare disease therapy candidates in Greater China. In connection with the formation of VISEN, we granted VISEN exclusive rights to develop and commercialize our rare disease endocrinology products based on our proprietary TransCon technologies, including TransCon hGH, TransCon PTH and TransCon CNP, in Greater China for use in all human indications, subject to certain exceptions. As another example, in November 2023, we announced that we entered into an exclusive license agreement with Teijin Limited, (“Teijin”), to develop and commercialize TransCon hGH, TransCon PTH and TransCon CNP for certain endocrinology rare diseases in Japan. As a further example, in January 2024, we announced the formation of Eyconis, Inc. (“Eyconis”), a separate company created to develop, manufacture, and commercialize TransCon ophthalmology assets globally, together with an investor syndicate. In connection with the formation of Eyconis, we granted Eyconis exclusive rights to develop and commercialize TransCon ophthalmology products globally and received an equity position in the newly formed company. We may also enter into collaboration agreements with other parties relating to our other product candidates and technology platform. For example, in November 2024, we entered into a research and development collaboration and license agreement with Novo Nordisk A/S (“Novo Nordisk”), pursuant to which we granted Novo Nordisk an exclusive worldwide license to our TransCon technology platform to develop, manufacture and commercialize Novo Nordisk proprietary products in metabolic diseases and a product-by-product exclusive license in cardiovascular diseases.

If our collaboration partners do not perform in the manner we expect or fulfill their responsibilities in a timely manner, or at all, if our agreements with them terminate or if the quality or accuracy of the clinical data they obtain is compromised, the clinical development, regulatory approval and commercialization efforts related to our collaboration product candidates could be delayed or terminated and it could become necessary for us to assume the responsibility at our own expense for the clinical development of such product candidates. In that event, we would likely be required to limit the size and scope of efforts for the development and commercialization of such product candidate, to seek additional financing to fund further development, or to identify alternative collaboration partners, and our potential to generate future revenue from royalties and milestone payments from such product candidate would be significantly reduced or delayed and our business would be harmed. Our existing collaborations and any future collaboration arrangements that we may enter into with third-parties may not be scientifically or commercially successful. In addition to the risks inherent in the development of a drug product candidate, factors that may affect the success of our collaborations include the following:

- our collaboration partners may have the unilateral ability to choose not to develop a collaboration product or product candidate for one or more indications for which such product or product candidate has been or is currently being evaluated, and our collaboration partners may choose to pursue an indication that is not in our strategic best interest or to forego an indication that they believe does not provide significant market potential even if clinical data is supportive of further development for such indication;
- our collaboration partners may choose not to develop or commercialize our collaboration product or product candidate in certain relevant markets;
- our collaboration partners may take considerably more time in advancing our product or product candidate through the clinical and regulatory process than we currently anticipate, which could materially delay the achievement of milestones and, consequently the receipt of milestone payments or royalties from our collaboration partners;
- our collaboration partners may have substantial discretion under their respective agreements regarding how they structure their efforts and allocate resources to fulfill their obligations to diligently develop, obtain regulatory approval for and commercialize our collaboration products and product candidates;

- our collaboration partners may control all or substantially all of the aspects of development and/or commercialization efforts under their respective license agreements and may change the focus of their development and/or commercialization efforts or pursue other higher-priority programs and, accordingly, reduce the efforts and resources allocated to their collaborations with us;
- our collaboration partners may solely be responsible for or have substantially all of the responsibility related to obtaining and maintaining all regulatory approvals of our products or product candidates, and we or our collaboration partners may fail to develop a commercially viable formulation or manufacturing process for our products or product candidates, and we or our collaboration partners may fail to manufacture or supply sufficient drug substance for commercial use, if approved, which could result in lost revenue under such collaborations;
- our collaboration partners may not comply with all applicable regulatory requirements or may fail to report safety data in accordance with all applicable regulatory requirements;
- if any of our agreements with our collaboration partners terminate, we would need to identify alternative means to continue the development, manufacture and commercialization of the affected products or product candidates, alone or with others;
- our collaboration partners may have the discretion to sublicense their rights with respect to our collaboration technology in connection with collaboration products and product candidates to one or more third-parties without our consent;
- our collaboration partners may be pursuing alternative technologies or developing alternative products or product candidates, either on their own or in collaboration with others, that may be competitive with our technology, products or product candidates on which they are collaborating with us or which could affect our collaboration partners' commitment to the collaboration; and
- our collaboration partners may experience financial difficulties.

The timing and amount of any milestone and royalty payments we may receive under agreements with collaboration partners and the value of any equity we own in our collaboration partners (such as the equity we own in VISEN and Eyconis) will depend on, among other things, the efforts, allocation of resources, and successful development and commercialization of our products or product candidates by our collaboration partners. We cannot be certain that any development and regulatory milestones will be achieved or that we will receive any future milestone payments under agreements we may enter into with collaboration partners. In addition, in certain circumstances we may believe that a particular milestone has been achieved and the applicable collaboration partner may disagree with our belief. In that case, receipt of that milestone payment may be delayed or may never be received, which may require us to adjust our operating plans. We also cannot be certain that any equity we own in our collaboration partners (such as the equity we own in VISEN and Eyconis) will maintain its value or grow in value.

We may form additional strategic collaborations in the future with respect to our proprietary programs, but we may not realize the benefits of such collaborations.

We may form strategic collaborations, create joint ventures or similar structures or enter into licensing arrangements with third-parties with respect to our independent programs that we believe will complement or augment our existing business. We have historically engaged, and intend to continue to engage, in partnering discussions with a range of biopharmaceutical companies and could enter into new collaborations at any time. For example, in November 2018, we announced the formation of VISEN, a company established to develop, manufacture, and commercialize our endocrinology rare disease therapies in Greater China. In connection with the formation of VISEN, we granted VISEN exclusive rights to develop and commercialize our rare disease endocrinology products based on our proprietary TransCon technologies, including TransCon hGH, TransCon PTH and TransCon CNP, in Greater China for use in all human indications, subject to certain exceptions. As another example, in November 2023, we announced that we entered into an exclusive license agreement with Teijin to develop and commercialize TransCon hGH, TransCon PTH and TransCon CNP for certain endocrinology rare diseases in Japan. As a further example, in January 2024, we announced the formation of Eyconis, a separate company created to develop, manufacture, and commercialize TransCon ophthalmology assets globally, together with an investor syndicate.

In connection with the formation of Eyconis, we granted Eyconis exclusive rights to develop and commercialize TransCon ophthalmology products globally and received an equity position in the newly formed company.

We face significant competition in seeking appropriate strategic partners, and the negotiation process to secure appropriate terms is time-consuming and complex. Any delays in identifying suitable development partners and entering into agreements to develop our products or product candidates could also delay the commercialization of our product candidates, which may reduce their competitiveness even if they reach the market. Moreover, we may not be successful in our efforts to establish such a strategic partnership for any future product candidates and programs on terms that are acceptable to us, or at all. This may be for a number of reasons. For example, under our collaboration with VISEN, VISEN has a right of first negotiation to develop certain of our endocrinology product candidates in Greater China, so our ability to negotiate such a collaboration with suitable third parties in that market may be hampered by such rights we granted to VISEN. Additionally, our product candidates and programs may be deemed to be at too early of a stage of development for collaborative effort, our research and development pipeline may be viewed as insufficient, and/or third-parties may not view our product candidates and programs as having sufficient potential for commercialization, including the likelihood of an adequate safety and efficacy profile. Even if we are successful in entering into a strategic alliance or license arrangement, there is no guarantee that the collaboration will be successful, or that any future collaboration partner will commit sufficient resources to the development, regulatory approval, and commercialization of our product candidates, or that such alliances will result in us achieving revenues that justify such transactions.

We may seek orphan designation for some of our product candidates and we may be unsuccessful, or may be unable to maintain the benefits associated with orphan designation, including the potential for market exclusivity, for product candidates for which we obtain orphan designation.

Regulatory authorities in some jurisdictions, including the United States, may designate drugs or biologics intended to treat relatively small patient populations as orphan drug products. Under the Orphan Drug Act, the FDA may designate a drug or biologic as an orphan drug if it is intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the EU, orphan designation is granted by the EC based on a scientific opinion of the EMA's Committee for Orphan Medicinal Products. A medicinal product may be designated as orphan if its sponsor can establish that (i) the product is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition; (ii) either (a) such condition affects no more than 5 in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from orphan status, would not generate sufficient return in the EU to justify investment; and (iii) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU, or if such a method exists, the medicinal product will be of significant benefit to those affected by the condition. Orphan designation must be requested before submitting a BLA or NDA in the United States or a MAA in the EU.

If a drug or biologic with an orphan designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug or biologic is entitled to a period of marketing exclusivity, which precludes the FDA from approving another marketing application for the same drug or biologic for the same disease or condition for a seven-year period, except in limited circumstances. If our competitors are able to obtain orphan drug exclusivity prior to us, for products that constitute the "same drug" and treat the same diseases or conditions as our product candidates, we may not be able to have competing products approved by the applicable regulatory authority for a significant period of time. The applicable period is seven years in the United States. The applicable exclusivity period is ten years in the EU, but such exclusivity period can be reduced to six years if, at the end of the fifth year, a product no longer meets the criteria for orphan designation or if the product is sufficiently profitable so that market exclusivity is no longer justified.

As part of our business strategy, we intend to pursue orphan designation for certain of our product candidates. For example, in June 2018, we were granted orphan drug designation by the FDA for TransCon PTH for the treatment of hypoparathyroidism, in February 2019, we were granted orphan drug designation by the FDA for TransCon CNP for the treatment of achondroplasia, and in April 2020, we were granted orphan drug designation by the FDA for TransCon hGH for the treatment of GHD.

Additionally, in October 2019, we were granted orphan designation by the EC for TransCon hGH for GHD, in July 2020, we were granted orphan designation by the EC for TransCon CNP for the treatment of achondroplasia and in October 2020, we were granted orphan designation by the EC for TransCon PTH for treatment of hypoparathyroidism. In July 2021, we were granted orphan drug designation from the Japanese Ministry of Health, Labour and Welfare for TransCon PTH. However, we may be unsuccessful in obtaining additional orphan designations, and may be unable to maintain the benefits associated with orphan designation, such as orphan drug exclusivity.

We have obtained orphan drug exclusivity from the FDA for YORVIPATH for the treatment of hypoparathyroidism in adults, and for SKYTROFA for the treatment of pediatric patients one year and older who weigh at least 11.5 kg and have growth failure due to inadequate secretion of endogenous GH. However, even if we obtain orphan drug exclusivity for any of our product candidates, that exclusivity may not effectively protect those product candidates from competition because different drugs can be approved for the same condition, and orphan drug exclusivity does not prevent the FDA or foreign regulatory authorities from approving the same or a different drug in another indication. Even after an orphan drug is granted orphan exclusivity and approved, the FDA or foreign regulatory authorities can subsequently approve a later application for the same drug for the same condition before the expiration of the exclusivity period if the FDA or foreign regulatory authorities conclude that the later drug is clinically superior in that it is shown to be safer in a substantial portion of the target populations, more effective or makes a major contribution to patient care. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Moreover, orphan-drug-exclusive marketing rights in the United States and in foreign jurisdictions may be lost if the FDA or foreign regulatory authorities later determine that the request for designation was materially defective or if we are unable to manufacture sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Orphan designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process.

Any biological product for which we intend to seek approval may face competition sooner than anticipated.

The Affordable Care Act (“ACA”), includes a subtitle called the Biologics Price Competition and Innovation Act of 2009 (“BPCIA”), which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until twelve years from the date on which the reference product was first licensed. During this twelve-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor’s own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of its product.

We believe that any of our future biological product candidates approved under a BLA should qualify for the twelve-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to Congressional action or otherwise, or that the FDA will not consider our product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Jurisdictions in addition to the United States have established abbreviated pathways for regulatory approval of biological products that are biosimilar to earlier approved reference products. For example, the EU has had an established regulatory pathway for biosimilars since 2006. Moreover, the extent to which a biosimilar, once approved, could be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products will depend on a number of marketplace and regulatory factors.

We rely on third parties to manufacture preclinical, clinical, and commercial supplies of our products, product candidates and their device components.

We do not own facilities for manufacturing our products and product candidates. We depend on third-parties to manufacture and provide analytical services with respect to our products and product candidates and their respective device components.

In addition, to produce the quantities necessary to meet anticipated market demand, we and/or any collaboration partners will need to secure sufficient manufacturing capacity with third-party manufacturers. For SKYTROFA and YORVIPATH, we believe we have secured agreements to provide for sufficient manufacturing capacity with third-party manufacturers; however, our estimates of market demand may be inaccurate and third-party manufacturers may fail to produce sufficient quantities on a timely basis or at all. If we and/or any collaboration partners are unable to produce our products and product candidates in sufficient quantities to meet the requirements for the launch of the product or to meet future demand, our revenues and gross margins would be adversely affected. To be successful, our products and product candidates must be manufactured in commercial quantities in compliance with regulatory requirements and at acceptable costs. We and/or any collaboration partners will regularly need to maintain access to facilities to manufacture commercial supplies of our products and product candidates, if approved. All of this will require additional funds and successful completion of inspection or audits and approval by the FDA, other regulatory authorities and by notified bodies with respect to the device components. If we and/or any collaboration partners are unable to establish and maintain a manufacturing capacity within our planned time and cost parameters, the development and sales of our products and product candidates as well as our business, results of operations and prospects, and the value of our shares or ADSs could be adversely affected.

We and/or any collaboration partners may encounter problems with aspects of manufacturing our products and product candidates, including the following:

- production yields;
- quality control and assurance;
- shortages of qualified personnel;
- compliance with FDA and foreign regulations;
- production costs; and
- development of advanced manufacturing techniques and process controls.

We evaluate our options for clinical study supplies and commercial production of our products and product candidates on a regular basis, which may include use of third-party manufacturers, or entering into a manufacturing joint venture relationship with a third party. We are aware of only a limited number of companies on a worldwide basis who operate manufacturing facilities in which our products and product candidates can be manufactured under cGMP or similar foreign regulations, a requirement for all pharmaceutical products. We cannot be certain that we will be able to contract with any of these companies on acceptable terms, if at all, all of which could harm our business, results of operations and prospects, and the value of our shares or ADSs.

In addition, we, as well as any third-party manufacturer, will be required to register such manufacturing facilities with the FDA (and have a U.S. agent for the facility, if outside the United States) and other regulatory authorities. The facilities will be subject to inspections confirming compliance with the FDA, and other regulatory authority cGMP or similar foreign requirements. We do not control the manufacturing process of our product candidates, and we are dependent on our contract manufacturing partners for compliance with cGMPs or similar regulations for manufacture of both active drug substances and finished drug products. If we or any third-party manufacturer fails to maintain regulatory compliance, our business, financial condition and results of operations may be harmed, and the FDA or other regulatory authorities can impose regulatory sanctions that range from a warning letter to withdrawal of approval to seeking product seizures, injunctions and, where appropriate, criminal prosecution. Pursuant to our agreements with VISEN, we have provided and may in the future provide, clinical supplies of our product candidates and commercial supplies of our products to VISEN for its use in clinical trials and commercialization. Pursuant to our agreements with Teijin, we may also provide Teijin with clinical supplies of our product candidates and commercial supplies of our products for Teijin's use in future clinical trials and commercialization. In order to fulfill these supplies, we rely on third-party manufacturers over which we have no or very limited control or power.

We may also rely on other foreign contract research organizations (“CROs”), and contract manufacturing organizations (“CMOs”), such as WuXi Biologics. Such foreign CROs and CMOs may be subject to U.S. legislation, sanctions, trade restrictions and other foreign regulatory requirements which could increase the cost or reduce the supply of material available to us, delay the procurement or supply of such material or have an adverse effect on our ability to secure significant commitments from governments to purchase our potential therapies. For example, in January 2024, there was Congressional activity, including the introduction of the BIOSECURE Act (H.R. 7085) in the House of Representatives and a substantially similar Senate bill (S.3558). The BIOSECURE Act was passed by the House of Representatives in September 2024. If these bills become law, or similar laws are passed, they would have the potential to severely restrict the ability of U.S. biopharmaceutical companies like us to purchase services or products from, or otherwise collaborate with, certain Chinese biotechnology companies “of concern” without losing the ability to contract with, or otherwise receive funding from, the U.S. government. We do business with companies in China and it is possible some of our contractual counterparties could be impacted by the legislation described above.

If our contract manufacturers cannot successfully manufacture our product candidates or products that conform to our specifications and the strict regulatory requirements of the FDA or similar regulatory authorities, they will not be able to secure and/or maintain regulatory approval for the use of their manufacturing facilities for the manufacture of our products. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a similar regulatory authority does not approve these facilities for the manufacture of our products or product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our products or product candidates, if approved.

We rely on our manufacturers to purchase from third-party suppliers the materials necessary to produce our products and product candidates. Any significant delay or discontinuation in the supply of such materials would delay commercialization and the completion of our clinical studies and harm our business.

There are a limited number of suppliers for raw materials that we use to manufacture our products and product candidates, and there may be a need to identify alternate suppliers to prevent a possible disruption of the manufacture of the materials necessary to produce our products or product candidates for commercial sale and/or our clinical studies. We do not have any control over the process or timing of the acquisition of these raw materials by our manufacturers. Although we generally do not begin a clinical study unless we believe we have on hand, or will be able to manufacture, a sufficient supply of a product candidate to complete such study, and we currently envision that VISEN, which relies on us for clinical supply of our product candidates, as well as Teijin, which we currently contemplate will rely on us for future clinical and commercial supplies of our product candidates, would do the same, any significant delay or discontinuity in the supply of a product candidate, or the raw material components thereof, for a clinical study due to the need to replace a third-party manufacturer could considerably delay completion of our, VISEN’s or Teijin’s clinical studies, product testing, and potential regulatory approval of our product candidates, which could harm our business and results of operations.

Any inability to obtain suppliers, including an inability to obtain, or delay in obtaining, approval of a supplier from the FDA or other regulatory authorities, would delay or prevent the clinical development and commercialization of our products and product candidates.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our products and product candidates.

Our business exposes us to potential product liability risks which are inherent in research and development, preclinical and clinical studies, manufacturing, marketing and use of our products and product candidates. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability, and a breach of warranties. Claims could also be asserted under state consumer protection acts.

Product liability claims may be expensive to defend and may result in judgements against us which are potentially punitive. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our products and product candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our products and product candidates;
- injury to our reputation;
- withdrawal of clinical trial participants;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- regulatory investigations, product recalls or withdrawals, or labeling, marketing or promotional restrictions;
- loss of revenue; and
- the inability to commercialize or co-promote our products or product candidates.

It is generally necessary for us to secure certain levels of insurance as a condition for the conduct of clinical studies. We believe that our product liability insurance for clinical studies is sufficient to cover claims. We currently maintain liability insurance with certain specified coverage limits. We cannot be certain that the insurance policies will be sufficient to cover all claims that may be made against us. Our inability to obtain and maintain sufficient product liability insurance at an acceptable cost and scope of coverage to protect against potential product liability claims could prevent or inhibit the commercialization of any products we develop. We currently carry product liability insurance covering commercial sales and use in our clinical trials in the amount of \$20 million in the aggregate on our primary insurance policy and \$100 million in the aggregate on our excess insurance policy. Any claim that may be brought against us could result in a court judgement or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various limits, exclusions and deductibles, and given these various limits, exclusions and deductibles, we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses. Product liability insurance is expensive, difficult to obtain and may not be available in the future on acceptable terms.

We will need to continue to significantly increase the size of our organization and we may have difficulties in managing our growth and expanding our operations successfully.

As we advance our products and product candidates through the development and commercialization process, we will need to expand managerial, operational, financial, sales and marketing and other resources to manage our operations, preclinical and clinical trials, research and development activities, regulatory filings, manufacturing and supply activities, and any marketing and commercialization activities or contract with other organizations to provide these capabilities for us. As operations expand, we expect that we will need to manage additional relationships with various suppliers and other organizations. Our ability to manage our operations and growth requires us to continue to improve our operational, financial and management controls, reporting systems and procedures across a global organization. Such growth could place a strain on our administrative and operational infrastructure. We may not be able to make improvements to our management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls. Our management, personnel, systems and facilities currently in place may not be adequate to support this future growth. Our need to effectively execute our growth strategy requires that we either internally, together with collaboration partners or through third-party contractors, as applicable:

- expand our general and administrative functions;
- identify, recruit, screen, retain, incentivize and integrate additional employees;
- manage our internal development efforts effectively while carrying out our contractual obligations to third-parties;
- establish and build a marketing and commercial organization; and
- continue to improve our operational, legal, financial, compliance and management controls, reporting systems and procedures.

If we are not able to attract, retain and motivate necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

We incur significant costs as a result of operating as a public company, and our management devotes substantial time to compliance initiatives. We may fail to comply with the rules that apply to public companies, including Section 404 of the Sarbanes-Oxley Act of 2002, which could result in sanctions or other penalties that would harm our business.

We incur significant legal, accounting and other expenses as a public company, including costs resulting from public company reporting obligations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and regulations regarding corporate governance practices. Our senior management and other personnel need to devote a substantial amount of time to ensure that we maintain compliance with all of these requirements. Moreover, the reporting requirements, rules and regulations increase our legal and financial compliance costs and make some activities more time consuming and costly. Any changes we make to comply with these obligations may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis, or at all. These reporting requirements, rules and regulations, coupled with the increase in potential litigation exposure associated with being a public company, could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or board committees or to serve as members of our senior management, or to obtain certain types of insurance, including directors’ and officers’ insurance, on acceptable terms.

We are subject to Section 404 of The Sarbanes-Oxley Act of 2002 (“Section 404”), and the related rules of the SEC, which generally require our senior management and independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting. Section 404 requires an annual management assessment of the effectiveness of our internal control over financial reporting, and we are required to include an opinion from our independent registered public accounting firm on the effectiveness of our internal controls over financial reporting.

As we grow our business and enter into new activities, and as the reporting requirements increase, we may identify deficiencies and be unable to remediate them before we must provide the required reports. Furthermore, if we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated. We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting, which could harm our operating results, cause investors to lose confidence in our reported financial information and cause the trading price of the ADSs to fall. In addition, as a public company we are required to file accurate and timely annual reports with the SEC under the Exchange Act. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of the ADSs from The Nasdaq Global Select Market or other adverse consequences that would harm our business.

Our operating results may vary significantly from period to period and these variations may be difficult to predict.

Our operating results are expected to vary significantly from period to period due to a number of factors. Many of these factors are outside of our control. These factors include:

- the timing of regulatory approvals, if any, for our product candidates;

- the amount and timing of revenue from product sales;
- the potential market opportunities and patient populations for our products and product candidates;
- the initiation of intellectual property litigation by third-parties or by us;
- the amount and timing of operating costs and capital expenditures relating to the expansion of our business operations and facilities;
- the timing of the commencement, completion or termination of collaboration agreements;
- the timing and amount of payments to us under collaboration agreements, if any;
- the introduction of new products and services by us, collaboration partners or our competitors;
- delays in preclinical testing and clinical studies;
- changes in regulatory requirements for clinical studies;
- costs and expenses associated with preclinical testing and clinical studies;
- exchange rate fluctuations;
- the regional and global effect of inflation;
- the adverse impact of multiple interest rate increases implemented by the U.S. Federal Reserve; and
- payment of license fees for the right to use third-party proprietary rights, if any.

Our revenues in any particular period may be lower than we anticipate and, if we are unable to reduce spending in that period, our operating results will be harmed.

We may engage in strategic transactions that could impact our liquidity, increase our expenses and present significant distractions to our management.

We may consider strategic transactions, such as acquisitions of companies, asset purchases, and in-licensing or out-licensing of products, product candidates or technologies. Additional potential transactions that we may consider include a variety of different business arrangements, including spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations and investments. Any such transaction may require us to incur non-recurring or other charges, may increase our near- and long-term expenditures and may pose significant integration challenges or disrupt our senior management or business, which could adversely affect our operations and financial results. For example, these transactions may entail numerous operational and financial risks, including:

- up-front, milestone and royalty payments, equity investments and financial support of new research and development candidates including increase of personnel, all of which may be substantial;
- exposure to unknown liabilities, including potential indemnification claims from a potential spin-off or out-license of certain of our intellectual property rights;
- disruption of our business and diversion of our management's time and attention to develop acquired products, product candidates or technologies;
- incurrence of substantial debt or dilutive issuances of equity securities to pay for acquisitions;
- higher-than-expected acquisition and integration costs;
- lower-than-expected benefits, from out-licensing or selling our technology, intellectual property or any of our subsidiaries or, from in-licensing intellectual property or purchasing assets;
- write-downs of assets or goodwill or impairment charges;
- difficulty and cost in combining or separating the operations and personnel of any acquired or sold businesses with our existing operations and personnel;

- we may disagree with our strategic partners about decisions affecting the business, which could result in litigation or arbitration that increases our expenses, distracts our officers and directors and disrupts the day-to-day operations of the strategic venture, including by delaying important decisions until the dispute is resolved;
- our strategic partners may take actions that we oppose;
- our strategic partners might experience financial distress or become bankrupt;
- impairment of relationships with key suppliers or customers of any acquired or sold businesses due to changes in our senior management and ownership; and
- inability to retain key employees of any acquired businesses.

In addition, to the extent we enter into a strategic transaction that includes ongoing operations or shared ownership and management, our strategic partners may take actions that we oppose or we may disagree with our strategic partners about decisions affecting the business, which could result in litigation or arbitration, distract our officers and directors and otherwise disrupt the day-to-day operations of our business and the business of the strategic partner or entity. Furthermore, to the extent that our directors and officers serve on the boards of our strategic partners, such directors may be required to abstain from board decision-making in the event of a conflict of interest.

Accordingly, although we cannot be certain that we will undertake or successfully complete any transactions of the nature described above, any transactions that we do complete may be subject to the foregoing or other risks, and could harm our business, results of operations, financial condition and prospects.

The Royalty Pharma Agreements place restrictions on our operating and financial flexibility, and if we fail to comply with certain covenants in the Royalty Pharma Agreements, our results of operations and financial condition may be harmed.

In September 2023 and September 2024, we entered into the Royalty Pharma Agreements with Royalty Pharma. The Royalty Pharma Agreements contain covenants that impose on us certain obligations with respect to payment, diligence, reporting, intellectual property, in-licenses, out-licenses and certain other actions, as well as indemnification obligations. Among other things, these covenants require us to use commercially reasonable efforts to manufacture and commercialize SKYTROFA and YORVIPATH in the United States and to develop SKYTROFA for a new indication, and limit our ability to create or incur liens or dispose of certain assets related to SKYTROFA and YORVIPATH. Compliance with these covenants may limit our flexibility in operating our business and our ability to take actions that might otherwise be advantageous to us and our stockholders. Pursuant to the Royalty Pharma Agreements, we have granted to Royalty Pharma back-up security interest in certain assets to secure our obligations under the Royalty Pharma Agreements. If we are unable to comply with our obligations, Royalty Pharma may be entitled to take possession of such assets, which could have a material adverse effect on our business, financial condition and results of operations.

Exchange rate fluctuations or abandonment of the euro currency may harm our results of operations and financial condition.

Due to the international scope of our operations, fluctuations in exchange rates, particularly between the Euro, the Danish Krone and the U.S. Dollar, may adversely affect us. Although we are based in Denmark, we source research and development, manufacturing, consulting and other services from several countries. Further, potential future revenue may be derived from abroad, including from the United States. We currently attempt to limit our exposure to exchange rate risks by maintaining cash positions in the currencies in which we expect to incur the majority of our future expenses; however, for a variety of reasons we may be unable to maintain cash positions in the currencies in which we expect to incur the majority of our future expenses and we may fail to predict the currency of our future expenses, accurately or at all. As a result, our business and the price of the ADSs may be affected by fluctuations in foreign exchange rates between the Euro and these other currencies, which may also have a significant impact on our reported results of operations and cash flows from period to period.

We currently do not enter into foreign exchange contracts to cover our exposure to exchange rate fluctuations, or any other form of exchange rate hedging arrangements. If we fail to manage foreign exchange risk adequately our business, results of operations and prospects, and the value of our shares or ADSs may be adversely affected.

In addition, the possible abandonment of the Euro by one or more members of the EU could harm our business in the future. Despite measures taken by the EU to provide funding to certain member states in financial difficulties and by a number of European countries to stabilize their economies and reduce their debt burdens, it is possible that the Euro could be abandoned in the future as a currency by countries that have adopted its use. This could lead to the re-introduction of individual currencies in one or more EU member states. The effects on our business of a potential dissolution of the EU, the exit of one or more EU member states from the EU or the abandonment of the Euro as a currency, are impossible to predict with certainty, and any such events could harm our business, financial condition and results of operations.

The United Kingdom's withdrawal from the EU may have a negative effect on global economic conditions, financial markets and our business.

Since the end of the Brexit transition period on January 1, 2021, Great Britain (England, Scotland and Wales) ("GB") has not been directly subject to EU laws, however between January 1, 2021 and December 31, 2024 and as a result of the Northern Ireland Protocol, different rules applied in Northern Ireland than in GB; broadly, Northern Ireland continued to follow the EU regulatory regime. On January 1, 2025, a new arrangement called the "Windsor Framework" came into effect and reintegrated Northern Ireland under the regulatory authority of the UK's Medicines and Healthcare products Regulatory Agency ("MHRA") with respect to medicinal products. The Windsor Framework removes EU licensing processes and EU labelling and serialization requirements in relation to Northern Ireland and introduces a UK-wide licensing process for medicines. In addition, new legislation such as the EU CTR is not applicable in Great Britain. While the EU-UK Trade and Cooperation Agreement includes the mutual recognition of Good Manufacturing Practice ("GMP"), it does not contain wholesale mutual recognition of UK and EU pharmaceutical regulations and product standards. There may be divergent local requirements in Great Britain from the EU in the future, which may impact clinical and development activities that occur in the UK in the future. Similarly, clinical trial submissions in the UK will not be able to be bundled with those of EU member states within the EMA Clinical Trial Information System, adding further complexity, cost and potential risk to future clinical and development activity in the UK. Significant political and economic uncertainty remains about how much the relationship between the UK and EU will differ as a result of the UK's withdrawal.

These developments, or the perception that any related developments could occur, have had and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. Any of these factors could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the ADSs.

Risks associated with our international operations, including seeking and obtaining approval to commercialize our product candidates in jurisdictions outside the U.S. and EU, could harm our business.

We engage extensively in international operations, which include seeking marketing approval for certain of our product candidates in foreign jurisdictions. We expect that we are or will be subject to additional risks related to entering into these international business markets and relationships, including:

- different regulatory requirements for drug and device approvals in foreign countries;
- differing drug import and export rules;
- lacking or reduced protection for intellectual property rights in foreign countries;
- changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs or taxes on imports or exports from or to countries where we manufacture or sell, or our partners sell, our products and product candidates;
- different reimbursement systems, and different competitive drugs;

- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other obligations incident to doing business in another country;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad;
- potential liability resulting from work conducted by distributors;
- regulatory and compliance risks that relate to maintaining accurate information and control over sales and activities that may fall within the purview of the Foreign Corrupt Practices Act, its books and records provisions, or its anti-bribery provisions; and
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters.

For example, we originally planned to conduct the Phase 3 foresiGHt trial utilizing sites in Belarus and Russia, but instead we engaged alternative sites for the study following the outbreak of conflict in Ukraine, which adversely affected patient enrollment. In addition, the manufacture of our products and product candidates is dependent upon third-party manufacturers that are based in other parts of the world, including the United States, Europe (including the UK and Switzerland), Japan and China. This manufacturing process requires that the components used in our products and product candidates are transported long distances, through multiple countries, which increases the risk that issues in the global supply chain or other disruptions to the international marketplace could harm our business.

The parent drug, drug product and other components of our products and product candidates are currently acquired from certain single-source suppliers. The loss of these suppliers, or their failure to supply could materially and adversely affect our business.

TransCon hGH drug product in vials is manufactured for use in clinical trials by Vetter Pharma Fertigung (“Vetter”), pursuant to our agreement with Vetter. TransCon hGH drug product in dual chamber cartridges for commercial and clinical use is supplied by Vetter for use in our drug delivery device made by Phillips Medisize A/S (formerly Medicom Innovation Partner A/S). The intermediates of our proprietary TransCon linkers are made by CARBOGEN AMCIS AG under an agreement with CARBOGEN AMCIS AG and accompanying purchase orders. For products that utilize soluble TransCon carriers, NOF Corporation (Japan) (“NOF”), supplies PEGs. Furthermore, NOF is responsible for coupling the TransCon linker used for TransCon hGH to methoxy PEG, under manufacturing agreements and accompanying purchase orders. Our growth hormone parent drug as well as our TransCon hGH drug substance are supplied by both Fujifilm Diosynth Biotechnologies UK Limited (“Fujifilm”), and Lonza Ltd. Our PTH as well as our TransCon PTH drug substance is supplied by Bachem, Switzerland, pursuant to our agreement with Bachem. Vetter manufactures the TransCon PTH drug product in cartridges and assembles the cartridges with a drug delivery device made by Ypsomed AG. CNP drug substance is supplied by Wacker Biotech, Germany. Our TransCon CNP drug product in vials is manufactured by Vetter pursuant to our agreement with Vetter. We do not currently have any other suppliers for the drug substance, drug product or other components of our TransCon hGH, TransCon PTH and TransCon CNP, although we believe that there are alternate sources of supply that could satisfy our clinical and commercial requirements, we cannot provide assurance that identifying alternate sources and establishing relationships with such sources would not result in significant delays in the commercialization or development of our products and product candidates. Additionally, we may not be able to enter into supply arrangements with alternative suppliers on commercially reasonable terms or at all. A delay in the commercialization or development of our products or product candidates or having to enter into a new agreement with a different third-party on less favorable terms than we have with our current suppliers could have a material adverse impact upon our business.

We may not be successful in our efforts to identify additional product candidates based on our TransCon technologies.

An important element of our strategy is to develop new products and product candidates based on our TransCon technologies. Research programs to identify new product candidates require substantial technical, financial and human resources. These research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for a number of reasons, including that:

- the research methodology used may not be successful in identifying potential product candidates; or
- potential product candidates may, on further study, be shown to have inadequate efficacy, harmful side effects or other characteristics suggesting that they are unlikely to be effective or safe products, or that they may not be sufficiently differentiated or offer substantial improvement over the currently available treatment options or standard of care in a given therapeutic category.

If we are unable to develop suitable product candidates through internal research programs or otherwise, we will not be able to increase our revenues in future periods, which could harm our business, results of operations and prospects, and the value of our shares or ADSs.

We are highly dependent on the services of our President and Chief Executive Officer, Jan Møller Mikkelsen, and if we are not able to retain this member of our senior management or recruit additional management, clinical and scientific personnel, our business will suffer.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified personnel. We may not be able to attract or retain qualified management and scientific and clinical personnel in the future due to the intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses. Our industry has experienced a high rate of turnover of management personnel in recent years. If we are not able to attract, retain and motivate necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

In particular, we are highly dependent upon Jan Møller Mikkelsen, our President and Chief Executive Officer. The loss of services of this individual could result in delays in product development and harm our business.

We may have difficulties in attracting and retaining key personnel, and if we fail to do so our business may suffer.

We are highly dependent on the principal members of our senior management and scientific staff, the loss of whose services could adversely affect the achievement of planned development objectives. In addition, we could experience difficulties attracting and retaining qualified employees in the future. For example, competition for qualified personnel in the biotechnology and pharmaceuticals field is intense due to the limited number of individuals who possess the skills and experience required by our industry. As such, we could have difficulty attracting experienced personnel to our company and may be required to expend significant financial resources in our employee recruitment and retention efforts.

For us to further expand our product development plans, we will need to hire additional qualified scientific personnel to perform research and development. We will also need to hire personnel with expertise in clinical testing, government regulation, sales and marketing, and finance, and might need to hire additional personnel with expertise in manufacturing. We may not be able to attract and retain personnel on acceptable terms, given the competition for such personnel among biotechnology, pharmaceutical and healthcare companies, universities and non-profit research institutions. Although we may be successful in attracting and retaining suitably qualified scientific personnel, there can be no assurance that we will be able to attract and retain such personnel on acceptable terms given the competition for experienced scientists from numerous pharmaceutical and chemical companies, specialized biotechnology firms, universities and other research institutions. Our failure to do so could adversely affect our business, results of operations and prospects, and the value of our shares or ADSs.

Our information technology systems, or those of our CROs or other contractors or consultants, may fail or suffer in the event of information technology system failures, cyberattacks or deficiencies in our cybersecurity, which could result in a material disruption of our product development programs and other critical business functions.

Despite the implementation of security measures, our information technology systems and those of our CROs and other contractors and consultants are vulnerable to attack and damage from computer viruses and malware (e.g., ransomware), unauthorized access, natural disasters, terrorism, war, telecommunication and electrical failures, malfeasance by external or internal parties, human error (e.g., social engineering, phishing). Attacks upon information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence.

We and certain of our service providers may from time to time be subject to cyberattacks and security incidents. While we do not believe that we have experienced any significant system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our and our critical third parties' operations, it could result in a material disruption of our programs, our operations, and ultimately, our financial results. For example, the loss of clinical trial data from completed or ongoing clinical trials for our products or product candidates could result in delays in our regulatory approval efforts, and the loss of research data could result in delays of our research and development efforts and it would be expensive to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our products or product candidates could be delayed.

If a security breach or other incident were to result in the unauthorized access to or unauthorized use, disclosure, release or other processing of personal information, it may be necessary to notify individuals, governmental authorities, supervisory bodies, the media and other parties pursuant to applicable privacy and security laws. Any security compromise affecting us, our service providers, strategic partners, other contractors, consultants, or our industry, whether real or perceived, could harm our reputation, erode confidence in the effectiveness of our security measures and lead to regulatory scrutiny. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or systems, or inappropriate disclosure of confidential or proprietary or personal information, we could incur liability, including litigation exposure, penalties and fines, we could become the subject of regulatory action or investigation, our competitive position could be harmed and the further development and commercialization of our products and services could be delayed. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our business. Furthermore, federal, state and international laws and regulations can expose us to enforcement actions and investigations by regulatory authorities, and potentially result in regulatory penalties, fines and significant legal liability, if our information technology security efforts fail. Laws around cybersecurity are also developing, and changes in such laws may require additional compliance costs. For example, in the EU, more stringent rules around cybersecurity are being adopted, such as the NIS2 Directive, which requires in-scope entities to implement heightened cybersecurity measures and responses, including with respect to security incident handling and reporting obligations. If a security breach or other incident were to result in the unauthorized access to or unauthorized use, disclosure, release or other processing of personal information, it may be necessary to notify individuals, governmental authorities, supervisory bodies, the media and other parties pursuant to privacy and security laws. We maintain cyber liability insurance; however, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of our systems.

Our business has been, and may continue to be, adversely affected by health epidemics, pandemics and other outbreaks of infectious disease.

Public health threats, such as COVID-19, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate could adversely impact our operations, as well as the operations of our customers, end users of our products, and our and their respective vendors, suppliers and other business partners. Any of these public health threats and related consequences could adversely affect our financial results.

The potential future measures put in place as a result of any future epidemic, pandemic, or health crisis could cause disruptions that could severely impact our business, clinical trials and commercialization activities, including by causing delays to our clinical trials, interrupting our supply chain, restricting access to our facilities, placing restrictions on our workforce and the workforce of our partners, or delaying interactions with regulators.

In addition, any future pandemic may cause further disruption to global financial markets. This may reduce our ability to access capital on favorable terms or to access capital at all. Furthermore, sustained adverse market events (such as a recession or depression) resulting from any future pandemic could materially and adversely affect our business and the price of the ADSs.

The extent to which any future epidemic, pandemic, or other health crisis impacts our business and clinical trials will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the speed and extent of geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in the affected areas, business closures or business disruptions and the effectiveness of actions taken in the affected areas to contain and treat the disease.

Unfavorable global and regional economic, political, health, climate and other conditions and events could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by global or regional economic, political, health, climate and other conditions and events. A global financial crisis or global or regional political and economic instability, failure of banks, wars, terrorism, civil unrest, outbreaks of disease, such as COVID-19, and other unexpected events, such as natural disasters, internet security threats, and damage to global communication networks, could cause extreme volatility, disrupt our business and increase our costs and expenses. Business disruptions could include, among others, disruptions to clinical enrollment, clinical site availability, patient accessibility, conduct of our clinical trials and commercialization activities, as well as temporary closures of our facilities and the facilities of suppliers or manufacturers in our supply chain.

For example, trade policies and geopolitical disputes (including as a result of China-Taiwan geo-political instability) and other international conflicts can result in tariffs, sanctions and other measures that restrict international trade, and can materially adversely affect our business, particularly if these measures occur in regions where our third-party contract manufacturers operate. Countries may also adopt measures, such as controls on imports or exports of goods, technology or data, that could adversely impact the Company's operations and supply chain. These geopolitical risks could also adversely affect VISEN's activities in China.

In addition, global credit and financial markets have experienced volatility and disruptions over the past years, including concerns about declines in consumer confidence, declines in economic growth, increases in the rate of inflation, increases in borrowing rates and changes in liquidity and credit availability, and uncertainty about economic stability, including most recently in connection with actions undertaken by the U.S. Federal Reserve Board to address inflation.

The military conflict between Russia and Ukraine has increased the likelihood of supply interruptions and made it difficult to conduct business operations, including clinical trials, in the region and in nearby countries. We originally planned to conduct the Phase 3 foresiGHt trial utilizing sites in Belarus and Russia, but instead we engaged with alternative sites for the study following the outbreak of conflict in Ukraine, which adversely affected patient enrollment. Such developments could negatively impact such operations or require use to delay or suspend clinical trial activities, which may increase product development costs and harm our business.

Separately, on October 7, 2023, Hamas, an organization designated by the U.S. as a terrorist organization, launched a series of coordinated attacks from the Gaza Strip onto Israel. On October 8, 2023, Israel formally declared war on Hamas, and the armed conflict is ongoing as of the date of this filing. Hostilities between Israel and Hamas could escalate and involve surrounding countries in the Middle East. To date, we have not experienced any material interruptions in our infrastructure, supplies, technology systems, or networks needed to support our operations as a result of the conflict between Israel and Hamas.

We have no way to predict the progress, outcome or consequences of the military conflict in Ukraine or its impacts in Ukraine, Russia, Belarus, Europe, or the U.S, or of the conflict in the Israel-Gaza regions and any potential increases in hostilities in the Middle East. The length, impact, and outcome of ongoing military conflicts is highly unpredictable and could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, trade disputes or trade barriers, changes in consumer or purchaser preferences, as well as an increase in cyberattacks and espionage.

In addition, the COVID-19 outbreak, including developments involving subsequent COVID-19 variants, significantly affected the financial markets of many countries and resulted and may in the future result in a variety of regulatory orders, guidance and restrictions. Similarly, global climate change could result in certain types of natural disasters occurring more frequently or with more intense effects. Some of our corporate and operational functions, including certain of our oncology research facilities, are located in California, which has experienced severe earthquakes, droughts, fires and other natural disasters in the past. We do not have multiple-site capacity for all of our operations in the event of a business disruption. Furthermore, parties in our supply chain and our customers are similarly vulnerable to these global or regional economic, political, health, climate and other conditions and events. Global or regional economic, political, health, climate and other conditions and events could result in a variety of risks to our business, including our ability to raise capital when needed on acceptable terms, if at all. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which such conditions and events could adversely impact our business.

Risks Related to Government Regulatory and Legal Requirements

The regulatory approval processes of the EMA, the FDA and comparable authorities are lengthy, time consuming, and inherently unpredictable. If we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.

The research, testing, manufacturing, labeling, approval, selling, import, export, marketing and distribution of drug products are subject to extensive regulation by the FDA, EU legislative bodies and other regulatory authorities in the United States, the EU and other jurisdictions, which regulations differ from country to country. We are not permitted to market any drug product in the United States until we receive marketing approval from the FDA. Equally, we are not permitted to market any drug product in the EU until we receive a marketing authorisation from the EC or EU member state competent authorities.

Obtaining regulatory approval of an NDA, BLA or MAA, can be a lengthy, expensive and uncertain process. In addition, failure to comply with FDA and other applicable U.S., EU and foreign regulatory requirements may subject us to administrative or judicially imposed sanctions or other actions, including:

- warning letters;
- civil and criminal penalties;
- injunctions;
- withdrawal of regulatory approval of products;
- product seizure or detention;
- product recalls;
- total or partial suspension of production; and

- refusal to approve pending NDAs or BLAs, MAA, or supplements to approved NDAs or BLAs or extensions or variations to marketing authorizations.

Prior to obtaining approval to commercialize a drug or biological product candidate in the United States, the EU or other regions, we must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the EMA, the FDA or other similar regulatory authorities, that any drug product candidates are safe and effective for their intended uses, and that any biological product candidates are safe, pure and potent for their intended uses. The number of nonclinical studies and clinical trials that will be required for FDA, or EC approval varies depending on the product candidate, the disease or condition that the product candidate is designed to address, and the regulations applicable to any particular product candidate. Results from nonclinical studies and clinical trials can be interpreted in different ways. Even if we believe the nonclinical or clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA and other regulatory authorities. Administering drug or biological product candidates to humans may produce undesirable side effects, which could interrupt, delay or halt clinical trials and result in the FDA or other regulatory authorities denying approval of a product candidate for any or all targeted indications.

The time required to obtain approval by the FDA and comparable authorities is unpredictable, typically takes many years following the commencement of clinical studies, and depends upon numerous factors. The EMA, the FDA and comparable authorities have substantial discretion in the approval process and we may encounter matters with the EMA, the FDA or such comparable authorities that requires us to expend additional time and resources and delay or prevent the approval of our product candidates. For example, the FDA or EMA may require us to conduct additional studies or trials for drug or biological product candidates either prior to or post-approval, such as additional drug-drug interaction studies or safety or efficacy studies or trials, or it may object to elements of our clinical development program such as the number of subjects in our current clinical trials from the United States or Europe. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions, which may cause delays in the approval or result in a decision not to approve an application for regulatory approval. Despite the time and expense exerted, failure can occur at any stage. Applications for our product candidates could fail to receive regulatory approval for many reasons, including but not limited to the following:

- the EMA, the FDA or other comparable foreign regulatory authorities may disagree with the design or implementation of our, or any collaboration partners', clinical studies;
- the population studied in the clinical program may not be sufficiently broad or representative to assure safety in the full population for which approval is sought;
- the EMA, the FDA or comparable foreign regulatory authorities may disagree with the interpretation of data from preclinical studies or clinical studies;
- the data collected from clinical studies of our product candidates may not be sufficient to support the submission of an NDA or BLA, MAA, or other submission or to obtain regulatory approval in the United States, the EU or elsewhere;
- we, or any collaboration partners, may be unable to demonstrate to the EMA, the FDA or comparable foreign regulatory authorities that a product candidate's risk-benefit ratio for its proposed indication is acceptable;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes, test procedures and specifications, or facilities of third-party manufacturers responsible for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

In addition, FDA and foreign regulatory authorities may change their approval policies and new regulations may be enacted. For instance, the EU pharmaceutical legislation is currently undergoing a complete review process, in the context of the Pharmaceutical Strategy for Europe initiative, launched by the EC in November 2020.

The EC's proposal for revision of several legislative instruments related to medicinal products (potentially reducing the duration of regulatory data protection, revising the eligibility for expedited pathways, etc.) was published on April 26, 2023. The proposed revisions remain to be agreed and adopted by the European Parliament and European Council and the proposals may therefore be substantially revised before adoption, which is not anticipated before early 2026. The revisions may however have a significant impact on the pharmaceutical industry and our business in the long term.

This lengthy approval process, as well as the unpredictability of the results of clinical studies, may result in our failure to obtain regulatory approval to market any of our product candidates, which would significantly harm our business, results of operations, and prospects. Additionally, if the EMA, the FDA or comparable foreign regulatory authorities require that we conduct additional clinical studies, place limitations on our label, delay approval to market our product candidates or limit the use of our products, our business and results of operations may be harmed.

In addition, even if we ultimately obtain approval for any product candidate, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our products, may grant approval contingent on the performance of costly post-marketing clinical trials, may impose a REMS or similar risk management measures, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could harm the commercial prospects for our product candidates.

Additional time may be required to obtain marketing authorizations for any of our product candidates that we develop as combination products.

On August 9, 2024, the FDA approved YORVIPATH for the treatment of hypoparathyroidism in adults. The approved presentation for YORVIPATH includes a pen-injector device we developed with Ypsomed to facilitate patient administration of TransCon PTH. As such, the pen-injector version of TransCon PTH is regulated as a combination product by the FDA and other regulatory authorities. Combination products require coordination within the FDA and within comparable regulatory agencies for review of their drug and device components. The EU regulates medical devices and medicinal products separately, through different legislative instruments, and the applicable requirements will vary depending on the type of drug-device combination product. For instance, drug-delivery products intended to administer a medicinal product where the medicinal product and the device form a single integral product are regulated as medicinal products in the EU. In such a case, the MAA must include – where available – the results of the assessment of the conformity of the device part with the EU Medical Devices Regulation contained in the manufacturer's EU declaration of conformity of the device or the relevant certificate issued by a notified body. If the MAA does not include the results of the conformity assessment and where for the conformity assessment of the device, if used separately, the involvement of a notified body is required, the EMA or the EU member state competent authority must require the applicant to provide a notified body opinion on the conformity of the device. By contrast, in case of drug-delivery products intended to administer a medicinal product where the device and the medicinal product do not form a single integral product (but are, e.g., co-packaged), the medicinal product is regulated in accordance with the rules for medicinal products described above while the device part is regulated as a medical device and will have to comply with all the requirements set forth by the Medical Devices Regulation.

Although the FDA and comparable foreign agencies have or may have systems in place for the review and approval of combination products, we may experience additional delays in the development and commercialization of such product candidates due to regulatory timing constraints and uncertainties in the product development and approval process. Moreover, although we anticipate that the device component of any combination product candidates we develop will be reviewed within the usual time frames expected for the underlying drug component application, and that no separate marketing application for the device components of such product candidates will be required in the United States, the FDA or comparable regulatory authorities may delay approval or require additional studies with the device which may delay the approval of the combination product.

For example, in April 2023 the FDA issued a Complete Response Letter in response to our original NDA submission for TransCon PTH, in which the FDA cited concerns related to the manufacturing control strategy for variability of delivered dose in the TransCon PTH drug/device combination product. Although the FDA subsequently approved our NDA for YORVIPATH, there is no guarantee that we will not encounter similar challenges or delays with respect to any other combination-product development programs we may pursue.

Even after a regulatory approval for a product candidate, we are subject to ongoing regulatory obligations and review, which may result in significant additional expenses. Additionally, our products and product candidates, if approved, could be subject to labeling and other restrictions and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

The governmental regulation of the development of products, including SKYTROFA and YORVIPATH in the U.S. and EU, and our other product candidates extend beyond clinical studies to approval required for their sale and monitoring of such products after sale. This regulation, approval and monitoring is the responsibility of numerous authorities in the United States, the EU and authorities in other territories. Following any regulatory approval of a product candidate, we, any collaboration partners and the manufacturers of our products will be subject to continuing regulatory obligations, including safety reporting requirements, regulatory oversight of product promotion and marketing, and cGMP or similar requirements. Furthermore, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These regulations cover all aspects of manufacturing, testing, quality control and recordkeeping of our products. If we or any collaboration partners or manufacturers fail to comply with applicable regulatory requirements, we may be subject to fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs or similar requirements and GCPs for any clinical trials that we conduct post-approval. As such, we and our third-party contract manufacturers will be subject to continual review and periodic inspections to assess compliance with regulatory requirements. Accordingly, we and others with whom we work must continue to expend time, money, and effort in all areas of regulatory compliance, including manufacturing, production, and quality control. Regulatory authorities may also impose significant restrictions on a product's indicated uses or marketing or impose ongoing requirements for potentially costly post-marketing studies. Furthermore, any new legislation addressing drug safety issues could result in delays or increased costs to assure compliance.

In addition, under the Federal Food, Drug, and Cosmetic Act, particular restrictions are placed on the distribution of human growth hormone products, including TransCon hGH. The distribution of product samples to physicians must also comply with the requirements of the Prescription Drug Marketing Act. Manufacturing facilities for our products remain subject to periodic inspection by regulatory authorities and must continue to adhere to International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use and the FDA's cGMP requirements. Application holders must obtain FDA approval for many product and manufacturing changes, depending on the nature of the change. Sales, marketing, and scientific/educational grant programs must comply with the U.S. Anti-Kickback Statute, the False Claims Act, as amended and similar state laws. Certain payments and other transfers of value to U.S. licensed physicians (as defined under statute) and teaching hospitals must be reported under the Physician Payments Sunshine Act. Pricing and rebate programs must comply with the Medicaid Drug Rebate Program requirements of the Omnibus Budget Reconciliation Act of 1990, as amended, and the Veterans Health Care Act of 1992, as amended. If products are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. All of these activities are also potentially subject to U.S. consumer protection and unfair competition laws.

We will also be required to report certain adverse reactions and production problems, if any, to the FDA or foreign regulatory authorities, and to comply with requirements concerning advertising and promotion for our products. Promotional communications with respect to prescription pharmaceutical products are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved label. As such, we may not promote our products for indications or uses for which they do not have FDA or foreign regulatory authorities approval.

Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- warning letters, fines or holds on clinical trials;
- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market or voluntary or mandatory product recalls;
- injunctions or the imposition of civil or criminal penalties;
- suspension or revocation of existing regulatory approvals;
- suspension of any of our future or ongoing clinical trials;
- refusal to approve pending applications or supplements to approved applications submitted by us;
- restrictions on our or our contract manufacturers' operations; or
- product seizure or detention, or refusal to permit the import or export of products.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize our product candidates. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

In addition, the FDA's and foreign regulatory authorities' policies may change and additional government laws or regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may be subject to enforcement action and we may not achieve or sustain profitability.

Within the EU, once a marketing authorisation is obtained, numerous post-approval requirements similar to the above ones also apply, and as in the United States, advertising and promotional activities for the product must be consistent with the approved summary of product characteristics and therefore off-label promotion of medicinal products is not permitted. Furthermore, the advertising and promotion of medicinal products is also subject to laws concerning promotion of medicinal products, interactions with physicians, misleading and comparative advertising and unfair commercial practices. Direct-to-consumer advertising of prescription medicines is also prohibited in the EU. The requirements are regulated by both EU regulations as well as national applicable regulations.

The regulatory requirements relating to the manufacturing, testing, marketing and sale of pharmaceutical products are subject to periodic change. This may impact our development plans. Changes in the regulations governing us could increase costs and adversely affect our business.

Furthermore, companies developing pharmaceutical products are facing increased demands to publish clinical trial results. Any such publication by us may, in addition to the additional cost of the publication, lead to investors misinterpreting the published data due to its technical and scientific nature, which, in turn, may adversely affect our business, results of operations and prospects and the value of our shares or ADSs.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA and foreign regulatory authorities to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's or foreign regulatory authorities' ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's or foreign regulatory authorities' ability to perform routine functions. Average review times at the FDA and foreign regulatory authorities have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies, such as the EMA following its relocation to Amsterdam and resulting staff changes, may also slow the time necessary for new drugs, medical devices and biologics or modifications to approved drugs, and biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Separately, in response to the COVID-19 pandemic, the FDA postponed most inspections at domestic and foreign manufacturing facilities from March 2020 until July 2021. If a prolonged government shutdown occurs, or if global health concerns continue to hinder or prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Third-party payor coverage and reimbursement status of newly-approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for our product candidates could limit our ability to market those products and decrease our ability to generate revenue.

The availability and adequacy of coverage and reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payors in the United States are essential for most patients to be able to afford treatments including our products and product candidates, if approved. Our ability to achieve acceptable levels of coverage and reimbursement for drug treatments by governmental authorities, private health insurers and other organizations will have an effect on our ability to successfully commercialize our products, and potentially attract additional collaboration partners to invest in the development of our product candidates. We cannot be sure that adequate coverage and reimbursement in the United States, the EU or elsewhere will be available for our products or any products that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future. Third-party payors increasingly are challenging prices charged for pharmaceutical products, medical devices and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs when an equivalent generic drug is available. It is possible that a third-party payor may consider our products or product candidates, if approved, and the generic or biosimilar parent drug as substitutable and only offer to reimburse patients for the generic drug. Even if we show improved efficacy or improved convenience of administration with our products or product candidates, if approved, pricing of the existing parent drug may limit the amount we will be able to charge for such product. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our products or product candidates, and may not be able to obtain a satisfactory financial return on products that we may develop.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs, biologics and medical devices will be covered. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs, biologics and medical devices. It is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our products or product candidates.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe, Canada, and other countries has and will continue to put pressure on the pricing and usage of our products and product candidates, if approved, and on related parent drugs. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Many countries, including the EU member states, established complex and lengthy procedures to obtain price approvals, coverage and reimbursement. These procedures vary from country to country but are commonly initiated after grant of the related marketing authorization. More particularly, in the EU, potential reductions in prices and changes in reimbursement levels could be the result of different factors, including reference pricing systems. It could also result from the application of external reference pricing mechanisms, which consist of arbitrage between low-priced and high-priced countries. Reductions in the pricing of our medicinal products in one EU member state could affect the price in other EU member states and, thus, have a negative impact on our financial results. Other countries allow companies to fix their own prices for medical products, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our products or product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits. As an example, many EU member states review periodically their decisions concerning the pricing and reimbursement of medicinal products. The outcome of these reviews cannot be predicted and could have adverse effects on the pricing and reimbursement of our medicinal products in the EU member states.

Moreover, increasing efforts by governmental and third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our products or product candidates. We expect to experience pricing pressures in connection with the sale of our products and product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs, medical devices and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products.

We and contract manufacturers are subject to significant regulation with respect to manufacturing our products and product candidates. The manufacturing facilities on which we rely may not continue to meet regulatory requirements or may not be able to meet supply demands.

We depend on third-parties to manufacture products employing our TransCon technologies. Components of a finished therapeutic product approved for commercial sale or used in late-stage clinical studies must be manufactured in accordance with cGMP or similar requirements outside the United States. These regulations govern manufacturing processes and procedures (including record keeping) and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. All entities involved in the preparation of our products and product candidates for clinical studies or commercial sale, including our existing contract manufacturers for our products and product candidates, are subject to extensive regulation. Manufacturing facilities are subject to pre-approval and ongoing periodic inspection by the FDA and other corresponding governmental authorities, including unannounced inspections, and must be licensed before they can be used in commercial manufacturing of products employing our TransCon technologies. After regulatory approvals or licensure are obtained, the subsequent discovery of previously unknown manufacturing, quality control or regulatory documentation problems or failure to maintain compliance with the regulatory requirements may result in restrictions on the marketing of a product, revocation of the license, withdrawal of the product from the market, seizures, injunctions, or criminal sanctions. Poor control of production processes can lead to the introduction of contaminants or to inadvertent changes in the properties or stability of our product candidates that may not be detectable in final product testing. We or our contract manufacturers must supply all necessary documentation in support of an NDA, BLA, MAA or comparable regulatory filing on a timely basis and must adhere to cGMP or similar regulations enforced by the FDA and other regulatory authorities through their facilities inspection programs. Although we oversee the contract manufacturers, we cannot control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with the regulatory requirements. If these facilities do not pass a pre-approval plant inspection, regulatory approval of the products may not be granted or may be substantially delayed until any violations are corrected to the satisfaction of the regulatory authority, if ever.

In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel.

The regulatory authorities also may, at any time following approval of a product for sale, audit the manufacturing facilities of our third-party contractors. If any such inspection or audit identifies a failure to comply with applicable regulations or if a violation of our product specifications or applicable regulations occurs independent of such an inspection or audit, we or the relevant regulatory authority may require remedial measures that may be costly and/or time consuming for us or a third-party to implement, and that may include the temporary or permanent suspension of a clinical study or commercial sales or the temporary or permanent suspension of production or closure of a facility. Any such remedial measures imposed upon us or third-parties with whom we contract could harm our business.

If we or any of our third-party manufacturers fail to maintain regulatory compliance, the FDA or other applicable regulatory authority can impose regulatory sanctions including, among other things, refusal to approve a pending application for a new pharmaceutical product, withdrawal of an approval, or suspension of production. As a result, our business, financial condition, and results of operations may be harmed.

Additionally, if supply from one approved manufacturer is interrupted, an alternative manufacturer would need to be qualified through submission and subsequent approval of a supplemental NDA or BLA, a marketing authorization variation application or equivalent foreign regulatory filing, which could result in further delay. The regulatory authorities may also require additional studies if a new manufacturer is relied upon for commercial production. Switching manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines. Furthermore, interruption or delay in supplies from one contract manufacturer may cause delays further down the supply chain, as certain contract manufacturers may rely on delivery of materials from other contract manufacturers.

These factors could cause us to incur higher costs and could cause the delay or termination of clinical studies, regulatory submissions, required approvals, or commercialization of our product candidates. Furthermore, if our suppliers fail to meet contractual requirements and we are unable to secure one or more replacement suppliers capable of production at a substantially equivalent cost, our clinical studies may be delayed, or we could lose potential revenue.

Our operations involve hazardous materials and we and third-parties with whom we contract must comply with environmental laws and regulations, which can be expensive and restrict how we do business.

As a pharmaceutical company, we are subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with health and safety regulations is substantial. Our business activities involve the controlled use of hazardous materials. Our research and development activities involve the controlled storage, use and disposal of hazardous materials, including the components of our product candidates and other hazardous compounds. We and manufacturers and suppliers with whom we may contract are subject to laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. In some cases, these hazardous materials and various wastes resulting from their use are stored at our and our manufacturers' facilities pending their use and disposal. We cannot eliminate the risk of accidental contamination or injury from these materials, which could cause an interruption of our commercialization efforts, research and development efforts and business operations, environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. We cannot guarantee that the safety procedures utilized by third-party manufacturers and suppliers with whom we may contract will comply with the standards prescribed by laws and regulations or will eliminate the risk of accidental contamination or injury from these materials. In such an event, we may be held liable for any resulting damages and such liability could exceed our resources and European, U.S. federal and state or other applicable authorities may curtail our use of certain materials and/or interrupt our business operations. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance. In the event of an accident or environmental discharge, we may be held liable for any consequential damage and any resulting claims for damages, which may exceed our financial resources and may materially adversely affect our business, results of operations and prospects, and the value of our shares or ADSs.

Our ability to effectively monitor and respond to the rapid and ongoing developments and expectations relating to environmental, social and governance matters, including related social expectations and concerns, may impose unexpected costs on us or result in reputational or other harm to us that could have a material adverse effect on our business, financial condition and results of operations.

There is an increasing focus and rapid and ongoing developments and changing expectations from certain investors, customers, consumers, employees and other stakeholders concerning environmental, social and corporate governance (“ESG”) matters. Additionally, public interest and legislative pressure related to public companies’ ESG practices continue to grow, which may result in increased regulatory, social or other scrutiny on us.

In the past, we have undertaken, and in future may undertake, various initiatives to improve our ESG profile or respond to stakeholder expectations; however, such initiatives entail costs and may not have the desired effect. For example, many initiatives rely on methodologies, standards, or data that are complex and evolving. Our approach to such matters also evolves, and there can be no guarantee that our approach will align with the expectations of any particular stakeholder. Stakeholder expectations vary, and in some circumstances conflict. For example, various policymakers, such as the EU and State of California, have adopted requirements for certain disclosures or other actions on climate and related ESG matters. Such requirements are not uniform, and may not be interpreted or applied uniformly, which can increase the cost and complexity of compliance, along with any other risks. Simultaneously, other stakeholders (including some policymakers) have sought to constrain companies attention to certain ESG matters.

Our failure or perceived failure to meet the standards set by various constituencies, or to successfully navigate competing expectations, could damage our reputation and our relationships with investors, governments, customers, employees, third parties and the communities in which we operate and expose us to increased regulatory risk, put us at a commercial disadvantage relative to our peers and materially adversely affect our business, financial condition, results of operations, ability to participate in debt and equity markets and the value of our shares or ADSs. Various of our suppliers, business partners, or other stakeholders are subject to similar expectations, which may augment or create additional risks.

If we fail to comply or are found to have failed to comply with EU, FDA and other local regulations related to the promotion of our products for unapproved uses, we could be subject to criminal penalties, substantial fines or other sanctions and damage awards.

The regulations relating to the promotion of products for unapproved uses are complex and subject to substantial interpretation by the FDA and other regulatory authorities, as well as courts. For example, we are restricted from marketing SKYTROFA and YORVIPATH and any other product candidate that receives marketing approval outside of its approved labeling, also referred to as off-label promotion. However, physicians may nevertheless lawfully prescribe an approved product to their patients in a manner that is inconsistent with the approved label, which is an off-label use. The FDA or other government authorities may allege or find that our practices constitute prohibited promotion for unapproved uses.

Over the past several years, a significant number of pharmaceutical and biotechnology companies have been the target of inquiries and investigations by various U.S. federal and state regulatory, investigative, prosecutorial and administrative entities in connection with the promotion of products for unapproved uses and other sales practices, including the Department of Justice and various U.S. Attorneys’ Offices, the Office of Inspector General of the Department of Health and Human Services, the FDA, the Federal Trade Commission and various state Attorneys General offices. These investigations have alleged violations of various U.S. federal and state laws and regulations, including claims asserting antitrust violations, violations of the Food, Drug and Cosmetic Act, the False Claims Act, the Prescription Drug Marketing Act, anti-kickback laws, and other alleged violations in connection with the promotion of products for unapproved uses, pricing and Medicare and/or Medicaid reimbursement. Many of these investigations originate as “qui tam” actions under the False Claims Act. Under the False Claims Act, any individual can bring a claim on behalf of the government alleging that a person or entity has presented a false claim, or caused a false claim to be submitted, to the government for payment. The person bringing a qui tam suit is entitled to a share of any recovery or settlement. Qui tam suits, also commonly referred to as “whistleblower suits,” are often brought by current or former employees. In a qui tam suit, the government must decide whether to intervene and prosecute the case. If it declines, the individual may pursue the case alone.

If the FDA or any other governmental agency initiates an enforcement action against us or if we are the subject of a qui tam suit and it is determined that we violated prohibitions relating to the promotion of products for unapproved uses, we could be subject to substantial civil or criminal fines or damage awards and other sanctions such as consent decrees and corporate integrity agreements pursuant to which our activities would be subject to ongoing scrutiny and monitoring to ensure compliance with applicable laws and regulations. Any such fines, awards or other sanctions would have an adverse effect on our revenue, business, financial prospects and reputation.

Our employees, independent contractors, principal investigators, CROs, consultants, vendors and collaboration partners may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk that our employees, independent contractors, principal investigators, CROs, consultants, vendors and collaboration partners may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or unauthorized activities that violate: (1) FDA or similar foreign regulations, including those laws that require the reporting of true, complete and accurate information to the FDA or foreign regulatory authorities; (2) manufacturing standards; (3) U.S. federal and state fraud and abuse and other healthcare laws and regulations including foreign requirements; or (4) laws that require the reporting of true and accurate financial information and data. Specifically, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. These activities also include the improper use of information obtained in the course of clinical trials or falsification of clinical trial data, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other third-parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Additionally, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other U.S. federal or non U.S. healthcare programs, imprisonment, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

We are subject to global anti-corruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act, and non-compliance with such laws can subject us to criminal or civil liability and harm our business, financial condition and results of operations.

Our business activities may be subject to the Foreign Corrupt Practices Act (“FCPA”), and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate. The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and, therefore, involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, the health care providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the FCPA.

There is no certainty that all of our employees, agents, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these requirements. We have adopted a code of conduct, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown or unmanaged risks or losses or in protecting us from allegations, governmental investigations or other actions or lawsuits stemming from a failure to comply with these requirements.

If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including civil or criminal fines and penalties, disgorgement of profits, injunctions and debarment from government contracts, as well as related stockholder lawsuits and other remedial measures, all of which could adversely affect our reputation, business, financial condition and results of operations. Investigations of alleged violations can also be disruptive and cause us to incur significant legal and investigatory fees.

Our failure to comply with trade compliance and economic sanctions laws and regulations of the United States and applicable international jurisdictions could materially adversely affect our reputation and results of operations.

Our business must be conducted in compliance with applicable economic and trade sanctions laws and regulations, such as those administered and enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council and other relevant sanctions authorities. Our global operations expose us to the risk of violating, or being accused of violating, economic and trade sanctions laws and regulations. Our failure to comply with these laws and regulations may expose us to reputational harm as well as significant penalties, including criminal fines, imprisonment, civil fines, disgorgement of profits, injunctions and debarment from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. Despite our compliance efforts and activities we cannot assure compliance by our employees or representatives for which we may be held responsible, and any such violation could materially adversely affect our reputation, business, financial condition and results of operations.

Regulations related to "conflict minerals" may cause us to incur additional expenses and could limit the supply and increase the cost of certain metals used in manufacturing our products.

In August 2012, the SEC adopted a rule requiring disclosures of specified minerals, known as conflict minerals, that are necessary to the functionality or production of products manufactured or contracted to be manufactured by U.S.-listed companies. The conflict minerals rule requires companies annually to diligence, disclose and report whether or not such minerals originate from the Democratic Republic of Congo and/or adjoining countries of Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia. The rule could affect sourcing at competitive prices and availability in sufficient quantities of certain minerals, including gold and tin, which are necessary to the functionality of our products, including our TransCon hGH auto-injector. The number of suppliers who provide conflict-free minerals may be limited. In addition, there may be material costs associated with complying with the disclosure requirements, such as costs related to determining the source of certain minerals used in our products, as well as costs of possible changes to products, processes, or sources of supply as a consequence of such verification activities. Due to the depth and complexity of the supply chain, we may not be able to sufficiently verify the origins of the relevant minerals used in our products through the due diligence procedures that we implement or the information that we receive from our suppliers may be inaccurate or inadequate, which may harm our reputation or subject us to SEC enforcement risks. In addition, we may encounter challenges to satisfy those customers who require that all of the components of our products be certified as conflict-free, which could place us at a competitive disadvantage if we are unable to do so.

Failure to obtain regulatory approvals in non-U.S. jurisdictions would prevent us from marketing our products outside of the United States.

In order to market our products outside of the United States, we, or any potential partner, must obtain separate regulatory approvals and comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our products. The time required to obtain approval in other countries might differ from and be longer than that required to obtain FDA approval. The regulatory approval process in other countries may include all of the risks detailed in these "Risk Factors", as well as other risks.

In the EU, medicinal products can only be commercialized after obtaining a marketing authorisation. For additional information, see "Item 4 B. Information on the Company - Business Overview - Foreign Regulation."

Outside the U.S. and the EU, approval procedures vary among countries and can involve additional clinical testing, and the time required to obtain approval may differ from that required to obtain FDA or EU approval. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries. Approval by the FDA, EC, or EU member state competent authorities does not ensure approval by regulatory authorities in other countries, and approval by one or more foreign regulatory authorities does not ensure approval by regulatory authorities in other foreign countries or by the FDA, EC, or EU member states competent authorities. However, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in others. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval, EC, or EU member states competent authority. We may not be able to file for regulatory approvals or to do so on a timely basis, and even if we do file, we may not receive necessary approvals to commercialize our products in any market.

We are subject to healthcare laws, regulation and enforcement; our failure to comply with these laws could harm our results of operations and financial conditions.

We are subject to healthcare, statutory and regulatory requirements and enforcement by the U.S. federal government and the states and foreign governments in which we conduct our business. The laws that affect our ability to operate include:

- the U.S. Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under U.S. federal healthcare programs such as the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- U.S. false claims laws which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other third-party payors that are false or fraudulent. In addition, the government may assert that a claim including items or services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- U.S. federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services; similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- U.S. federal civil monetary penalties laws, which impose civil fines for, among other things, the offering or transfer of remuneration to a Medicare or state healthcare program beneficiary if the person knows, or should know, it is likely to influence the beneficiary’s selection of a particular provider, practitioner, or supplier of services reimbursable by Medicare or a state healthcare program, unless an exception applies;
- the U.S. federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics, and medical supplies to report annually to the Centers for Medicare & Medicaid Services information related to payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician practitioners (physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiologist assistants and certified nurse midwives) and teaching hospitals, and ownership and investment interests held by physicians (as defined under statute) and their immediate family members;
- U.S. federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;

- state law equivalents of each of the above U.S. federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers;
- state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources;
- state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information; and
- European and other foreign law equivalents of each of the laws, including regulation regarding advertising of medicinal products and reporting requirements detailing interactions with and payments to healthcare providers.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. The risk of our activities being found in violation of these laws is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations.

Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that apply to us, we may be subject to significant penalties, including civil and criminal penalties, damages, fines, the curtailment or restructuring of our operations, the exclusion from participation in U.S. federal and state and/or foreign healthcare programs and imprisonment, any of which could adversely affect our ability to market our products and adversely impact our financial results.

Actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements could adversely affect our business, results of operations, and financial condition.

The global data protection landscape is rapidly evolving, and we are or may become subject to numerous state, federal and foreign laws, requirements and regulations governing the collection, use, disclosure, retention and security of personal data, such as information that we may collect in connection with clinical trials. Implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. This evolution may create uncertainty in our business, affect our ability to operate in certain jurisdictions or to collect, store, transfer use and share personal information, necessitate the acceptance of more onerous obligations in our contracts, result in liability or impose additional costs on us. Complying with these numerous, complex and often changing regulations is expensive and difficult, and any failure or perceived failure to comply with any data privacy laws or security laws, our policies and procedures, our contracts governing our processing of personal information or any security incident or breach involving the misappropriation, loss or other unauthorized use or disclosure of sensitive or confidential patient or consumer information, whether by us, one of our partners or another third-party, could adversely affect our business, financial condition and results of operations, and could result in negative publicity, government investigations and enforcement actions, claims by third-parties and damage to our reputation, any of which could have a material adverse effect on our operations, financial performance and business.

As our operations and business grow, we may become subject to or affected by new or additional data protection laws and regulations and face increased scrutiny or attention from regulatory authorities. In the U.S., HIPAA imposes, among other things, certain standards relating to the privacy, security, transmission and breach reporting of individually identifiable health information. Certain states have also adopted comparable privacy and security laws and regulations, some of which may be more stringent than HIPAA.

Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners. For example, California enacted the California Consumer Privacy Act, as amended by the California Privacy Rights Act (collectively, the “CCPA”), requires covered businesses that process the personal information of California residents to, among other things: (i) provide certain disclosures to California residents regarding the business’s collection, use, and disclosure of their personal information, (ii) receive and respond to requests from California residents to access, delete, and correct their personal information, or to opt out of certain disclosures of their personal information, and (iii) enter into specific contractual provisions with service providers that process California resident personal information on the business’s behalf. Additional compliance investment and potential business process changes may be required. Similar laws have passed in other states, and are continuing to be proposed at the state and federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by HIPAA, the CCPA, or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

Furthermore, the Federal Trade Commission (“FTC”), has authority to initiate enforcement actions against entities that make deceptive statements about privacy and data sharing in privacy policies, fail to limit third-party use of personal health information, fail to implement policies to protect personal health information or engage in other unfair practices that harm customers or that may violate Section 5(a) of the FTC Act. Even when HIPAA or a state law does not apply, according to the FTC, violating consumers’ privacy rights or failing to take appropriate steps to keep consumers’ personal information secure may constitute unfair and/or deceptive acts or practices in violation of Section 5(a) of the FTC Act. The FTC expects a company’s data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Additionally, federal and state consumer protection laws are increasingly being applied by FTC and states’ attorneys general to regulate the collection, use, storage, and disclosure of personal or personally identifiable information, through websites or otherwise, and to regulate the presentation of website content.

In Europe, the General Data Protection Regulation (“GDPR”), imposes comprehensive data privacy compliance obligations in relation to our processing of personal data of individuals within the European Economic Area, or EEA, including clinical trial data, or in the context of our activities within the EEA, including a principle of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit, as well as regulating cross-border transfers of personal data out of the EEA and the UK. If we do not comply with our obligations under the GDPR, we could be exposed to fines of up to the greater of €20 million or up to 4% of our total global annual revenue in the event of a significant breach. In addition, we may be the subject of litigation and/or adverse publicity, which could adversely affect our business, results of operations and financial condition.

Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States, and the efficacy and longevity of current transfer mechanisms between the European Economic Area, or the EEA, and the United States remains uncertain. Case law from the Court of Justice of the European Union, or CJEU, states that reliance on the standard contractual clauses - a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism - alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis. In relation to data transfers from the EEA to the United States, the EU-US Data Privacy Framework (“DPF”), was approved by the European Commission in July 2023 as an effective EU GDPR data transfer mechanism to U.S. entities self-certified under the DPF. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. In particular, we expect the European Commission approval of the current DPF to be challenged and international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators. As a result, we may have to make certain operational changes and we will have to implement revised standard contractual clauses and other relevant documentation for existing data transfers within required time frames.

Relatedly, from January 1, 2021, companies have had to comply with both the GDPR and the UK GDPR, the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover.

On October 12, 2023, the UK Extension to the DPF came into effect (as approved by the UK Government), as a UK GDPR data transfer mechanism to U.S. entities self-certified under the UK Extension to the DPF. As we continue to expand into other foreign countries and jurisdictions, we may be subject to additional laws and regulations that may affect how we conduct business.

In addition, the Council of the European Union adopted the NIS2 Directive on November 28, 2022, which replaced and repealed the existing EU Directive on the Security of Network and Information Systems. The NIS2 Directive establishes cybersecurity risk management measures and reporting requirements for highly critical sectors, including for manufacturers of medical devices. This includes requirements to implement appropriate technical and operational measures to manage security risks, including measures with respect to business continuity, incident handling, encryption, and data access control. Important entities and essential entities will also be required to report cybersecurity incidents within specified timeframes. The NIS2 Directive became effective on January 16, 2023, with EU member states having until October 17, 2024 to then incorporate the NIS2 Directive into their national law, although, as of this date, national transposition legislation has only been fully adopted in a limited number of countries. The NIS2 Directive requires EU member states to impose administrative fines for breaches of the NIS2 Directive of up to €7 million or 1.4% of the total worldwide turnover of the entity for the preceding financial year, whichever is greater for certain “important entities”. Other entities, considered “essential entities” may be subject to administrative fines for breaches of the NIS2 Directive of up to €10 million or 2% of the total worldwide turnover of the entity for the preceding financial year, whichever is greater.

Although we work to comply with applicable laws, regulations and standards, our contractual obligations and other legal obligations, these requirements are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another or other legal obligations with which we must comply. Any failure or perceived failure by us or our employees, representatives, contractors, consultants, collaborators or other third parties to comply with such requirements or adequately address privacy and security concerns, even if unfounded, could result in additional cost and liability to us, damage our reputation and adversely affect our business and results of operations. Further, we cannot assure you that our third-party service providers with access to our or our customers’, suppliers’, trial patients’, and employees’ personally identifiable and other sensitive or confidential information in relation to which we are responsible will not breach contractual obligations imposed by us, or that they will not experience data security breaches or attempts thereof, which could have a corresponding effect on our business including putting us in breach of our obligations under privacy laws and regulations and/or which could in turn adversely affect our business, results of operations and financial condition. In addition, if our practices are not consistent, or viewed as not consistent, with legal and regulatory requirements, including changes in laws, regulations and standards or new interpretations or applications of existing laws, regulations and standards, we may also become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, criminal or civil sanctions, all of which may harm our business, financial condition and results of operations.

Legislative or regulatory healthcare reforms in the United States and in foreign jurisdictions may make it more difficult and costly for us to obtain regulatory clearance or approval of our product candidates in the United States and in foreign jurisdictions and to produce, market and distribute our products in the United States and in foreign jurisdictions after clearance or approval is obtained.

From time to time, legislation is drafted and introduced in U.S. Congress that could significantly change the statutory provisions governing the regulatory clearance or approval, manufacture, and marketing of regulated products or the reimbursement thereof. In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business. Similar risks exist in foreign jurisdictions. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require:

- additional clinical trials to be conducted prior to obtaining approval;
- changes to manufacturing methods;
- recall, replacement, or discontinuance of one or more of our products; and
- additional record keeping.

Each of these would likely entail substantial time and cost and could harm our business and our financial results. In addition, delays in receipt of or failure to receive regulatory clearances or approvals for any future products would harm our business, financial condition and results of operations.

In addition, the trend toward managed healthcare in the United States and the changes in health insurance programs, as well as legislative proposals to reform healthcare or reduce government insurance programs, may result in lower prices for pharmaceutical products, including any products that may be offered by us. In addition, any future regulatory change regarding the healthcare industry or third-party coverage and reimbursement may affect demand for any products that we may develop and could harm our sales and profitability. For example, in the United States, the ACA was enacted in 2010 with a goal of reducing the cost of healthcare and substantially changing the way healthcare is financed by both government and private insurers. The ACA, among other things, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, established annual fees and taxes on manufacturers of certain branded prescription drugs and medical devices, and created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts, which, through subsequent legislative amendments, was increased to 70%, starting in 2019, off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

Since its enactment, there have been judicial, executive and Congressional challenges to certain provisions of the ACA. For example, on June 17, 2021, the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Thus, the ACA will remain in effect in its current form.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted, including reductions in Medicare payments to providers, which went into effect on April 1, 2013 and will stay in effect through 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. Further, the American Taxpayer Relief Act of 2012 reduced Medicare payments to several types of providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. Further, in March 2021, the American Rescue Plan Act of 2021 was signed into law, which, among other things, eliminated the statutory cap on drug manufacturers' Medicaid Drug Rebate Program rebate liability effective January 1, 2024. The rebate was previously capped at 100% of the average manufacturer price for a covered outpatient drug. These new laws may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for our products.

Recently, there has also been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed bills designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for pharmaceutical products. Most recently, in August 2022, the Inflation Reduction Act of 2022 ("IRA"), was signed into law. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023); and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services ("HHS"), to implement many of these provisions through guidance, as opposed to regulation, for the initial years. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the drug price negotiation program is currently subject to legal challenges. For that and other reasons, it is currently unclear how the IRA will be effectuated, and the impact of the IRA on our business and the pharmaceutical industry cannot yet be fully determined. Individual states in the United States have also become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including through constraints on reimbursement, imposition of mandatory discounts, discounts, restrictions on access to certain products, transparency measures, and programs for importation from other countries or bulk purchasing.

We expect that additional U.S. local and national healthcare reform measures will be adopted within and outside the United States in the future, any of which could limit the amounts that governments will pay for healthcare products and services, which could result in reduced demand for our products or product candidates or additional pricing pressures. The continuing efforts of the U.S. government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare may adversely affect the demand for any drug products for which we may obtain regulatory approval, including TransCon hGH, our ability to set a price that we believe is fair for our products, our ability to obtain coverage and reimbursement approval for a product, our ability to generate revenues and achieve or maintain profitability, and the level of taxes that we are required to pay.

In the EU, similar developments may affect our ability to profitably commercialize our product candidates, if approved. In addition to continuing pressure on prices and cost containment measures, legislative developments at the EU or member state level may result in significant additional requirements or obstacles that may increase our operating costs. The delivery of healthcare in the EU, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than EU, law and policy. National governments and health service providers have different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most EU member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with ever-increasing EU and national regulatory burdens on those wishing to develop and market products, this could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to commercialize our product candidates, if approved. In markets outside of the United States and EU, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies.

In December 2021, Regulation No 2021/2282 on Health Technology Assessment (“HTA”), amending Directive 2011/24/EU, was adopted. While the Regulation entered into force in January 2022, it will only begin to apply from January 12, 2025, onwards, with preparatory and implementation-related steps to take place in the interim. Once applicable, it will have a phased implementation depending on the concerned products. The Regulation intends to boost cooperation among EU member states in assessing health technologies, including new medicinal products, and provide the basis for cooperation at the EU level for joint clinical assessments in these areas. It will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the highest potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technology, and making decisions on pricing and reimbursement.

Risks Related to Our Intellectual Property

If our intellectual property related to our products and product candidates is not adequate, we may not be able to compete effectively in our market.

Our success depends in part on our ability to:

- protect our trade secrets;
- apply for, obtain, maintain and enforce patents; and
- operate without infringing upon the proprietary rights of others.

We will be able to protect our proprietary technologies from unauthorized use by third-parties only to the extent that such proprietary rights are covered by valid and enforceable patents or are effectively maintained as trade secrets. Any non-confidential disclosure to or misappropriation by third-parties of our confidential or proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, thus eroding our competitive position in our market. Where we elect to pursue patent protection on our proprietary technologies, we file, prosecute and maintain international and other national patent applications covering such technologies, including in the United States, Europe, China, and other jurisdictions.

As of December 31, 2024, 62 patents have been issued to us in the United States, 21 of which are directed to our TransCon technologies, nine of which are directed to TransCon hGH, ten of which are directed to TransCon CNP, one of which is directed to a combination of TransCon hGH and TransCon CNP, six of which are directed to TransCon PTH, one of which is directed to TransCon IL-2 β/γ and twelve of which are directed to the TransCon hGH autoinjector. In addition, as of December 31, 2024, we have over 365 issued patents in jurisdictions outside of the United States, at least 87 of which are directed to our TransCon technologies, and 182 of which are directed to TransCon hGH and/or our other product candidates. For additional information, see “Item 4 B. Information on the Company - Business Overview - Intellectual Property.” We are not aware of any challenge to our issued patents, in the United States, Europe or in any other jurisdiction.

The patent application process, also known as patent prosecution, is expensive and time-consuming, and we and our current or future licensors and licensees may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we or our current licensors, or any future licensors or licensees, will fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Therefore, these and any of our patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. It is possible that defects of form in the preparation or filing of our patents or patent applications may exist, or may arise in the future, for example with respect to proper priority claims or inventorship, although we are unaware of any such defects. If we or our current licensors or licensees, or any future licensors or licensees, fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our current licensors or licensees, or any future licensors or licensees, are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised. If there are material defects in the form or preparation of our patents or patent applications, such patents or patent applications may be invalid and unenforceable. Any of these outcomes could impair our ability to prevent competition from third-parties, which may harm our business.

On June 1, 2023, the European Unitary Patent system and the European Unified Patent Court (“UPC”), were successfully launched, creating a single pan-European Unitary Patent and a new European patent court for litigation involving European patents. European patent applications now have the option, upon grant of a patent, of becoming a Unitary Patent which is subject to the jurisdiction of the UPC. In addition, conventional European patents, both already granted at the time the new system began and granted thereafter, are subject to the jurisdiction of the UPC, unless actively opted out. This is a significant change to European patent practice and deciding whether to opt-in or opt-out of Unitary Patent practice entail strategic and cost considerations. It will be several years before we will understand the scope of patent rights that are recognized and the strength of patent remedies that are provided by the UPC. While we have the right to opt our patents out of the UPC over the first seven years of the court’s existence, doing so may preclude us from realizing the benefits of the UPC. We have opted our current European patents out of the UPC, but if we do not meet all of the formalities and requirements for opting our patents out of the UPC, our current or future European patents could remain under the jurisdiction of the UPC. The UPC provides our competitors with a new forum to centrally revoke our European patents, and allows for the possibility of a competitor to obtain pan-European injunctions. Such a loss of patent protection could have a material adverse impact on our business and our ability to commercialize our technology and product candidates and, resultantly, on our business, financial condition, prospects and results of operations. It is uncertain how the UPC will impact granted European patents in the biotechnology and pharmaceutical industries and our European patent applications, if issued, could be challenged in the UPC. Moreover, the decision whether to opt-in or opt-out of Unitary Patent status will require coordinating with co-applicants, if any, adding complexity to any such decision.

The strength of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and can be highly uncertain. The patent applications that we own or license may fail to result in issued patents in the United States or in other countries. Even if patents do issue on such patent applications, third-parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. For example, U.S. patents can be challenged by any person before the USPTO Patent Trial and Appeals Board at any time within the one-year period following that person’s receipt of an allegation of infringement of the patents. Patents granted by the European Patent Office may be similarly opposed by any person within nine months from the publication of the grant. Similar proceedings are available in other jurisdictions, and in the United States, Europe and other jurisdictions third-parties can raise questions of validity with a patent office even before a patent has been granted.

Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing around our claims. For example, a third-party may develop a competitive product that provides therapeutic benefits similar to one or more of our products or product candidates but that has a different composition that falls outside the scope of our patent protection. If the breadth or strength of protection provided by the patents and patent applications we hold or pursue with respect to our products or product candidates is successfully challenged, then our ability to commercialize our products or product candidates could be negatively affected, and we may face unexpected competition that could harm our business. Further, patents have a limited lifespan and patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time. In the United States, if all maintenance fees are paid timely, the natural expiration of a patent is generally 20 years after its first effective filing date excluding U.S. provisional patent applications. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such product candidates are commercialized. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. If we encounter delays in our clinical trials, the period of time during which we could market our products or product candidates, if approved, under patent protection would be reduced. If we do not have sufficient patent life to protect our products, our business and results of operations will be adversely affected.

Moreover, geo-political actions in the U.S. and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications or those of any current or future licensors and the maintenance, enforcement or defense of our issued patents or those of any current or future licensors. For example, the U.S. and foreign government actions related to Russia's conflict in Ukraine may limit or prevent filing, prosecution, and maintenance of patent applications in Russia. Government actions may also prevent maintenance of issued patents in Russia. These actions could result in abandonment or lapse of our patents or patent applications, resulting in partial or complete loss of patent rights in Russia. In addition, a decree was adopted by the Russian government in March 2022, allowing Russian companies and individuals to exploit inventions owned by patentees from the U.S. without consent or compensation. Consequently, we would not be able to prevent third parties from practicing our inventions in Russia or from selling or importing products made using our inventions in and into Russia. Accordingly, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

The degree of future protection of our proprietary rights is uncertain. Patent protection may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- we might not have been the first to invent or the first to file the inventions covered by each of our pending patent applications and issued patents;
- others may independently develop similar or alternative technologies or duplicate any of our technologies;
- the patents of others may have an adverse effect on our business;
- any patents we obtain or our in-licensed issued patents may not encompass commercially viable products or product candidates, may not provide us with any competitive advantages or may be challenged by third-parties;
- any patents we obtain or our in-licensed issued patents may not be valid or enforceable, or the scope may be narrowed; or
- we may not develop additional proprietary technologies that are patentable.

If we or our current licensors or licensees, or any future licensors or licensees, fail to prosecute, maintain and enforce patent protection for our products or product candidates, our ability to develop and commercialize our products or product candidates could be harmed and we might not be able to prevent competitors from making, using, selling, importing or otherwise exploiting competing products or product candidates. This failure to properly protect the intellectual property rights relating to our products or product candidates could harm our business, financial condition and operating results. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how on their own without relying on our proprietary technologies or information.

Even where laws provide protection, litigation or any other dispute resolution proceedings necessary to enforce and determine the scope of our proprietary rights may be costly and time-consuming, and the outcome of such litigation or dispute resolution proceedings would be uncertain. If we were to initiate legal proceedings against a third-party to enforce a patent covering one of our products or product candidates, the defendant could counterclaim that our patent is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Patents may be unenforceable if someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. The outcomes of proceedings involving assertions of invalidity and unenforceability are unpredictable. It is possible that prior art of which we and the patent examiner were unaware during prosecution exists, which would render our patents invalid. Moreover, it is also possible that prior art may exist that we are aware of, but that we do not believe are relevant to our current or future patents, that could nevertheless be determined to render our patents invalid. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability of our patents covering our products or product candidates, we would lose at least part, and perhaps all, of the patent protection on such product or product candidate. Such a loss of patent protection would harm our business. Moreover, our competitors could counterclaim in any suit to enforce our patents that we infringe their intellectual property. Furthermore, some of our competitors have substantially greater intellectual property portfolios, and resources, than we do.

We license intellectual property rights from third-parties. Such licenses may be subject to early termination if we fail to comply with our obligations in our licenses with third-parties, which could result in the loss of rights or technology that are material to our business.

We are or may become a party to licenses that give us rights to third-party intellectual property or technology that is necessary or useful for our business, and we may enter into additional licenses in the future. Under these license agreements, we are or may become obligated to pay the licensor fees, which may include annual license fees, milestone payments, royalties, a percentage of revenues associated with the licensed technology and a percentage of sublicensing revenue. These fees may be significant, which could make it difficult for us to achieve or maintain profitability. In addition, under certain of such agreements, we are or may become required to diligently pursue the development of products or product candidates using the licensed technology. If we fail to comply with these obligations, including due to the impact of global pandemics, on our business operations or our use of the intellectual property licensed to us in an unauthorized manner, and fail to cure our breach within a specified period of time, the licensor may have the right to terminate the applicable license, in which event we could lose valuable rights and technology that are material to our business, harming our ability to develop, manufacture and/or commercialize our platform, products or product candidates.

In addition, the agreements under which we license intellectual property or technology to or from third-parties can be complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

The licensing and acquisition of third-party intellectual property rights is a competitive practice, and companies that may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our products or product candidates. More established companies may have a competitive advantage over us due to their larger size and cash resources or greater clinical development and commercialization capabilities. There can be no assurance that we will be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property surrounding the additional products or product candidates that we may seek to acquire. The failure to obtain or in-license any compositions, methods of use, processes or other third-party intellectual property rights at a reasonable cost or on reasonable terms, could harm our business. If we fail to obtain licenses to necessary third-party intellectual property rights, we may need to cease use of the compositions or methods covered by such third-party intellectual property rights. Furthermore, we may need to seek to develop alternative approaches that do not infringe on such intellectual property rights which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible.

Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology.

If we are unable to prevent disclosure of our trade secrets or other confidential information to third-parties, our competitive position may be impaired.

In addition to patents, we rely on trade secrets and proprietary know-how. We seek protection, in part, through confidentiality and proprietary information clauses in agreements with our collaboration partners, employees, consultants, outside scientific collaboration partners and sponsored researchers and other advisors. Although we generally require all of our employees, consultants, advisors and any third-parties who have access to our proprietary know-how, information or technology to assign or grant similar rights to their inventions to us, and endeavor to execute confidentiality agreements with all such parties, we cannot be certain that we have executed such agreements with all parties who may have contributed to our intellectual property or who had access to our proprietary information, nor can we be certain that our agreements with such parties will not be breached. These agreements may not effectively prevent disclosure of confidential and proprietary information and may not provide an adequate remedy in the event of unauthorized use or disclosure of confidential and proprietary information. We cannot guarantee that our trade secrets and other confidential proprietary information will not be publicly disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position. Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. We may need to share our proprietary information, including trade secrets, with our current and future business partners, collaborators, contractors and others located in countries at heightened risk of theft of trade secrets, including through direct intrusion by private parties or foreign actors, and those affiliated with or controlled by state actors. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. The failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

If we are sued for allegedly infringing intellectual property rights of third parties, it will be costly and time consuming, and an unfavorable outcome in such litigation could harm our business.

Our commercial success depends significantly on our ability to operate without infringing, violating or misappropriating the patents and other proprietary rights of third-parties. Our own technologies, products or product candidates may be found to infringe, violate or misappropriate the patents or other proprietary rights of third-parties, or we may be subject to third-party claims of such infringement. Numerous U.S. and foreign issued patents and pending patent applications owned by third-parties exist in the fields in which we are developing our products and product candidates. Additionally, we are aware of patents owned by a competitor that are related to CNP variants. In particular, BioMarin owns a patent in Europe relating to CNP variants, against which we filed an opposition in September 2022. At first instance, BioMarin was required to restrict the scope of their patent claims. Both parties have appealed the first instance decision with oral proceedings on appeal scheduled to take place in the fourth quarter of 2025. Further, BioMarin has alleged that the same European patent, expiring May 2030, is infringed by our “development program” relating to TransCon CNP, and has initiated infringement proceedings before the UPC. We have not received the documents filed by BioMarin before the UPC at the time of the filing of this Annual Report on Form 20-F. We believe that this patent is invalid and not infringed by us. However, should the UPC decide in favor of BioMarin, such a decision could harm our ability to bring TransCon CNP to patients, prior to patent expiration. There is a risk that BioMarin will allege patent infringement in other jurisdictions and before other courts. Furthermore, BioMarin also owns a re-issue patent in the U.S. relating to CNP variants. Although we believe that this patent is not infringed by us and/or is invalid, it is possible that a court or other form of tribunal would come to a different conclusion. We thus cannot be certain that our technologies, products and product candidates will not be found to infringe these or other existing or future patents of third-parties. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent’s prosecution history. Our interpretation of the relevance or the scope of a patent or a pending patent application may be incorrect, which may negatively impact our ability to market our products.

Additionally, because patent applications can take many years to issue and may be confidential for 18 months or more after filing, and because pending patent claims can be revised before issuance, there may be applications now pending which may later result in issued patents that may be infringed by the manufacture, use, import or sale of our technologies, products or product candidates. We may not be aware of patents that have already been issued that a third-party might assert are infringed by our technologies, products or product candidates.

It is also possible that patents of which we are aware, but which we do not believe are relevant to our technologies, products or product candidates, could nevertheless be found to be infringed by our products or product candidates.

Moreover, we may face patent infringement claims from non-practicing entities that have no relevant product revenue and against whom our own patent portfolio may thus have no deterrent effect.

In addition, we may face costly and time-consuming intellectual property litigation with the NDA holders, BLA holders and Orange Book patentees of the products in respect of which we seek to obtain FDA approval. Companies that produce branded biopharmaceutical products for which there are listed patents in the FDA's Orange Book routinely bring patent infringement litigation against applicants seeking FDA approval to manufacture and market branded and/or generic forms of their products. Accordingly, we may face patent litigation as a result of our submission of NDA and BLA applications to the FDA or as a result of submitting a MAA with the EMA.

Intellectual property litigation involves many risks and uncertainties, and there is no assurance that we will prevail in any lawsuit brought against us. Third-parties making claims against us for infringement, violation or misappropriation of their intellectual property rights may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our products and product candidates. Further, if a patent infringement suit were brought against us, we could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit. Defense of these claims, regardless of their merit, would cause us to incur substantial expenses and would be a substantial diversion of resources from our business. In the event of a successful claim of any such infringement, violation or misappropriation, we may need to obtain licenses from such third-parties and we may be prevented from pursuing product or product candidate development or commercialization and/or may be required to pay damages. We cannot be certain that any licenses required under such patents or proprietary rights would be made available to us, or that any offer to license would be made available to us on commercially reasonable terms. If we cannot obtain such licenses, we may be restricted or prevented from manufacturing and selling products employing our technologies. These adverse results, if they occur, could adversely affect our business, results of operations and prospects, and the value of our shares or ADSs.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful.

The biotechnology and pharmaceutical industries have been characterized by extensive litigation regarding patents and other intellectual property rights. The defense and prosecution of contractual or intellectual property lawsuits, USPTO interference or derivation proceedings, European Patent Office oppositions and related legal and administrative proceedings in the United States, Europe and other countries, involve complex legal and factual questions. As a result, such proceedings may be costly and time-consuming to pursue and their outcome is uncertain.

Litigation may be necessary to:

- protect and enforce our patents and any future patents issuing on our patent applications;
- enforce or clarify the terms of the licenses we have granted or may be granted in the future;
- protect and enforce trade secrets, know-how and other proprietary rights that we own or have licensed, or may license in the future; or
- determine the enforceability, scope and validity of the proprietary rights of third-parties and defend against alleged patent infringement.

Competitors may infringe our intellectual property. As a result, we may be required to file infringement claims to stop third-party infringement or unauthorized use. This can be expensive, particularly for a company of our size, and time-consuming.

We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings and some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent or other intellectual property litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

In addition, in an infringement proceeding, a court may decide that a patent of ours is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patent claims do not cover its technology or that the factors necessary to grant an injunction against an infringer are not satisfied. An adverse determination of any litigation or other proceedings could put one or more of our patents at risk of being invalidated, interpreted narrowly, or amended such that they do not cover our product candidates. Moreover, such adverse determinations could put our patent applications at risk of not issuing, or issuing with limited and potentially inadequate scope to cover our products or product candidates or to prevent others from marketing similar products.

Interference, derivation or other proceedings brought at the USPTO, may be necessary to determine the priority or patentability of inventions with respect to our patent applications or those of our licensors or potential collaboration partners. Litigation or USPTO proceedings brought by us may fail or may be invoked against us by third-parties. Even if we are successful, domestic or foreign litigation or USPTO or foreign patent office proceedings may result in substantial costs and distraction to our management and scientific personnel. We may not be able, alone or with our licensors or potential collaboration partners, to prevent misappropriation of our proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the United States.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other proceedings, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation or other proceedings. In addition, during the course of this kind of litigation or this kind of proceedings, there could be public announcements of the results of hearings, motions or other interim proceedings or developments or public access to related documents. If investors perceive these results to be negative, the market price for the ADSs could be significantly harmed.

Changes to the patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our technologies, products and product candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Patent reform legislation in the United States and other countries, including the Leahy-Smith America Invents Act (“Leahy-Smith Act”), signed into law on September 16, 2011, could increase those uncertainties and costs. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications filed after March 16, 2013, are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. In addition, the Leahy-Smith Act has transformed the U.S. patent system into a “first to file” system. The Leahy-Smith Act could make it more difficult to obtain patent protection for our inventions and increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could harm our business, results of operations and financial condition.

The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Additionally, there have been recent proposals for additional changes to the patent laws of the United States and other countries that, if adopted, could impact our ability to obtain patent protection for our proprietary technologies or our ability to enforce our proprietary technologies.

Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

Since June 1, 2023, European patent applications have the option, upon grant of a patent, of becoming a Unitary Patent which will be subject to the jurisdiction of the UPC. For additional information, see “If our intellectual property related to our products and product candidates is not adequate, we may not be able to compete effectively in our market.”

Certain of our employees and patents are subject to German law.

As of December 31, 2024, over 100 of our employees work in Germany and are subject to German employment law. Ideas, developments, discoveries and inventions made by such employees are generally subject to the provisions of the German Act on Employees’ Inventions, which regulates the ownership of, and compensation for, inventions made by employees. Under this act, we face the risk that we may be required to pay additional compensation for assigned patent rights and disputes can occur between us and our employees or ex-employees pertaining to alleged non-adherence to the provisions of this act that may be costly to defend and consume our management’s time and efforts whether we prevail or fail in such dispute. In addition, under the German Act on Employees’ Inventions, certain employees may have retained rights to patents they invented or co-invented before October 2009. Although substantially all of these employees have assigned their interest in these patents to us, to the extent permitted by law, there is a risk that the compensation we provided to them may be deemed to be insufficient and we may be required under German law to increase the compensation due to such employees for the use of the patents. In those cases, where employees have not assigned their interests to us, we may need to pay compensation for the use of those patents. If we are required to pay additional compensation or face other disputes under the German Act on Employees’ Inventions, our results of operations could be adversely affected.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The USPTO and various foreign patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions to maintain patent applications and issued patents. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance with these requirements can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction.

Losing our patent rights could enable competitors to enter the market earlier than would otherwise have been the case.

Failure to secure trademark registrations for a commercial trade name for our products or product candidates in the United States or elsewhere could adversely affect our business.

We use various trademark rights in our business, including, Ascendis, Ascendis Pharma, TransCon, SKYTROFA and YORVIPATH. Trademark applications for TransCon hGH, TransCon PTH and TransCon CNP have been filed in the U.S. as well as the EU and other countries across the globe. However, our current or future trademarks and trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks, and we may not be able to obtain trademark protection in other territories that we consider of significant importance to us. Furthermore, other than for TransCon hGH and TransCon PTH, we have not yet registered for a commercial trade name for any other of our product candidates in the United States or elsewhere. During trademark registration proceedings, our trademark applications may be rejected. Although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third-parties can oppose pending trademark applications and seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings.

In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition and could require us to devote resources to advertising and marketing our products under new brands. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third-parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names.

The FDA has approved the use of SKYTROFA for TransCon hGH and YORVIPATH for TransCon PTH in the United States; however, any name we propose to use with TransCon CNP, or our other product candidates in the United States or any other country must be approved by the FDA, EMA or any other relevant health authority regardless of whether we have registered it, or applied to register it, as a trademark. For example, the FDA has approved the use of SKYTROFA and YORVIPATH for certain indications in the United States and the EC has granted marketing authorisations for SKYTROFA and YORVIPATH in the EU. The FDA as well as EMA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA, EMA or any other relevant approval authority objects to any of our proposed proprietary product names, we may be required to expend significant additional resources in an effort to identify a suitable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third-parties and be acceptable to the FDA, EMA or any other relevant approval authority.

We may not be able to enforce our intellectual property rights throughout the world.

Patents are of national or regional effect, and filing, prosecuting and defending patents on our products or product candidates in all countries throughout the world would be prohibitively expensive. The requirements for patentability may differ in certain countries, particularly in developing countries. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. Additionally, laws of some countries outside of the United States and Europe do not afford intellectual property protection to the same extent as the laws of the United States and Europe. For example, patents with claims directed to dry pharmaceutical formulations of TransCon hGH have issued in the United States, Europe, and other jurisdictions, but related claims were rejected in China, and our subsequent appeals were unsuccessful. As a result, our patent protection for TransCon hGH may expire sooner in China than in other jurisdictions. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, including India, China and certain developing countries, do not favor the enforcement of patents and other intellectual property rights. This could make it difficult for us to stop the infringement of our patents or the misappropriation of our other intellectual property rights in such countries. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third-parties. Consequently, we may not be able to prevent third-parties from practicing our inventions in certain countries outside the United States and many countries in Europe.

Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and product candidates and, further, may export otherwise infringing products to territories where we have patent protection, if our ability to enforce our patents to stop infringing activities is inadequate.

These products and product candidates may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and resources from other aspects of our business. Furthermore, while we intend to protect our intellectual property rights in major markets for our products, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our products and product candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

We may be subject to claims that we or our employees have misappropriated the intellectual property, including know-how or trade secrets, of a third-party, or claiming ownership of what we regard as our own intellectual property.

Many of our employees, consultants and contractors were previously employed at or engaged by other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, consultants and contractors, executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees, consultants and contractors do not use the intellectual property, proprietary information, know-how or trade secrets of others in their work for us, we may be subject to claims that we have wrongfully hired an employee from a competitor or that we or these employees, consultants and contractors have used or disclosed such third-party intellectual property, including know-how, trade secrets or other proprietary information.

Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, or access to consultants and contractors. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while we typically require our employees, consultants and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our senior management and scientific personnel.

We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.

We may be subject to claims that former employees, collaborators, or other third-parties have an interest in our patents or other intellectual property as an inventor or co-inventor. The failure to name the proper inventors on a patent application can result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third-parties involved in developing our products or product candidates or as a result of questions regarding co-ownership of potential joint inventions. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our products or product candidates. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. Litigation may be necessary to defend against these and other claims challenging inventorship. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

We or our licensors may have relied on third-party consultants or collaborators or on funds from third-parties, such as national governments, such that we or our licensors are not the sole and exclusive owners of the patents we in-licensed. If other third-parties have ownership rights or other rights to our patents, including in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products, product candidates and technologies.

This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Risks Related to Indebtedness

Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations, and impair our ability to satisfy our obligations under the Convertible Notes.

As of December 31, 2024, we had \$575 million principal amount of indebtedness as a result of the 2.25% Convertible Senior Notes due 2028 (“Convertible Notes”) offering. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our shareholders and our business, results of operations, and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing shareholders as a result of issuing ADSs upon conversion of the Convertible Notes and the ordinary shares represented by such ADSs; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Convertible Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Convertible Notes, and our cash needs may increase in the future. In addition, future indebtedness that we may incur may contain financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.

We may be unable to raise the funds necessary to redeem the Convertible Notes for cash following a fundamental change, and our future indebtedness may limit our ability to redeem the Convertible Notes in connection with such fundamental change.

Holder of the Convertible Notes may, subject to a limited exception described in the indenture, require us to redeem their Convertible Notes following a fundamental change under the indenture at a cash fundamental change redemption price generally equal to the principal amount of the Convertible Notes to be redeemed in connection with such fundamental change, plus accrued and unpaid interest, if any. We may not have enough available cash or be able to obtain financing at the time we are required to redeem the Convertible Notes in connection with a fundamental change. In addition, applicable law, regulatory authorities and the agreements governing our other indebtedness may restrict our ability to redeem the Convertible Notes in connection with a fundamental change. Our failure to redeem Convertible Notes in connection with a fundamental change when required will constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our other consolidated indebtedness (if any), which may result in that other indebtedness becoming immediately payable in full. If the repayment of such other indebtedness were to be accelerated after any applicable notice or grace periods, then we may not have sufficient funds to repay that indebtedness and redeem the Convertible Notes in connection with such fundamental change.

Provisions in the indenture could delay or prevent an otherwise beneficial takeover of us.

Certain provisions in the Convertible Notes and the indenture could make a third party attempt to acquire us more difficult or expensive. For example, a takeover will under certain circumstances constitute a fundamental change, and the noteholders will then have the right to require us to redeem their Convertible Notes for cash.

In addition, if a takeover constitutes a make-whole fundamental change, then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under the Convertible Notes and the indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that noteholders or holders of the ADSs or our ordinary shares may view as favorable.

The accounting method for the Convertible Notes could adversely affect our reported financial condition and results.

The Convertible Notes are treated as a compound financial instrument with a foreign currency financial liability component (“host”), and an embedded derivative (“derivative”) related to a written option to exchange a fixed number of our shares for a fixed amount of Convertible Notes that is denominated in a foreign currency. The derivative is not closely related to the host, because it is exposed to dissimilar risks, such as volatility from the Company’s own share price. Accordingly, the derivative is accounted for separately at fair value through profit or loss.

The initial fair value of the host was the residual amount after separating the embedded derivative at fair value, net of transaction costs attributable to the host component. Transaction costs were allocated to the host and the derivative in proportion to the allocation of proceeds. Transaction costs attributable to the derivative were recognized immediately in the profit or loss as a financial expense.

The difference between the principal amount of the Convertible Notes and the initial fair value of the host is amortized into interest expense over the expected lifetime of the Convertible Notes using the effective interest method. As a result of this amortization, the interest expense that we expect to recognize for the Convertible Notes for accounting purposes will be greater than the cash interest payments we will pay on the Convertible Notes, which will result in lower reported income or higher reported loss. The lower reported income or higher reported loss resulting from this accounting treatment could depress the trading price of our common stock and the Convertible Notes.

The fair value of the derivative cannot be measured based on quoted prices in active markets, or other observable input, and accordingly, the derivative is measured by using the Black-Scholes option-pricing model, where the pricing is exposed from changes in the Company’s share price. Since the fair value is exposed to development in the Company’s share price, the profit or loss is exposed to volatility from such development, which could result in lower reported income or higher reported loss. The lower reported income or higher reported loss resulting from this accounting treatment could have a negative effect on the trading price of the ADSs.

In addition, the accounting method for reflecting the ordinary shares represented by ADSs underlying the Convertible Notes in our diluted earnings per share may adversely affect our reported earnings and financial condition. We expect that, under applicable accounting principles, the ordinary shares represented by ADSs underlying the Convertible Notes will be reflected in our diluted earnings per share assuming that all the Convertible Notes were converted into ADSs at the beginning of the reporting period (or, if later, the date the Convertible Notes are first issued), unless the result would be antidilutive. Accounting for the Convertible Notes in this manner may reduce our diluted earnings per share.

Risks Related to Our Ordinary Shares and ADSs

The price of the ADSs may be volatile and the holders of the ADSs may not be able to resell ADSs at or above the price they paid.

The trading price of the ADSs has been and could continue to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. These factors include:

- our ability to commercialize or obtain regulatory approval for our products or product candidates, or delays in commercializing or obtaining regulatory approval;
- results from, or any delays in, clinical trial programs relating to our products or product candidates;

- our ability to apply our TransCon technologies to therapeutic areas other than endocrinology, including the therapeutic areas of oncology and ophthalmology;
- announcements of regulatory approval or a complete response letter to our product candidates, or specific label indications or patient populations for use, or changes or delays in the regulatory review process;
- announcements relating to current or future collaborations or joint ventures;
- announcements of therapeutic innovations or new products by us or our competitors;
- announcements regarding the parent drugs that we use in developing our product candidates;
- adverse actions taken by regulatory authorities with respect to our clinical trials, manufacturing supply chain or sales and marketing activities;
- changes or developments in laws or regulations applicable to our products or product candidates;
- any adverse changes to our relationship with any manufacturers or suppliers;
- the success of our testing and clinical trials;
- the success of our efforts to acquire, license or discover additional products or product candidates;
- any intellectual property infringement actions in which we may become involved;
- announcements concerning our competitors or the pharmaceutical industry in general;
- achievement of expected product sales and profitability;
- manufacture, supply or distribution shortages;
- actual or anticipated fluctuations in our operating results;
- EMA, FDA or other similar regulatory actions affecting us or our industry or other healthcare reform measures in the EU, United States or in other markets;
- changes in the structure of healthcare payment systems;
- changes in financial estimates or recommendations by securities analysts;
- trading volume of the ADSs;
- sales or purchases of ordinary shares and/or ADSs by us, our senior management and board members, holders of the ADSs or our shareholders in the future;
- general economic and market conditions and overall fluctuations in the United States and international equity markets, including deteriorating market conditions due to investor concerns regarding inflation and hostilities between Russia and Ukraine and between Israel and Hamas;
- the effects on our business, operating results, prospects and financial condition of potential future pandemics such as COVID-19; and
- the loss of any of our key scientific or senior management personnel.

In addition, the stock markets in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme volatility that may have been unrelated to the operating performance of the issuer. These broad market fluctuations may adversely affect the trading price or liquidity of ADSs. In the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the issuer. If any of the holders of ordinary shares or ADSs were to bring such a lawsuit against us, we could incur substantial costs defending the lawsuit and the attention of our senior management would be diverted from the operation of our business, which could seriously harm our financial position. Any adverse determination in litigation could also subject us to significant liabilities.

ADS holders do not directly hold our ordinary shares and do not have the rights of a holder of our ordinary shares.

Danish law governs shareholder rights. Our depository, The Bank of New York Mellon, is the holder of the ordinary shares underlying our ADSs through its custodian. The deposit agreement among us, the depository, and all other persons directly and indirectly holding ADSs, sets out ADS holder rights as well as the rights and obligations of the depository. In addition, our depository charges and/or deducts certain fees to holders of the ADSs.

ADS holders may not be able to exercise their right to vote the ordinary shares underlying their ADSs.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by the ADSs only in accordance with the provisions of the deposit agreement and not as a direct shareholder in the Company. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, the depository will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, if we so request, the depository shall distribute to the holders as of the record date (1) the notice of the meeting or solicitation of consent or proxy sent by us and (2) a statement as to the manner in which instructions may be given by the holders.

However, we may not request the depository to distribute this information which could effectively limit the ability of ADS holders to direct voting of the ordinary shares underlying their ADSs.

ADS holders may instruct the depository of their ADSs to vote the ordinary shares underlying their ADSs. Otherwise, ADS holders are not able to exercise their right to vote, unless they withdraw the ordinary shares underlying the ADSs they hold. However, they may not know about the meeting far enough in advance to withdraw those ordinary shares. If we ask for instructions from ADS holders, the depository, upon timely notice from us, will notify the ADS holders of the upcoming vote and arrange to deliver our voting materials to the ADS holders. We cannot guarantee that ADS holders will receive the voting materials in time to ensure that such holders can instruct the depository to vote the ordinary shares underlying their ADSs or to withdraw the ordinary shares underlying their ADSs so that they can vote such shares directly. If the depository does not receive timely voting instructions from an ADS holder, the depository may give a proxy to a person designated by us to vote the ordinary shares underlying ADSs. In addition, the depository and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that ADS holders may not be able to exercise any right to vote, and there may be nothing an ADS holder can do if the ordinary shares underlying their ADSs are not voted as they requested.

An ADS holder may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.

ADSs, which may be evidenced by American Depositary Receipts, are transferable on the books of the depository. However, the depository may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depository may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason subject to an ADS holders' right to cancel their ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of ADSs and withdrawal of the underlying ordinary shares may arise because the depository has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares. In addition, an ADS holder may not be able to cancel their ADSs and withdraw the underlying ordinary shares when such holder owes money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

If we issue shares or ADSs in future financings, shareholders or holders of ADSs may experience immediate dilution and, as a result, the price of our ADSs may decline.

We may from time to time issue additional shares or ADSs at a discount from the trading price of the ADSs.

As a result, our shareholders and holders of ADSs would experience immediate dilution upon the issuance of ADSs at such discount. In addition, as opportunities present themselves, we may enter into financing or similar arrangements in the future, including the issuance of debt securities, preference shares, ADSs or ordinary shares. If we issue shares or securities convertible into shares of our share capital, our ordinary shareholders and holders of ADSs would experience additional dilution and, as a result, the price of the ADSs may decline.

You may experience future dilution as a result of exercise or conversion of warrants, RSUs, PSUs and convertible notes.

As of December 31, 2024, approximately 12.9 million ordinary shares that are subject to outstanding warrants, RSUs, PSUs, convertible notes or reserved for future issuance under our warrant incentive program are eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules and the terms of our convertible notes. Exercise or conversion of warrants and convertible notes may take place at a price below the market price of the ADSs at the time of exercise and may therefore result in dilution of the value of the ADSs. In addition, to the extent that RSUs or PSUs settle into ADSs, we would also issue to the holders of such RSUs or PSUs ADSs held by us.

Sales of a substantial number of our ordinary shares or ADSs in the public market could cause the price of the ADSs to fall.

If our existing shareholders or holders of ADSs sell, or indicate an intention to sell, substantial amounts of our ordinary shares or ADSs representing our ordinary shares in the public market, the trading price of the ADSs could decline. If our outstanding warrants are exercised or ADSs subject to restricted stock units and performance stock units vest and settle, additional ordinary shares or ADSs may become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules and Rule 144 and Rule 701 under the Securities Act. If these additional ordinary shares or ADSs are sold, or if it is perceived that they will be sold, in the public market, the trading price of the ADSs could decline. Any sales of securities by these security holders could have a negative effect on the trading price of the ADSs.

Our principal shareholders and senior management own a significant percentage of our shares and are able to exert significant control over matters subject to shareholder approval.

As of December 31, 2024, our senior management, board members, holders of 5% or more of our share capital and their respective affiliates beneficially own approximately 60.0% of our outstanding voting securities. See “Item 7 A. Major Shareholders and Related Party Transactions – Major Shareholders” for information relating to the determination of the number of shares beneficially owned by an entity or a person. As a result, these security holders have the ability either alone or voting together as a group to determine and/or significantly influence the outcome of matters submitted to our shareholders for approval, including the election and removal of board members, payment of dividends, amendments to our articles of association, including changes to our share capital or any mergers, demergers, liquidations and similar transactions. This may prevent or discourage unsolicited acquisition proposals or offers for our ordinary shares or ADSs that our shareholders or ADS holders may feel are in their best interest as a shareholder or holder of ADSs. In addition, this group of shareholders may have the ability to control our management and affairs. Such control and concentration of ownership may affect the market price of the ADSs and may discourage certain types of transactions, including those involving actual or potential change of control of us (whether through merger, consolidation, take-over or other business combination), which might otherwise have a positive effect on the market price of the ADSs.

The rights of our shareholders may be different from the rights of shareholders in companies governed by the laws of U.S. jurisdictions.

Our corporate affairs are governed by our articles of association and by the laws governing companies incorporated in Denmark, including the Danish Companies Act. The rights of shareholders and the responsibilities of members of our board of directors may be different from the rights and obligations of shareholders in companies governed by the laws of U.S. jurisdictions. In the performance of its duties, our board of directors is required by Danish law to consider the interests of our company, its shareholders and its creditors. It is possible that some of these parties will have interests that are different from, or in addition to, the interests of our shareholders.

Claims of U.S. civil liabilities may not be enforceable against us.

We are incorporated under the laws of Denmark. Substantially all of our assets are located outside the United States. A significant portion of our board members and employees reside outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against them or us in U.S. courts, including judgements predicated upon the civil liability provisions of the U.S. securities laws of the United States.

The United States and Denmark currently do not have a treaty providing for the reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Consequently, a final judgement for payment given by a court in the United States, whether or not predicated solely upon U.S. securities laws, would not automatically be recognized or enforceable in Denmark. Danish courts are likely to deny the recognition and enforcement of punitive damages or other awards. Moreover, a Danish court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate for actual losses or damages. Enforcement and recognition of judgements of U.S. courts in Denmark are solely governed by the provisions of the Danish Administration of Justice Act.

Based on the lack of a treaty as described above, U.S. investors may not be able to enforce against us or members of our board of directors, our executive board, our senior management or certain experts named herein who are residents of Denmark or countries other than the United States any judgements obtained in U.S. courts in civil and commercial matters, including judgements under the U.S. federal securities laws.

As a foreign private issuer, we are not subject to U.S. proxy rules and are not subject to certain Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company.

We report under the Exchange Act, as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act and although we are subject to Danish laws and regulations with regard to such matters and intend to furnish quarterly financial information to the SEC, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. In addition, foreign private issuers are not required to file their annual report on Form 20-F until four months after the end of each fiscal year, while U.S. domestic issuers that are large accelerated filers are required to file their annual report on Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from the Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, our shareholders and the holders of the ADS may not have the same protections afforded to shareholders of companies that are not foreign private issuers.

Our status as a “foreign private issuer” allows us to adopt IFRS accounting principles, which are different from accounting principles under U.S. Generally Accepted Accounting Principles (“US GAAP”).

We have adopted and presented our consolidated financial statements in accordance with IFRS as issued by the International Accounting Standards Board and as adopted by the EU. IFRS is an internationally recognized body of accounting principles that are used by many companies outside of the United States to prepare their financial statements; and the SEC permits foreign private issuers such as our company to prepare and file their financial statements in accordance with IFRS rather than U.S. GAAP. IFRS accounting principles are different from those of U.S. GAAP, and SEC rules do not require us to provide a reconciliation of IFRS accounting principles to those of U.S. GAAP. Investors who are not familiar with IFRS may misunderstand certain information presented in our consolidated financial statements. Accordingly, we suggest that readers of our consolidated financial statements familiarize themselves with the provisions of IFRS accounting principles to better understand the differences between these two sets of principles.

As a foreign private issuer and as permitted by the listing requirements of the Nasdaq Global Select Market, we rely on certain home country governance practices rather than the corporate governance requirements of The Nasdaq Global Select Market.

As a foreign private issuer, in accordance with the listing requirements of the Nasdaq Global Select Market, we rely on home country governance requirements and certain exemptions thereunder rather than relying on the corporate governance requirements of the Nasdaq Global Select Market. For instance, the Listing Rules for The Nasdaq Stock Market (“Nasdaq Listing Rules”), for domestic U.S. issuers require listed companies to have, among other things, a majority of their board members be independent, and to have independent director oversight of executive compensation, nomination of board members and corporate governance matters. As a foreign private issuer, however, while we intend to comply with these requirements, we are permitted to follow home country practice in lieu of the above requirements. Danish law does not require that a majority of our board consist of independent directors or the implementation of a remuneration committee or nominating and corporate governance committee, and our board may thus in the future not include, or include fewer, independent directors than would be required if we were subject to the Nasdaq Listing Rules, or they may decide that it is in our interest not to have a remuneration committee or nominating and corporate governance committee, or have such committees governed by practices that would not comply with The Nasdaq Listing Rules.

Since a majority of our board of directors may not consist of independent directors, if we decide to rely on the foreign private issuer exemption to The Nasdaq Listing Rules, our board’s approach may, therefore, be different from that of a board with a majority of independent directors, and as a result, the management oversight of our company could, in the future, be more limited than if we were subject to The Nasdaq Listing Rules. We intend to follow home country practice with regard to, among other things, quorum requirements generally applicable to general meetings of shareholders.

Furthermore, Danish law does not have a regulatory regime for the solicitation of proxies and the solicitation of proxies is not a generally accepted business practice in Denmark, thus our practice varies from the requirement of Nasdaq Listing Rule 5620(b). In addition, our shareholders have authorized our board of directors to issue securities including in connection with certain events such as the acquisition of shares or assets of another company, the establishment of or amendments to equity-based compensation plans for employees, a change of control of us, rights issues at or below market price, certain private placements and issuance of convertible notes. To this extent, our practice varies from the requirements of Nasdaq Rule 5635, which generally requires an issuer to obtain shareholder approval for the issuance of securities in connection with such events. Accordingly, our shareholders and holders of the ADSs may not have the same protections afforded to shareholders of companies that are subject to these Nasdaq requirements.

We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act’s domestic reporting regime and cause us to incur significant legal, accounting and other expenses.

We qualify as a foreign private issuer and therefore we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. We may no longer be a foreign private issuer as of June 30, 2025, which would require us to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers as of January 1, 2026. To maintain our current status as a foreign private issuer, either (a) a majority of our ordinary shares or ADSs must be either directly or indirectly owned of record by non-residents of the United States or (b) (i) a majority of our executive officers or directors may not be U.S. citizens or residents, (ii) more than 50% of our assets cannot be located in the United States and (iii) our business must not be administered principally inside the United States. If we lost this status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC and Nasdaq rules. The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer may be significantly higher than the cost we would incur as a foreign private issuer. As a result, we expect that a loss of foreign private issuer status would increase our legal and financial compliance costs and would make some activities highly time consuming and costly. We also expect that if we were required to comply with the rules and regulations applicable to U.S. domestic issuers, it would make it more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage.

These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors and members of our senior management.

We do not currently intend to pay any cash dividends on our ordinary shares for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, our shareholders and ADS holders are not likely to receive any dividends on their investment for the foreseeable future. Because we do not intend to pay dividends, our shareholders' and ADS holders' ability to receive a return on their investment will depend on any future appreciation in the market value of our ADSs. There is no guarantee that our ordinary shares or ADSs will appreciate or even maintain the price at which our holders have acquired them.

Investors should be aware that the rights provided to our shareholders and holders of ADSs under Danish corporate law and our articles of association differ in certain respects from the rights that would typically be provided to a shareholder of a U.S. company under applicable U.S. federal and state laws.

Under Danish corporate law, except in certain limited circumstances (which require as a minimum that a proposal for inspection has been supported by a minimum of 25% of share capital), our shareholders may not ask for an inspection of our corporate records, while under Delaware corporate law any shareholder, irrespective of the size of such shareholder's shareholdings, may do so. Shareholders of a Danish limited liability company are also unable to initiate a derivative action, a remedy typically available to shareholders of U.S. companies, to enforce a right of our company, in case we fail to enforce such right ourselves, other than in certain cases of board member or management liability under limited circumstances. In addition, a majority of our shareholders may release a board member or manager from any claim of liability we may have, including if such board member or manager has acted in bad faith or has breached his or her duty of loyalty and only if a minority of at least 10% of the shareholders represented at the relevant general meeting have opposed the decision, may a shareholder bring a derivative action on behalf of our company. In contrast, most U.S. federal and state laws prohibit a company or its shareholders from releasing a board member from liability altogether if such board member has acted in bad faith or has breached such board member's duty of loyalty to our company.

Additionally, distribution of dividends from Danish companies to foreign companies and individuals may be subject to non-refundable withholding tax, which may not be creditable or deductible under the tax laws of the country in which the recipient shareholder is resident for tax purposes. Also, the rights as a creditor may not be as strong under Danish insolvency law, as under U.S. law or other insolvency law, and consequently creditors may recover less in the event our company is subject to insolvency compared to a similar case including a U.S. debtor. In addition, the use of the tax asset consisting of the accumulated tax deficit requires that we are able to generate positive taxable income and can be restricted by future amendments to Danish tax law. Further, repurchases of ordinary shares or ADSs by Ascendis Pharma A/S may have adverse tax consequences to the Company or shareholders under applicable Danish law. Finally, Danish corporate law may not provide appraisal rights in the case of a business combination equivalent to those generally afforded a shareholder of a U.S. company under applicable U.S. laws. As a result of these differences between Danish corporate law and our articles of association, on the one hand, and U.S. federal and state laws, on the other hand, in certain instances, shareholders and ADS holders could receive less protection as an equity holder of our company than they would as a shareholder of a U.S. company.

Holders of our ordinary shares or ADSs may not be able to exercise their pre-emptive subscription rights and may suffer dilution of their equity holding in the event of future issuances of our shares.

Under the Danish Companies Act, our shareholders benefit from a pre-emptive subscription right on the issuance of ordinary shares for cash consideration only and not in the event of issuance of shares against non-cash contribution or debt conversion. Even the shareholders' pre-emptive subscription rights in the event of issuances of shares against cash payment may be disappplied by a resolution of the shareholders at a general meeting of our shareholders and/or the shares or ADSs may be issued on the basis of an authorization granted to the board of directors pursuant to which the board may disapply the shareholders' pre-emptive subscription rights. Such shares or ADSs may be issued above, or at market value. In addition, a shareholder may not be able to exercise the shareholder's pre-emptive right on a timely basis or at all, unless the shareholder complies with the Danish Companies Act and applicable laws in the jurisdiction in which the shareholder is resident. Furthermore, the use of pre-emptive subscription rights in relation to future capital increases in our company can be restricted for U.S. residents according to U.S. securities law. As a result, the shareholding or holding of ADSs of such shareholders or ADS holders may be materially diluted in the event shares or ADSs are issued in the future.

Shares or ADSs may be issued at a discount to market price in rights offerings provided that the resolution is approved by two-thirds of the votes cast and the share capital represented at the general meeting and in these cases a restriction on the ability to exercise pre-emptive rights may materially dilute the value of the ordinary shares or ADSs held by the shareholder or ADS holder in question. Rights issues may also be carried out by the board of directors according to valid authorizations in our articles of association.

However, ADS holders in the United States are not entitled to exercise or sell such pre-emptive subscription rights related to the ordinary shares, which they represent unless we register the pre-emptive subscription rights and the securities to which the pre-emptive subscription rights relate under the Securities Act or an exemption from the registration requirements is available. In addition, the deposit agreement provides that the depositary will not make rights available to ADS holders unless the distribution to ADS holders or both the rights and any related securities are either registered under the Securities Act or exempted from registration under the Securities Act.

Further, if we offer holders of our ordinary shares the option to receive dividends in either cash or shares, under the deposit agreement the depositary may require satisfactory assurances from us that extending the offer to holders of ADSs does not require registration of any securities under the Securities Act before making the option available to holders of ADSs. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, ADS holders may be unable to participate in our rights offerings or to elect to receive dividends in shares and may experience dilution in their holdings. In addition, if the depositary is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case our shareholders and ADS holders will receive no value for these rights.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our ordinary shares or ADSs, the price of the ADSs and trading volume could decline.

The trading market for the ADSs may be influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or performance of the ADSs, or if our commercial sales, clinical trials or operating results fail to meet the expectations of analysts, the price of the ADSs would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause the price of the ADSs or trading volume to decline.

We may be a “passive foreign investment company” for U.S. federal income tax purposes for our current taxable year and future taxable years, which could result in adverse U.S. federal income tax consequences to U.S. investors.

Under the Internal Revenue Code of 1986, as amended (“Code”), and U.S. Treasury Regulations, the determination of passive foreign investment company (“PFIC”), status is fact-specific, and generally cannot be made until after the close of the taxable year in question. Based on our market capitalization and the composition of our income, assets and operations, we do not believe we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2024. However, this is a factual determination, and the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you we will not be a PFIC for any taxable year. A non-U.S. corporation will be considered a PFIC for any taxable year if, after the application of certain look-through rules, either (1) at least 75% of its gross income for such taxable year is passive income (as defined in the relevant provisions of the Code) or (2) at least 50% of the value of its assets (generally based on an average of the quarterly values of the assets) during such year is attributable to assets that produce or are held for the production of passive income. A separate determination must be made each taxable year as to whether we are a PFIC (after the close of each such taxable year). If we are a PFIC for any taxable year during which a U.S. Holder (as defined in “Item 10 E. Additional Information – Taxation – Material U.S. Federal Income Tax Consequences to U.S. Holders”) holds ordinary shares or ADSs, the U.S. Holder may be subject to adverse tax consequences, including (i) the treatment of all or a portion of any gain on disposition as ordinary income, (ii) the application of an interest charge with respect to such gain and certain dividends and (iii) compliance with certain reporting requirements. Although we do not believe we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2024, the application of the PFIC rules is subject to uncertainty in several respects. Whether we will be a PFIC in any year depends on the composition of our income and assets, and the relative fair market value of our assets from time to time, which we expect may vary substantially over time. In addition, because the value of our assets, including unbooked goodwill, for purposes of the asset test will generally be determined by reference to the market price of the ADSs, our PFIC status will depend in large part on the market price of the ADSs, which may fluctuate significantly. For these reasons, we cannot assure you we will not be a PFIC for any taxable year.

Each U.S. Holder is strongly urged to consult its tax advisor regarding these issues. See “Item 10 E. Additional Information – Taxation – Material U.S. Federal Income Tax Consequences to U.S. Holders.”

If a United States person is treated as owning at least 10% of our ordinary shares or ADSs, such holder may be subject to adverse U.S. federal income tax consequences.

If a U.S. Holder (as defined in “Item 10 E. Additional Information – Taxation – Material U.S. Federal Income Tax Consequences to U.S. Holders”) is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our ordinary shares or ADSs, such U.S. Holder will be treated as a “United States shareholder” with respect to each “controlled foreign corporation” in our group. Because our group includes one or more U.S. subsidiaries, certain of our non-U.S. subsidiaries will be treated as “controlled foreign corporations” (regardless of whether we are treated as a “controlled foreign corporation”). A “United States shareholder” of a “controlled foreign corporation” may be required to report annually and include in its U.S. taxable income its pro rata share of “Subpart F income,” “global intangible low-taxed income” and investments in U.S. property by “controlled foreign corporations,” regardless of whether we make any distributions. Failure to comply with these reporting obligations may subject a “United States shareholder” to significant monetary penalties and may prevent the statute of limitations from starting with respect to such shareholder’s U.S. federal income tax return for the year for which reporting was due. Further, an individual that is a “United States shareholder” with respect to a “controlled foreign corporation” generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a “United States shareholder” that is a U.S. corporation. We cannot provide any assurances that we will assist investors in determining whether any of our non-U.S. subsidiaries are treated as a “controlled foreign corporation” or whether such investor is treated as a “United States shareholder” with respect to any of such “controlled foreign corporations.” Further, we cannot provide any assurances that we will furnish to any “United States shareholders” information that may be necessary to comply with the aforementioned reporting and tax payment obligations. U.S. Holders should consult their tax advisors regarding the potential application of these rules to their investment in our ordinary shares or ADSs.

We could be adversely affected by changes in tax laws and regulations and the interpretation thereof.

Our tax liabilities could be adversely affected by several factors, including changing tax laws, regulations and treaties, or the interpretation thereof; tax policy initiatives and reforms implemented or under consideration; the practices of tax authorities in jurisdictions in which we operate; and the resolution of issues arising from tax audits or examinations and any related interest or penalties. For example, legislation has been enacted or is currently under consideration in a number of jurisdictions to adopt and implement Pillar Two of the base erosion and profit shifting (“BEPS”) project initiated by the Organization for Economic Cooperation and Development (“OECD”), which is designed to introduce a global minimum tax rate of 15% for certain multinational groups. In December 2021 and March 2022, the OECD published model rules and related commentary to support member jurisdictions of the G20/OECD Inclusive Framework on BEPS (including Denmark) to implement the Pillar Two framework. Denmark has transposed the rule into its tax legislation effective January 1, 2024. We are not subject to Pillar II rules until the consolidated turnover of Ascendis Pharma exceeds €750 million and certain other conditions are met. The ultimate impact of any such changes on our tax obligations remains uncertain and will continue to be monitored by the Company.

We are unable to predict what tax reforms may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices in jurisdictions in which we operate, could increase the estimated tax liability that we have expensed to date and paid or accrued on its consolidated statements of operations and comprehensive loss, and otherwise affect the future results of operations, cash flows in a particular period and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to shareholders and increase the complexity, burden and cost of tax compliance.

Item 4 Information on the Company

A. History and Development of the Company

We were organized under the laws of the Kingdom of Denmark in September 2006 as a private limited liability company (*Anpartsselskab*, or ApS) and then transformed into a public limited liability company (*Aktieselskab*, or A/S), effective December 17, 2007. In connection with this conversion, our legal name changed from Ascendis Pharma ApS to Ascendis Pharma A/S. We commenced operations in December 2007 in connection with the acquisition of the company that invented our TransCon technologies, Complex Biosystems GmbH.

Our registered office and principal executive offices are located at Tuborg Boulevard 12, DK-2900 Hellerup, Denmark and our telephone number is +45 70 22 22 44. Our agent for service of process in the United States is Ascendis Pharma, Inc., located at 1000 Page Mill Road, Palo Alto, CA 94304. Our corporate website address is www.ascendispharma.com. The information on, or that can be accessed through, our website is not part of and should not be incorporated by reference into this annual report or any other report we file or furnish to the U.S. Securities and Exchange Commission (“SEC”). We have included our website address as an inactive textual reference only. Our ADSs are traded on The Nasdaq Global Select Market under the symbol “ASND.”

The SEC maintains an internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

For additional information relating to the development of our company, see “Item 4 B. Information on the Company – Business Overview.” For additional information relating to the Company’s capital expenditures, see “Item 5 A. Operating and Financial Review and Prospects—Operating Results.”

B. Business Overview

Overview

We are a global biopharmaceutical company focused on applying our innovative TransCon technology platform to make a meaningful difference for patients. Guided by our core values of Patients, Science, and Passion, and following our algorithm for product innovation, we develop TransCon-based therapies that demonstrate best-in-class potential to address unmet medical needs. Our portfolio of approved Endocrinology Rare Disease products and product candidates addresses hypoparathyroidism as well as growth disorders such as growth hormone deficiency and achondroplasia. To create additional value, we have established partnerships to develop and bring to market TransCon-based products in large therapeutic areas including Metabolic, Cardiovascular and Ophthalmology.

Our Vision

As announced in January 2024, Vision 2030 is our vision to achieve blockbuster status for multiple products and expand our engine for future innovation. This includes:

- Be the Leading Endocrinology Rare Disease Company
 - o Achieve blockbuster status (>\$1B) for each of TransCon PTH, TransCon hGH, and TransCon CNP through worldwide commercialization
 - o Be the leader in growth disorders and hypoparathyroidism, pursuing clinical conditions, innovative life cycle management, and complementary patient offerings
 - o Expand pipeline with Endocrinology Rare Disease blockbuster product opportunities
- Create Value in Additional Therapeutic Areas through Innovative Business Models
 - o Obtain accelerated approval in oncology with registrational trials ongoing
 - o Pursue TransCon product opportunities in >\$5B indications

- o Maximize value creation of these product opportunities through collaboration with therapeutic area market leaders
- Differentiate with Ascendis Fundamentals
 - o Outperform industry drug development benchmarks with Ascendis’ product innovation algorithm
 - o Remain independent as a profitable biopharma through lean and flexible ways of working
 - o Let our values Patients, Science, Passion drive our decisions to success

Our products and product candidates combine our TransCon technologies with clinically validated parent drugs or pathways, with the goal of optimizing safety, efficacy, tolerability, and convenience.

We apply these technologies using our algorithm with the goal of creating product candidates with the potential to be best-in-class. Using this approach, we plan to expand our pipeline with Endocrinology Rare Disease product opportunities in large addressable markets. In addition, our vision is to pursue TransCon product opportunities in >\$5B indications in other therapeutic areas and maximize value creation of these product opportunities through collaboration with therapeutic area market leaders. We believe our approach to product innovation may reduce the risks associated with traditional drug development.

Ascendis Algorithm for Product Innovation



When we apply our TransCon technologies to clinically validated parent drugs or pathways, we may benefit from established clinical safety and efficacy data, which we believe increases the probability of success compared to traditional drug development. As illustrated above, our algorithm for product innovation focuses on identifying indications that have an unmet medical need, have a clinically validated parent drug or pathway, are suitable to our TransCon technologies, have potential for creating a clearly differentiated product, have a potential established development pathway, and have the potential to address a large market.

Program Summaries

We currently have two marketed products and a diversified portfolio of four product candidates in clinical development in the areas of Endocrinology Rare Disease and Oncology, and we are working to apply our TransCon technology platform in additional therapeutic areas such as the glucagon-like peptide 1 (“GLP-1”) class, where we believe we have designed a potentially best-in-class, once-monthly program.

- *SKYTROFA* – Our first marketed product is SKYTROFA[®] (lonapegsomatropin-tcgd), developed as TransCon Growth Hormone (“TransCon hGH”), which has received regulatory approval in the United States for the treatment of pediatric patients one year and older who weigh at least 11.5 kg and have growth failure due to inadequate secretion of endogenous growth hormone, also known as growth hormone deficiency (“GHD”). SKYTROFA has been commercially available for prescription in the United States since October 2021. In addition, SKYTROFA (lonapegsomatropin) was granted marketing authorization in the European Union (“EU”), Norway, Iceland, Liechtenstein, and Great Britain (covering England, Wales, Scotland) as a once-weekly subcutaneous injection for the treatment of children and adolescents aged 3 to 18 years with growth failure due to insufficient secretion of endogenous growth hormone. In the EU, SKYTROFA has been commercially available for prescription in Germany since September 2023.
- *YORVIPATH* – Our second marketed product is YORVIPATH[®] (palopegteriparatide), developed as TransCon PTH. In the EU, Norway, Iceland, Liechtenstein, and Great Britain (covering England, Wales, and Scotland), YORVIPATH has been granted marketing authorization as a once-daily subcutaneous injection for the treatment of adults with chronic hypoparathyroidism. In the EU, YORVIPATH has been commercially available for prescription in Germany and Austria since January 2024 and has also been available to patients in other countries under named patient programs. In August 2024, YORVIPATH received regulatory approval in the U.S. for the treatment of hypoparathyroidism in adults. YORVIPATH has been commercially available for prescription in the United States since December 2024. As of February 7, 2025, 908 new prescriptions by 539 unique prescribing healthcare providers in the U.S.
- *Endocrinology Rare Disease Pipeline* – Two product candidates in our Endocrinology Rare Disease portfolio are currently in development spanning multiple indications and geographies. These product candidates are TransCon hGH (lonapegsomatropin) for adult GHD and children with Turner syndrome and TransCon CNP (navepegritide) for infants, children, and adolescents with achondroplasia. We are also investigating TransCon CNP in combination with TransCon hGH in children with achondroplasia. In addition, we plan to investigate TransCon hGH in other established daily growth hormone indications. Through our strategic collaboration, Teijin Limited is developing and, if approved, plans to commercialize TransCon hGH, TransCon PTH, and TransCon CNP for endocrinology rare disease in Japan. In addition, through our strategic investment, VISEN Pharmaceuticals (“VISEN”) is developing and, if approved, plans to commercialize TransCon hGH, TransCon PTH, and TransCon CNP for endocrinology rare diseases in Greater China.
- *Oncology Pipeline* – In Oncology, we are leveraging our TransCon technologies with the goal of enhancing the anti-tumor effects of clinically-validated parent drugs and pathways and to provide sustained modulation of tumor microenvironments and activate cytotoxic immune cells. We initiated clinical development of two programs: TransCon TLR7/8 Agonist, an investigational, long-acting prodrug of resiquimod, a small molecule agonist of Toll-like receptors (“TLR”) 7 and 8, for intratumoral delivery, and TransCon IL-2 b/g (onvapegleukin alfa) for systemic delivery, which is designed for prolonged exposure to an IL-2 variant that selectively activates IL-2 b/g with minimal binding to IL-2R α . During the fourth quarter of 2024, we closed enrollment in our BelieveIT-201 clinical trial and to dose expansion cohorts involving TransCon TLR7/8 Agonist in the transcendIT-101 and IL-Believe trials to prioritize our efforts on TransCon IL-2 b/g.

TransCon Product Candidates Pipeline

Other than the rights we have granted to Eyconis, Novo Nordisk, Teijin Limited, and VISEN as noted in this annual report, we hold worldwide rights to our TransCon technologies and, other than our royalty financing arrangements with Royalty Pharma as noted in this annual report, we owe no third-party royalty or milestone payment obligations with respect to our TransCon technologies, TransCon hGH, TransCon PTH or any of our other product candidates. The following chart lists our product candidates.

Endocrinology Rare Diseases		Indication	Status	Region
Lead Indication	TransCon CNP	• Achondroplasia (children aged 2–11)	• Pivotal ¹	• Multinational
Label Expansion	TransCon hGH	• Adult Growth Hormone Deficiency • Turner Syndrome (children aged 1–10)	• sBLA submitted ² • Phase 2 ³	• Multinational • U.S.
	TransCon CNP	• Achondroplasia (infants)	• Phase 2 ⁴	• Multinational
	TransCon CNP	• Achondroplasia (adolescents)	• Phase 2 ⁵	• Multinational
	TransCon CNP + TransCon hGH	• Achondroplasia (children aged 2–11)	• Phase 2 ⁶	• Multinational
Partner Programs	TransCon hGH	• Pediatric GHD	• BLA submitted ⁷	• China
	TransCon hGH	• Pediatric GHD	• Phase 3 ⁸	• Japan
	TransCon PTH	• Hypoparathyroidism in adults	• Phase 3 ⁹	• China
	TransCon PTH	• Hypoparathyroidism in adults	• J-NDA submitted ¹⁰	• Japan
	TransCon CNP	• Achondroplasia	• Phase 2 ¹¹	• China
Oncology		Indication	Status	Region
Lead Indication	TransCon IL-2 β/γ	• Various tumor types	• Phase 2 ^{12,13}	• Multinational

1. *Pivotal ApproaCH Trial (NCT05598320).*
2. *sBLA submitted to U.S. FDA, PDUFA goal date July, 27th 2025.*
3. *New InsiGHTS Trial (NCT05690386).*
4. *reACHin Trial (NCT06079398).*
5. *teACH Trial (NCT06732895).*
6. *COACH Trial (NCT06433557).*
7. *VISEN Pharmaceuticals' Phase 3 trial.*
8. *Japanese riGHt Trial.*
9. *PaTHway China (NCT05387070).*
10. *PaTHway Japan.*
11. *ACcomplish China (NCT05246033).*
12. *BelieveIT-201 Trial (NCT05980598).*
13. *IL-Believe Trial (NCT05081609).*

We maintain an intellectual property portfolio comprising over 425 issued patents and over 525 patent applications as of December 31, 2024, which includes patents and patent applications applicable to our products and product candidates with claims directed to composition of matter, process, formulation and/or methods-of-use for our products and product candidates, including a product-specific device and core TransCon technologies. While our TransCon prodrugs may incorporate already approved parent drugs, TransCon hGH, TransCon PTH, and each of our other product candidates are new molecular entities and therefore eligible to be granted new intellectual property rights, including new composition of matter patents.

Global Commercialization Strategy

We are establishing a global presence to commercialize TransCon products and product candidates, where approved, to address patients' unmet medical needs.

In the U.S., we have established an integrated organization to commercialize our approved Endocrinology Rare Disease products, SKYTROFA and YORVIPATH. Our U.S. organization includes sales, market access, patient support, and medical affairs teams. The sales team engages with healthcare providers and present products, usage and safety guidelines in accordance with the label. Our market access team engages with health authorities, insurance companies, and payers to help patients in need of our products gain access to them. Our patient support team facilitates reimbursement support, out of pocket assistance, provides educational resources and product training. Our medical affairs team provides scientific exchange to the physician and medical community. We have also established a network of specialty pharmacies to support product distribution.

In Europe, we are expanding our presence by building integrated organizations in select countries, which we call Europe Direct, beginning with Germany, where we have launched our Endocrinology Rare Disease products, SKYTROFA and YORVIPATH. We are establishing commercial infrastructure in other Europe Direct country clusters, including DACH (Germany, Austria, Switzerland), France & BeNeLux (Belgium, the Netherlands, and Luxembourg), Iberia (Portugal and Spain), Italy, Nordics (Denmark, Norway, Sweden, Iceland, Finland), and the United Kingdom & Ireland.

Beyond the U.S. and Europe Direct, we are expanding global reach for our Endocrinology Rare Disease programs through exclusive distribution agreements with geographic market leaders, which we call International Markets. As of December 31, 2024, we have established eight such regional agreements:

- Acino Pharma Proprietary Limited (South Africa)
- Adium Pharma S.A. (Argentina, Brazil, Colombia and Mexico)
- Er-Kim İlac Sanayi ve Ticaret A.S (Central & Eastern Europe, Turkey, and certain countries in Eurasia)
- Neopharm (Israel) 1996 Ltd (Israel, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan)
- Pendopharm, a division of Pharmascience Inc. (Canada)
- Specialised Therapeutics Asia Pte Ltd. (Australia, New Zealand, Singapore, Malaysia, Brunei, Thailand, and Vietnam)
- SRS Pharmaceuticals Pvt. Ltd. (India and Philippines)
- Vector Pharma FZCO (Saudi Arabia, United Arab Emirates, Kuwait, Oman, Qatar, and Bahrain)

Finally, we are making our products commercially available in select markets through exclusive license agreements with partners with local development and commercialization expertise and infrastructure. In China, VISEN has exclusive license rights to develop and commercialize TransCon hGH, TransCon PTH, and TransCon CNP. In Japan, Teijin Limited has exclusive license rights to develop and commercialize TransCon hGH, TransCon PTH, and TransCon CNP.

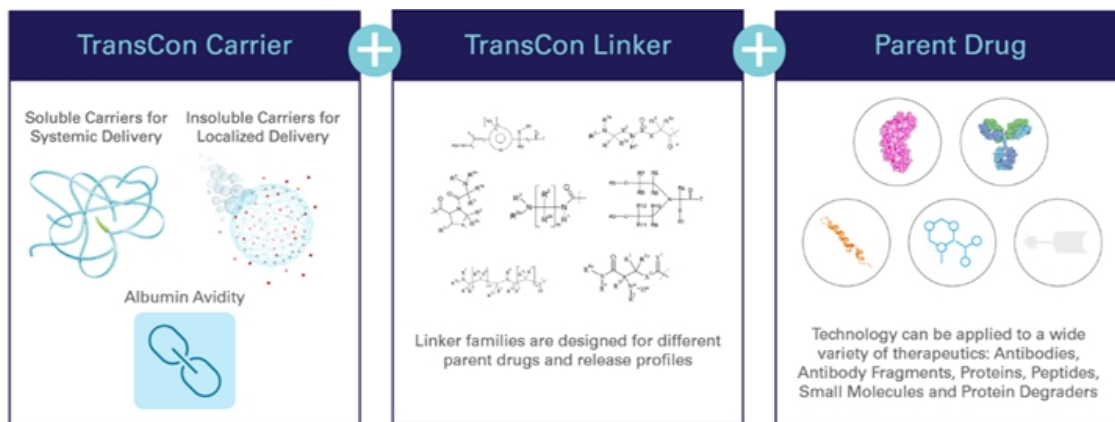
TransCon Technologies

Overview

Our TransCon technologies are designed to combine the benefits of conventional prodrug and sustained release technologies to solve the fundamental limitations seen in other approaches to extending duration of a drug's action in the body, with the goal of developing highly differentiated product candidates based on efficacy, safety, tolerability, and convenience. In addition to retaining the original mode of action of the parent drug and potentially supporting dosing frequency from daily up to six months or more, we believe that predictable release over time can improve treatment safety and efficacy, increase the likelihood of clinical development success, and provide intellectual property benefits.

TransCon molecules can have up to three components: a parent drug, an inert carrier that protects it, and a linker that temporarily binds the two. When bound, the carrier inactivates and shields the parent drug from clearance. When injected into the body, physiologic pH and temperature conditions initiate the release of the active, unmodified parent drug in a predictable release manner.

Depending upon the type of TransCon carrier we employ, we can design our TransCon prodrugs for sustained localized or systemic delivery.

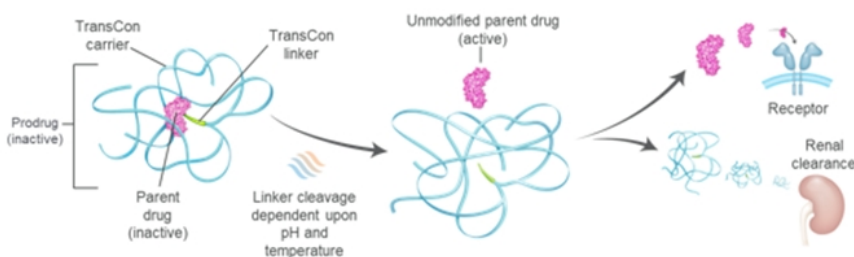


TransCon Technology Components

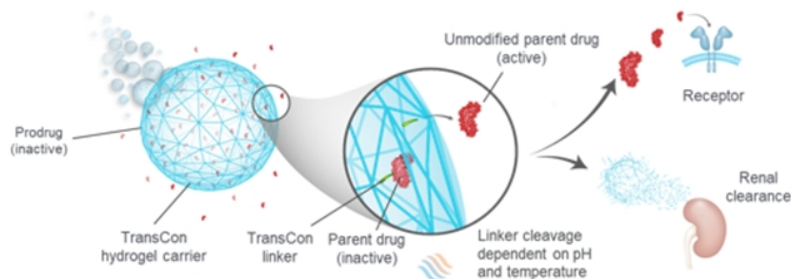
TransCon Carriers

Our TransCon technologies incorporate three carrier platforms that can be used to provide sustained localized or systemic drug exposure. These biocompatible carrier platforms include our TransCon systemic carriers and TransCon localized carriers (self-eliminating hydrogels). Our carriers inactivate and protect the drug through a shielding effect, which may prevent rapid excretion and degradation of the parent drug and enable benefits that include improved injection site tolerability, reduced systemic adverse effects, and low immunogenicity.

- Systemic** – Our TransCon systemic carriers are used to provide systemic drug exposure and are based on soluble compounds such as methoxypolyethylene glycol (“mPEG”) or other natural or synthetic polymers, as well as our albumin avidity approach, where 2 or more albumin binding moieties are incorporated into the drug molecule to facilitate sustained exposure. Prodrugs created using our systemic carriers are readily absorbed into the bloodstream after administration, thus minimizing exposure of the subcutaneous tissue to active drug, which we believe may improve injection site tolerability. TransCon hGH, TransCon PTH, and TransCon CNP utilize mPEG as a carrier molecule. mPEG is widely used to improve the pharmacokinetic or pharmacodynamic properties of marketed therapeutics. Below is an illustration of our systemic carrier:



- Localized** – Our TransCon localized carriers include TransCon hydrogels based on PEG, hyaluronic acid, or other biopolymers. TransCon hydrogel is designed to self-eliminate to soluble, biocompatible molecules after the drug payload has been released. When applied for localized delivery, the TransCon hydrogel enables the release of a parent drug at high local concentrations within the target area while minimizing systemic exposure. We believe this may widen the therapeutic window for parent drugs that suffer from significant systemic side effects and toxicities, facilitating the development of highly efficacious product candidates with improved safety and tolerability profiles. Below is an illustration of our hydrogel carrier:



TransCon Linkers

Our reversible TransCon linkers are designed to enable the transient conjugation of a broad range of therapeutics, including proteins, peptides, and small molecules, to our TransCon carriers. We have a large library of TransCon linkers that may be applicable to various types of parent drugs, and that can be tailored to potentially achieve half-life extension enabling daily, weekly, monthly, and half-yearly dosing and to customize the potential pharmacokinetic profile for each individual product candidate with the goal of optimizing the potential therapeutic effect. TransCon linkers are self-cleaving through a process called intra-molecular assisted cleavage, which causes the linker to release the unmodified parent drug. We can tailor the release properties of the linker to a given therapeutic indication and parent drug by modifying the linker structures. We believe the self-cleaving process of our linker avoids many of the shortcomings of conventional prodrug technologies, which often depend on metabolic processes, such as enzymatic degradation, to convert the prodrug into the active drug. The rate of metabolic conversion of prodrugs in these types of processes may differ between patients, and even within different tissues in the same patient. As a result, conventional prodrugs do not always offer predictable release of the parent drug. Our TransCon linkers are designed to predictably release an unmodified active parent drug at predetermined rates governed by physiological pH and temperature conditions, which are tightly regulated in the body. Consequently, we believe we can design our prodrugs to release the unmodified parent drug at predictable rates.

Parent Drugs

Our TransCon technologies are applicable across a broad range of therapeutic classes and are currently used to create long-acting product candidates with best-in-class potential based on proteins, peptides, and small molecules. By primarily focusing on biological targets that have been clinically validated, we can leverage available knowledge regarding a target's activity. Based on this selective approach, we know what drug levels must be maintained in the body for optimal efficacy and safety, and we can design the release half-life and dosing frequency of our TransCon prodrugs to maintain these levels to achieve the desired pharmacological effect. We move a product candidate into development after it demonstrates the desired profile in non-clinical models. Furthermore, based on the established translational relationships between preclinical animal models and clinical efficacy, we believe experimental results generated in animal models are highly predictive of clinical results and reduce the development risk for our TransCon prodrugs. This strategy is designed to reduce risk and increase productivity.

This approach has enabled us to develop two approved products and generate a pipeline of product candidates designed to address significant unmet medical needs and to become potential sources of significant revenue for our company. Because our TransCon technologies leverage clinically validated parent drugs or pathways, we believe we may benefit from a higher development and regulatory success rate compared to development of drug compounds without established biology.

TransCon Products – Endocrinology Rare Disease

TransCon Growth Hormone (hGH)

Market Opportunity for Recombinant Human Growth Hormone

Growth hormone deficiency is a serious orphan disease that affects both children and adults. Children with GHD are characterized by short stature, metabolic and cardiovascular abnormalities, cognitive deficiencies, and poor quality of life. GHD in adults is associated with increased adiposity, or fat mass, as well as psychiatric-cognitive, cardiovascular, muscular, metabolic and skeletal abnormalities. In childhood and adolescence, growth hormone plays an essential role in normal longitudinal growth, muscle and bone strength, and distribution of body fat. In adults, growth hormone contributes to body composition, cardiovascular function, and bone health. The current standard of care for GHD has been daily subcutaneous injections of somatropin, a recombinant human growth hormone (“hGH”). These daily hGH therapies have been shown to be safe and well-tolerated.

In both therapy-compliant children and adults with GHD, daily subcutaneous injections of hGH have resulted in improved body composition parameters, bone density, cardiovascular outcomes, and quality of life. Growth hormone-deficient children who are fully adherent to their daily hGH treatment regimen may achieve a height in adulthood that is comparable to that of their family members and national norms.

Despite the demonstrated benefits of daily hGH therapy, many GHD patients are not adequately treated, and adherence continues to be a challenge, as reported in a 2021 paper published by Kaplowitz et al. (Kaplowitz P, Manjeliavskaia J, Lopez-Gonzalez L, et al. Economic burden of growth hormone deficiency in a US pediatric population. *J Manag Care Spec Pharm.* 2021; 27(8):1118-1128). The observational retrospective cohort analysis utilized administrative claims data from two databases on over 20,000 pediatric patients diagnosed with GHD. Approximately 68% of commercial patients and approximately 63% of Medicaid patients received daily growth hormone treatment, whereas approximately 32% of commercial patients and approximately 37% of Medicaid patients were untreated. In addition, mean adherence as measured by proportions of days covered, which is defined as the number of days covered by any daily growth hormone prescription during the follow-up period, was approximately 60% in the commercial cohort and approximately 50% in the Medicaid cohort. Only 32% of commercial and 18% of Medicaid patients reported adherence rates greater than 80%.

For adult patients with GHD, underdiagnosis and undertreatment are also a concern. Untreated adult GHD (“AGHD”) patients can experience reduced quality of life and increased risk of morbidity and mortality. A retrospective cohort study presented at ENDO 2023 analyzed an electronic health records database and selected adult patients with suspected AGHD. Of the 51,588 patients with suspected AGHD, fewer than 4% were treated with growth hormone.

Since the introduction of hGH in 1981, a number of the world’s largest pharmaceutical companies have developed and marketed daily-administered hGH products. All currently marketed daily hGH products in the United States – Norditropin® (Novo Nordisk A/S), Humatrope® (Eli Lilly and Company), Genotropin® (Pfizer Inc.), Zomacton® (Ferring Pharmaceuticals, Inc.) and Omnitrope® (Sandoz GmbH) – contain unmodified somatropin and are administered by subcutaneous injections. The global market for daily hGH products is largely composed of products from Novo Nordisk, Pfizer, Eli Lilly, Sandoz, and Merck KGaA, which together account for most of the global market share. However, according to the FDA drug shortage website, Humatrope has been discontinued due to a business decision which might impact the hGH global market share in the future.

Primary indications for hGH in children are GHD, idiopathic short stature, chronic kidney disease, Prader-Willi syndrome, small for gestational age, and Turner syndrome. In adults, primary indications for hGH include GHD and AIDS-induced weight loss. We estimate pediatric indications comprise up to 90% of the total hGH market, of which approximately half is for pediatric GHD.

Competitive Landscape for Long-Acting Growth Hormone Therapies

Since the 1990s, the pharmaceutical industry has employed various approaches to develop long-acting growth hormone products to reduce the burden of daily injections on patients and increase patient compliance with the dosing regimen. These approaches generally fall into two categories: unmodified somatropin and permanent modification of growth hormone:

- **Unmodified somatropin:** Two long-acting growth hormone products using encapsulation technologies previously received regulatory approval in the U.S. and Europe, but were subsequently discontinued due to commercial challenges. These include Nutropin Depot[®], formerly marketed by Genentech, and Somatropin Biopartners, developed by LG Life Sciences and Biopartners GmbH. Nutropin Depot was approved by the FDA in 1999 and later withdrawn; Somatropin Biopartners (LB03002) was approved by the European Medicines Agency (“EMA”) in 2013, and later withdrawn. We believe that the lack of market acceptance was a result of the various safety and tolerability issues that tend to arise with encapsulation technologies.
- **Permanent modification of growth hormone:** Modification technologies prolong activity in the body by creating analogs of growth hormone through permanent modification of the growth hormone molecule. This modification may alter the molecular size and interaction with the growth hormone receptor and/or change the natural association affinity to endogenous proteins, as well as the distribution in the body. These changes may alter and reduce the efficacy of these drugs compared to unmodified daily somatropin and may also negatively impact the drug’s safety.

Novo Nordisk received regulatory approval in various countries and regions including the U.S., Japan, and EU for once-weekly somapacitan (SOGROYA[®]) in adult and pediatric patients with GHD.

Pfizer (in collaboration with OPKO Health Inc.) received regulatory approval of once-weekly somatrogon (NGENLA[™]) in various countries and regions including the U.S., Japan, and EU for pediatric GHD.

A permanently PEGylated long-acting growth hormone developed by GeneScience Pharmaceuticals Co., Ltd. (Jintrolong[®]) is available in China for pediatric GHD, Turner syndrome and idiopathic short stature and the Somatropin Biopartners product (LB03002) is available in Korea. Other experimental growth hormone therapies based on permanent modification are in different stages of clinical development by various companies, including Genexine Inc., I-MAB, Amoytop, UnionGene, Anhui Anke Biotechnology, Alteogen, and JCR Pharmaceuticals Co., Ltd.

Our Solution: TransCon hGH

TransCon hGH is a prodrug composed of somatropin that is transiently bound to a carrier by a proprietary linker. TransCon hGH is administered once weekly and is designed to maintain the same mode of action as daily therapies by providing sustained release of active, unmodified somatropin, the same recombinant growth hormone molecule used in the daily hGH therapies that have historically been the standard of care.

TransCon Growth Hormone (hGH) for Pediatric GHD

TransCon hGH, marketed under the brand name SKYTROFA[®] (lonapegsomatropin-tcgd), received regulatory approval in the U.S. for the treatment of pediatric patients one year and older who weigh at least 11.5 kg and have growth failure due to inadequate secretion of endogenous growth hormone, also known as GHD. SKYTROFA has been commercially available for prescription in the United States since October 2021. In the EU, Norway, Iceland, Liechtenstein, and Great Britain (covering England, Wales, Scotland), we received marketing authorization for TransCon hGH – known by its brand name SKYTROFA (lonapegsomatropin) – as a once-weekly subcutaneous injection for the treatment of children and adolescents aged 3 to 18 years with growth failure due to insufficient secretion of endogenous growth hormone. SKYTROFA has been commercially available for prescription in Germany since September 2023.

In September 2023, we announced top-line results from the completed enliGHten Trial, an open-label extension trial evaluating the long-term safety and efficacy of TransCon hGH as a once-weekly treatment for children and adolescents with GHD. The enliGHten Trial enrolled 298 participants (mean age 10.3 years) from the Phase 3 heiGHt Trial of treatment-naïve pediatric GHD patients and the Phase 3 fliGHt Trial of pediatric GHD patients switching from daily somatotropin treatment. Patients in these trials received a total of up to 6 years of treatment with TransCon hGH. At the time of the enliGHten Trial closure, 81 participants were designated as treatment completers, based on their physician’s determination that treatment for pediatric GHD was no longer required. Of these treatment completers, 59% met or exceeded their average parental height standard deviation score (“SDS”), with mean TransCon hGH treatment duration of 3.2 years.

Clinical Trial of TransCon hGH in Japanese Pediatric GHD

In the Phase 3 riGHt Trial, we are evaluating TransCon hGH (N=15) compared to somatotropin (N=16) as a treatment in Japanese children with GHD. The trial achieved its primary objective with Week 52 top-line results consistent with our pivotal heiGHt Trial and VISEN’s Phase 3 trial. In the riGHt Trial, TransCon hGH was generally well tolerated with a safety profile that was similar to that of somatotropin’s. Trial subjects continue in the extension period.

Proprietary Auto-Injector

SKYTROFA includes the SKYTROFA® Auto-Injector and cartridges. The auto-injector provides for room temperature storage, includes an empty-all design, and is expected to last for at least four years. The device enables a single, low-volume injection of less than 0.6 mL for the majority of patients with a thin, 31-gauge needle that is only 4 millimeters in length, which is comparable to needles used to administer daily hGH. We are also working on strategies that will enable the auto-injector to integrate with the digital healthcare system, including Bluetooth connectivity features to allow for easy tracking of dosing adherence over time.



Figure: Our state-of-the-art auto-injector is designed to improve treatment compliance.

TransCon Product Candidates – Endocrinology Rare Diseases

TransCon Growth Hormone (hGH) for Other Indications

Clinical Development in Adult GHD

In September 2024, we announced the submission of a supplemental Biologics License Application (“sBLA”) to the FDA for TransCon hGH to expand its currently approved label to include eligible adults for the treatment of GHD. The submission was based on results from foresiGHt, a Phase 3 randomized, parallel-arm, placebo-controlled (double-blind), and active-controlled (open-label) trial that compared the efficacy and safety of weekly TransCon hGH with weekly placebo and daily hGH in adults with GHD. In December, we announced the FDA accepted the sBLA for review and set a Prescription Drug User Fee Act (“PDUFA”) goal date of July 27, 2025.

In December 2023, we announced positive top-line results from foresiGHt. The trial aims to evaluate the metabolic benefits of TransCon hGH in adults, with the primary objective to evaluate change in trunk fat percentage.

The foresiGHt Trial evaluated 259 adults with GHD aged 23 to 80 years old, randomized 1:1:1, titrated to receive a target fixed dose of TransCon hGH, placebo, or daily hGH based on age and oral estrogen intake, with approximately equivalent hGH mg/week for TransCon hGH and daily hGH.

- TransCon hGH demonstrated superiority on its primary efficacy endpoint at Week 38:
 - o Change from baseline in trunk percent fat as measured by dual x-ray absorptiometry (TransCon hGH -1.67% vs. placebo +0.37%, LS mean difference = -2.04%, $p < 0.0001$)
- TransCon hGH demonstrated superiority on its key secondary efficacy endpoints at Week 38:
 - o Change from baseline in total body lean mass (TransCon hGH +1.60 kg vs placebo -0.10 kg, LS mean difference = 1.70 kg, $p < 0.0001$)
 - o Change from baseline in trunk fat mass (TransCon hGH -0.48 kg vs placebo +0.22 kg, LS mean difference = -0.70 kg, $p = 0.0053$)
- Exploratory post-hoc analysis at Week 38 demonstrated comparable treatment effect of TransCon hGH and daily hGH on target tissues. For patients with average insulin-like Growth Factor 1 (“IGF-1”) SDS levels ≤ 1.75 at Week 38:
 - o Change from baseline in trunk percent fat (TransCon hGH -2.42% vs. daily hGH -2.59%)
 - o Change from baseline in total body lean mass (TransCon hGH +1.70 kg vs daily hGH +1.37 kg)
 - o Change from baseline in trunk fat mass (TransCon hGH -0.90 kg vs daily hGH -0.94 kg)
- TransCon hGH was generally safe and well tolerated, with no discontinuations related to study drug and with comparable safety and tolerability to daily hGH.

Clinical Development in Turner Syndrome

In December 2024, we announced positive top-line results from the Phase 2 New InsiGHtS Trial. New InsiGHtS randomized and dosed 49 children with Turner syndrome aged 1 to 10 years old into one of four treatment groups 1:1:1:1 – one of three starting doses of TransCon hGH (0.24, 0.30, or 0.36 mg/kg/week) or an active comparator of daily somatropin with a starting dose of 0.35 mg/kg/week. Doses were individualized based on IGF-1. On the primary endpoint of annualized height velocity and secondary endpoint of change from baseline in height SDS, children treated with TransCon hGH demonstrated improved growth similar to daily somatropin at Week 26, independent of starting dose. TransCon hGH was generally safe and well tolerated, with no discontinuations related to study drug and with comparable safety and tolerability to daily somatropin.

Other Development Plans

During the third quarter of 2025, we plan to submit an Investigational New Drug (“IND”) application or similar for a basket trial evaluating other indications (planned for small for gestational age without catch-up growth (“SGA”); idiopathic short stature (“ISS”); SHOX deficiency (including Turner syndrome)). In addition, we are investigating other potential indications for TransCon hGH where we believe a long-acting hGH therapy may offer benefits to patients with rare growth disorders, including in combination with our TransCon CNP product candidate in our Phase 2 COACH Trial for children with achondroplasia.

TransCon PTH

Market Opportunity in Hypoparathyroidism

Hypoparathyroidism is a rare endocrine disease caused by insufficient levels of parathyroid hormone (“PTH”). As reported in a 2016 paper, most patients with hypoparathyroidism (70-80% of cases) develop the disease following damage to or accidental removal of the parathyroid glands during thyroid surgery. Other etiologies include autoimmune disorders, genetic disorders such as autosomal dominant hypocalcemia type 1, and idiopathic causes. Conventional therapy with oral calcium and active vitamin D (also called calcitriol) does not effectively address the short-term symptoms, long-term complications, or quality-of-life impacts of hypoparathyroidism.

Individuals with hypoparathyroidism may experience a range of severe and potentially life-threatening short-term and long-term complications. Short-term symptoms of hypoparathyroidism include weakness; severe muscle cramps (tetany); abnormal sensations such as tingling, burning, and numbness (paresthesia); memory loss; impaired judgment; and headache. A survey published in 2014 of 374 individuals with hypoparathyroidism showed that 72% experienced more than ten symptoms in the preceding twelve months, with symptoms experienced for a mean of 13 ± 9 hours a day. Prolonged use of conventional therapy may increase the risk of major complications, such as calcium deposits in the brain, blood vessels, eyes, and soft tissues. According to a systematic review by Gosmanova et al. published in 2021, chronic hypoparathyroidism treated with conventional therapy is associated with higher rates of renal complications compared to the general population, including nephrolithiasis (up to 36%), nephrocalcinosis (up to 38%), and chronic kidney disease (up to 41%). Studies have found that the burden of hypoparathyroidism negatively impacts health-related quality of life (“QoL”), physical functioning, and psychological well-being. Compared with an age-matched general population sample, individuals with hypoparathyroidism have reported markedly lower health-related QoL, irrespective of serum calcium level, as measured by the physical ($P < 0.001$) and mental ($P < 0.001$) component scores of the 36-Item Short Form Health Survey (SF-36) as well as the EuroQol-5 Dimensions Visual Analogue Scale. As reported in a 2021 paper, in interviews conducted on 42 individuals with hypoparathyroidism, 98% reported reduced functioning and well-being, including anxiety (81%), feeling sad or depressed (62%), and feeling irritable or short-tempered (43%) despite management with conventional therapy.

Hypoparathyroidism also imposes a substantial burden on the healthcare system despite the use of conventional therapy. For example, individuals with hypoparathyroidism may require hospitalizations or emergency department visits due to acute severe hypocalcemia (calcium crashes) and those with post-surgical hypoparathyroidism have an increased risk of hospitalization due to infection than age- and sex-matched controls from the general population. Individuals with hypoparathyroidism also have an increased risk of hospitalization due to renal complications, such as chronic kidney disease and renal failure, compared to age- and sex-matched controls. A retrospective review published in 2019 of clinical burden and healthcare resource utilization showed that 90.7% of individuals had ≥ 1 hypoparathyroidism-related healthcare utilization event during a 12-month period, including 87.8% with ≥ 1 outpatient visit, 41% with ≥ 1 emergency department visit, and 19.5% with ≥ 1 hospitalization. The management of hypoparathyroidism is also associated with substantial economic burdens and consequences of hypoparathyroidism may negatively impact employment status and work productivity.

The 2022 Guidelines from the Second International Workshop addressing the prevention, diagnosis, and management of hypoparathyroidism was published in September 2022 in the Journal of Bone and Mineral Research and authored by leading clinicians from North America, Europe, and Asia. The authors suggest consideration of PTH replacement therapy in patients whose hypoparathyroidism is inadequately controlled with conventional therapy. Inadequate control is considered to be any one of the following: symptomatic hypocalcemia, hyperphosphatemia, renal insufficiency, hypercalciuria, or poor quality of life. In addition, the guideline indicates that individuals with poor compliance, malabsorption, or intolerant of large doses of calcium and active vitamin D may also benefit from PTH replacement therapy. Based on this current guideline, we believe PTH replacement therapy could be applicable to most patients with hypoparathyroidism.

In 2015, Takeda's NATPARA® (parathyroid hormone) was approved in the U.S. for once-daily subcutaneous injection as an adjunct to vitamin D and calcium in patients with hypoparathyroidism. NATPARA was voluntarily recalled in September 2019 in the U.S. and is now only available to a limited number of patients through a Special Use Program offered by its manufacturer, Takeda. In October 2022, Takeda announced that it would discontinue manufacturing NATPARA/NATPAR globally by the end of 2024.

We are also aware of several academic groups and companies working on making longer-acting agonists of the PTH receptor. In addition, other companies and groups are developing therapies for hypoparathyroidism at the clinical stage, including Calcilytix (a BridgeBio company), Entera Bio, Extend Biosciences, Massachusetts General Hospital, AstraZeneca, MBX Biosciences, and Septerna.

Forteo® (teriparatide, PTH [1-34]), approved since 2002 for the treatment of osteoporosis, has sometimes been used for treatment of hypoparathyroidism using multiple daily injections, despite not being approved for this indication. Clinical research conducted by the U.S. National Institutes of Health in subjects receiving continuous exposure to PTH (1-34), administered by an infusion pump demonstrated simultaneous normalization of serum calcium and urinary calcium, as well as normalization of bone turnover.

We estimate hypoparathyroidism affects over 250,000 patients in the U.S. and Europe. In the U.S., we estimate hypoparathyroidism affects approximately 70,000 to 90,000 patients, including 4,000 to 5,000 patients who we estimate have previously been treated with PTH therapy. In Germany, we estimate hypoparathyroidism affects approximately 70,000 patients. Outside of Germany, we estimate hypoparathyroidism affects over 100,000 patients in the rest of Europe.

Our Solution: TransCon PTH

TransCon PTH (palopegteriparatide) is a prodrug of PTH (1-34) that is administered once-daily to achieve and maintain a steady concentration of PTH in the bloodstream within the physiological range. TransCon PTH is designed to provide PTH in the physiological range for 24 hours per day, thereby more fully addressing aspects of the disease, including maintaining normal serum calcium and phosphate levels and normalizing urinary calcium.

By providing steady levels of PTH in the physiological range, we believe TransCon PTH may be a highly differentiated therapy for hypoparathyroidism.

TransCon PTH for the Treatment of Hypoparathyroidism

In August 2024, the FDA approved YORVIPATH® (palopegteriparatide; developed as TransCon PTH) for the treatment of hypoparathyroidism in adults. In September 2024, the FDA granted Orphan Drug exclusivity to YORVIPATH, providing seven years of market exclusivity for YORVIPATH in the United States for the treatment of hypoparathyroidism in adults. YORVIPATH has been commercially available for prescription since late December 2024 in the United States.

In November 2023, TransCon PTH received regulatory approval in the EU and European Economic Area and is marketed as YORVIPATH® (palopegteriparatide), a parathyroid hormone replacement therapy indicated for the treatment of adults with chronic hypoparathyroidism. In addition, YORVIPATH was granted Orphan status in the EU in November 2023. In January 2024, we announced commercial availability of YORVIPATH in Germany and Austria, and we began shipping to customers in February 2024.

In April 2024, TransCon PTH received regulatory approval in Great Britain as a PTH replacement therapy indicated for the treatment of adults with chronic hypoparathyroidism. In addition, in April 2024, we announced that the United Kingdom's Medicines & Healthcare products Regulatory Agency granted YORVIPATH Orphan Drug status.

In December 2022, the FDA allowed us to initiate a U.S. expanded access program ("EAP") for TransCon PTH for eligible adult patients with hypoparathyroidism with prior PTH treatment experience. The EAP closed to new patients on November 29, 2024, in preparation for the U.S. commercial availability of YORVIPATH. Beginning in December 2024, we started enrolling EAP patients into the Ascendis Signature Access Program Ascendis' patient support program. Patients enrolled in the EAP are now working with their healthcare providers ("HCPs") to transition to the commercially available YORVIPATH.

In July 2021, the Ministry of Health, Labour and Welfare in Japan granted Orphan Drug Designation ("ODD") to TransCon PTH for the treatment of hypoparathyroidism.

In October 2020, we were granted Orphan Designation ("OD") by the European Commission ("EC") for TransCon PTH for the treatment of hypoparathyroidism.

Clinical Development of TransCon PTH for Treatment of Hypoparathyroidism in Adults

TransCon PTH is being evaluated for the treatment of hypoparathyroidism in adults in the Phase 3 PaTHway Trial, Phase 3 PaTHway Japan Trial, and the Phase 2 PaTH Forward Trial. Last patient, last visit ("LPLV") in the Phase 3 PaTHway Trial occurred in January 2024. LPLV in the Phase 2 PaTH Forward Trial is expected in March of 2025.

In September 2024, we announced results from the ongoing Phase 2 PaTH Forward Trial of adults with hypoparathyroidism showing that long-term treatment with TransCon PTH (palopegteriparatide; marketed as YORVIPATH) through Week 162 drove bone remodeling into the normal range. Deficiency of parathyroid hormone is associated with low rates of bone remodeling, accumulation of overly mature bone, and higher-than-average bone mineral density that may correspond with poorer overall bone quality compared to that seen in the general population. In contrast, these results suggest that long-term palopegteriparatide treatment promotes attainment of skeletal health parameters in line with those expected with states of parathyroid sufficiency. As of December 31, 2024, 10 patients successfully completed the trial, while 46 out of the 59 patients originally enrolled in the trial continued in the open label ("OLE") portion and had exceeded four and a half years of follow-up. Three patients withdrew from the trial for reasons unrelated to safety or efficacy of the study drug.

In May 2024, we announced two-year (Week 104) results from a post-hoc analysis of the Phase 3 PaTHway Trial demonstrating sustained improvements (nominal p-value <0.05) in renal function in adults with chronic hypoparathyroidism treated with TransCon PTH. The post-hoc analysis examined the impact of treatment with TransCon PTH on renal function using estimated glomerular filtration rate ("eGFR") through Week 104 (n=76) of PaTHway, a Phase 3, double-blind, placebo-controlled trial of 82 dosed adults with chronic hypoparathyroidism randomized 3:1 (TransCon PTH:placebo; both arms initially co-administered with conventional therapy of active vitamin D and calcium), with a 26-week blinded period followed by an ongoing 156-week open-label extension period. Across both treatment arms, TransCon PTH treatment resulted in a mean eGFR increase of 8.9 mL/min/1.73m² (p<0.0001) from baseline at Week 52, sustained at Week 104 with a mean change from baseline of 9.0 mL/min/1.73m² (p<0.0001). Treatment was generally well-tolerated, with no new safety signals.

eGFR* Change from Baseline by Study Arm							
Study Arm	Baseline eGFR (mL/min/1.73m ²)	Week 26		Week 52		Week 104	
		N	Mean (p value)	N	Mean (p value)	N	Mean (p value)
TransCon PTH / TransCon PTH	eGFR < 60	19	+11.4 (p=0.0002)	19	+11.5 (p=0.0003)	18	+13.4 (p<0.0001)
	eGFR ≥ 60	41	+6.3 (p=0.0002)	40	+8.6 (p<0.0001)	40	+6.9 (p<0.0001)
	All	60	+7.9 (p<0.0001)	59	+9.3 (p<0.0001)	58	+8.9 (p<0.0001)
Placebo (first 26 weeks) / TransCon PTH**	eGFR < 60	4	+0.1 (p=0.9877)	4	+11.7 (p=0.0018)	4	+15.6 (p=0.0067)
	eGFR ≥ 60	15	-2.4 (p=0.3280)	15	+6.5 (p=0.0199)	14	+7.6 (p=0.0121)
	All	19	-1.9 (p=0.3468)	19	+7.6 (p=0.0014)	18	+9.4 (p=0.0006)

*eGFR (an assessment of kidney filtering capacity) was calculated by the trial's central lab using the Modification of Diet in Renal Disease Study Group (MDRD) equation (Levey, Ann Intern Med 2006). An eGFR level < 60 mL/min/1.73m² is considered the threshold for impaired kidney function.

**Patients in the placebo arm switched to TransCon PTH following the Week 26 visit.

TransCon PTH treatment was associated with clinically meaningful increases (≥ 5 mL/min/1.73 m²) in eGFR within 26 weeks that were sustained through Week 104 of PaTHway:

Proportion of Participants (%) with ≥ 5 and ≥ 10 mL/min/1.73 m ² Increases in eGFR from Baseline through Week 104*						
eGFR Change from Baseline	All Participants					
	TransCon PTH / TransCon PTH (n=61)			Placebo (first 26 weeks) / TransCon PTH** (n=21)		
	Week 26	Week 52	Week 104	Week 26	Week 52	Week 104
	PTH	PTH	PTH	Placebo	Switch to PTH	Switch to PTH
≥ 5 mL/min/1.73 m ²	57%	64%	61%	24%	52%	62%
≥ 10 mL/min/1.73 m ²	43%	43%	46%	10%	29%	38%

eGFR Change from Baseline	Participants with Baseline eGFR < 60 mL/min/1.73 m ²					
	TransCon PTH / TransCon PTH (n=19)			Placebo (first 26 weeks) / TransCon PTH** (n=4)		
	Week 26	Week 52	Week 104	Week 26	Week 52	Week 104
	PTH	PTH	PTH	Placebo	Switch to PTH	Switch to PTH
≥ 5 mL/min/1.73 m ²	74%	68%	74%	25%	100%	100%
≥ 10 mL/min/1.73 m ²	47%	42%	53%	0%	75%	75%

*Percentages were calculated based on all participants. Patients who did not have an eGFR assessment at the visit were still included in the denominator.

**Patients in the placebo arm switched to TransCon PTH following the Week 26 visit.

As of December 31, 2024, 58 patients successfully completed the 182 week follow-up in the PaTHway Trial while 15 of the 82 originally enrolled in the trial continue in the OLE portion of the trial. Nine patients withdrew from the trial for reasons unrelated to safety or efficacy of the study drug.

On January 8, 2023, we announced top-line data from PaTHway Japan, a single-arm Phase 3 trial to evaluate the safety, tolerability, and efficacy of TransCon PTH in adults with hypoparathyroidism. The study achieved its primary objective, with top-line results consistent with our trials in North America and the EU. Twelve out of thirteen patients met the primary multi-component endpoint, which was defined as serum calcium levels in the normal range (8.3–10.6 mg/dL) and independence from conventional therapy (no active vitamin D and ≤ 600 mg/day of calcium). In this trial, TransCon PTH was generally well-tolerated, with no discontinuations related to study drug. As of December 31, 2024, 12 patients continue in the ongoing 3-year extension portion of the PaTHway Japan Trial.

In March 2022, we announced that top-line data from the randomized, double-blind, placebo-controlled portion of the Phase 3 PaTHway Trial of TransCon PTH in adults with hypoparathyroidism demonstrated statistically significant higher proportion of participants treated with TransCon PTH achieved the primary multi-component endpoint compared to placebo. The primary endpoint, defined as serum calcium levels in the normal range (8.3–10.6 mg/dL) and independence from conventional therapy (no active vitamin D and ≤ 600 mg/day of calcium) with no increase in prescribed study drug within the 4 weeks prior to the Week 26 visit, was achieved by 78.7% of TransCon PTH-treated patients (48 of 61), compared to 4.8% for patients (1 of 21) in control group (p-value < 0.0001). In addition, all key pre-specified secondary endpoints were met with statistical significance. TransCon PTH was generally well tolerated, with no discontinuations related to study drug. Three patients discontinued during the treatment period, two from the placebo arm and one from the TransCon PTH arm. TransCon PTH-treated patients showed a mean decrease in 24-hour urine calcium excretion into the normal range.

TransCon CNP

Market Opportunity in Achondroplasia

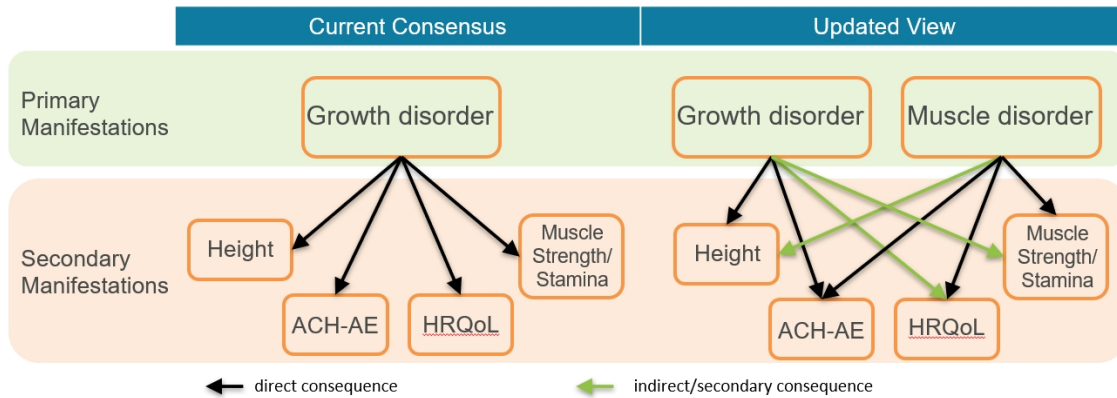
Achondroplasia is the most common genetic form of skeletal dysplasia leading to disproportionate short stature and is associated with a well-delineated range of clinical complications and manifestations, occurring in about one in 10,000 to 30,000 newborns or approximately 250,000 worldwide. Achondroplasia results in severe skeletal complications and comorbidities including spinal stenosis due to premature fusion of the foramen magnum, sleep apnea, chronic ear infections, and muscular complications. Patients often face multiple surgeries to alleviate its many complications. There is significant unmet need for treatments that ameliorate complications and improve quality of life in achondroplasia.

Achondroplasia is primarily caused by gain-of-function variants of the FGFR3 gene resulting in constitutive activation of FGFR3 that leads to an imbalance in the effects of the FGFR3 and C-type natriuretic peptide (“CNP”) signaling pathways. In achondroplasia, mutations in FGFR3 result in constitutive activation, suppressing the proliferation and differentiation of chondrocytes resulting in improper cartilage to bone conversion in the growth plate, and dysfunction in the skeletal muscle. Preclinical and clinical data show that the CNP pathway helps to counteract the effects of the FGFR3 mutation downstream.

In November 2021, BioMarin Pharmaceutical Inc.’s daily VOXZOGO[®] (vosoritide) was approved by the FDA to increase linear growth in pediatric patients with achondroplasia with open epiphyses. Additionally, BioMarin is developing a long-acting CNP to build on VOXZOGO. Other companies that are developing therapies for achondroplasia include QED Therapeutics (a BridgeBio company), Sanofi, Ribomic, Tyra Biosciences, GeneScience and ProLynx.

Changing the Treatment Paradigm of Achondroplasia

Clinical manifestations of achondroplasia are associated with significant, potentially life-threatening complications and reduced quality of life. While achondroplasia has historically been considered a growth disorder, secondary manifestations beyond linear growth, including reduced muscle strength and stamina, suggest that achondroplasia is also a muscle disorder.



ACH-AE: Increased incidence of Achondroplasia-related Adverse Events.

HRQoL: Reduced Health-Related Quality of Life; Height; Reduced height. Muscle Strength/Stamina; Reduced muscular functionality, including reduced strength and stamina.

Our Solution: TransCon CNP

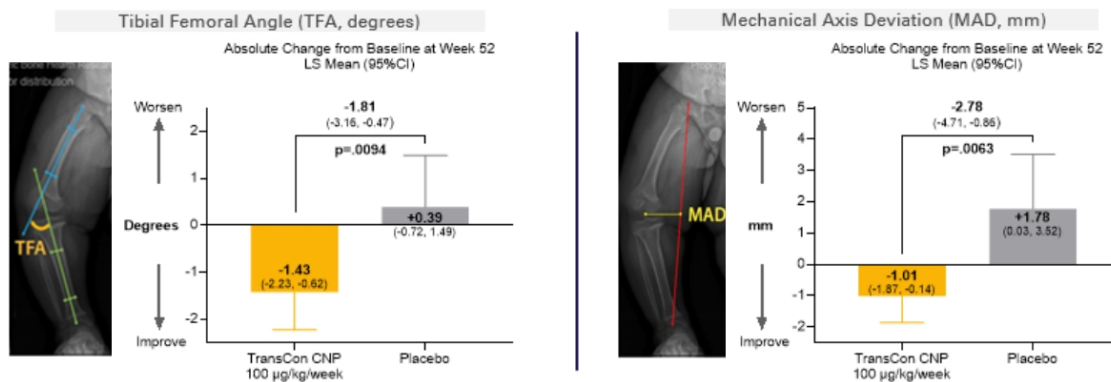
TransCon CNP (navepegritide) is an investigational prodrug of CNP administered once weekly and designed to provide sustained release of active CNP supporting continuous exposure for the treatment of achondroplasia. TransCon CNP is designed to provide effective shielding of CNP from neutral endopeptidase degradation in subcutaneous tissue and the blood compartment, minimize binding of CNP to the NPR-C receptor to decrease clearance, reduce binding of CNP to the NPR-B receptor in the cardiovascular system to avoid hypotension, and release unmodified CNP, which is small enough in size to allow effective penetration into growth plates. Shorter-acting CNP and CNP analogs in development have resulted in high maximum serum concentration (“C_{max}”) levels that may cause adverse hypotensive events. We believe the therapeutically sustained release of TransCon CNP offers advantages that may mitigate this issue, leading to continuous CNP exposure with a lower C_{max} to correlate with better therapeutic outcomes.

In February 2019, we were granted ODD by the FDA for TransCon CNP for the treatment of achondroplasia. In July 2020, we received OD from the EC for TransCon CNP for the treatment of achondroplasia.

Clinical Development of TransCon CNP for Achondroplasia

Our ongoing pivotal ApproaCH Trial, our long-term extension trial AttaCH, and COACH, are evaluating the safety and efficacy of TransCon CNP in children with achondroplasia. The reACHin Trial is evaluating the safety, tolerability, and efficacy of TransCon CNP in infants with achondroplasia (aged 0 to < 2 years at the time of randomization). The TeACH Trial is evaluating the safety, tolerability, and efficacy of TransCon CNP in adolescents with achondroplasia (aged 12 to 18).

In January 2025, we announced data demonstrating improvements in leg bowing, a common complication in achondroplasia, observed with TransCon CNP compared to worsening observed with placebo in the pivotal ApproaCH Trial.



In September 2024, we announced top-line data from ApproaCH, a pivotal, multicenter, randomized, double-blind, placebo-controlled trial of once-weekly TransCon CNP versus placebo in 84 children (aged 2 to 11 years) with achondroplasia. Participants were randomized 2:1 to receive TransCon CNP 100 µg/kg/week or placebo for 52 weeks in the double-blind period, after which all participants could choose to receive TransCon CNP at the 100 µg/kg/week dose in an ongoing open-label extension. In the trial, children treated with once-weekly TransCon CNP demonstrated annualized growth velocity (“AGV”) superior to those treated with placebo. TransCon CNP also demonstrated statistically significant improvements in other growth parameters, including height Z-score and change from baseline AGV.

Highlights of the ApproaCH Trial Top-line Data

Primary Endpoint

- For the primary endpoint of AGV at Week 52, children treated with TransCon CNP (n=57) demonstrated an LS mean AGV of 5.89 cm/year compared to 4.41 cm/year in the placebo arm (n=27), an LS mean difference of 1.49 cm/year (p<0.0001).
- Sub-group analyses:
 - Children aged 2 to <5 years treated with TransCon CNP (n=21) demonstrated an LS mean AGV at Week 52 of 6.07 cm/year compared to 5.06 cm/year in the placebo arm (n=10), an LS mean difference of 1.02 cm/year (p=0.0084).
 - Children aged 5-11 years treated with TransCon CNP (n=36) demonstrated an LS mean AGV at Week 52 of 5.79 cm/year compared to 4.02 cm/year in the placebo arm (n=17), an LS mean difference of 1.78 cm/year (p<0.0001).

AGV Change from Baseline

- Children aged 2 to <5 years, treated with TransCon CNP (n=19) demonstrated a change from baseline AGV at Week 52 of 1.57 cm/year compared to 0.43 cm/year in the placebo arm (n=10), an LS mean difference of 1.15 cm/year (p=0.0047).
- Children aged 5-11 years, treated with TransCon CNP (n=35) demonstrated a change from baseline AGV at Week 52 of 2.29 cm/year compared to 0.52 cm/year in the placebo arm (n=17), an LS mean difference of 1.78 cm/year (p<0.0001).

Secondary Endpoints

- For the secondary endpoint of change in ACH Height Z-score, children treated with TransCon CNP (n=57) demonstrated an LS mean change from baseline ACH Height Z-score of 0.30 compared to 0.01 in the placebo arm (n=27), an LS mean difference of 0.28 (p<0.0001).
- For the secondary endpoint of change in CDC Height Z-score, children treated with TransCon CNP (n=55) demonstrated an LS mean change from baseline CDC Height Z-score of 0.15 compared to -0.15 in the placebo arm (n=27), an LS mean difference of 0.30 (p=0.0003).

Safety Results Summary

- TransCon CNP was generally well-tolerated and demonstrated safety profile comparable to those observed in the placebo arm, with generally mild treatment emergent adverse events (“TEAEs”), no evidence of hypotensive effect, and a low frequency of injection site reactions (0.41 events per patient year), all mild.
- No adverse events (“AEs”) led to discontinuation of TransCon CNP or withdrawal from the trial and no serious adverse events (“SAEs”) were assessed as related to TransCon CNP.

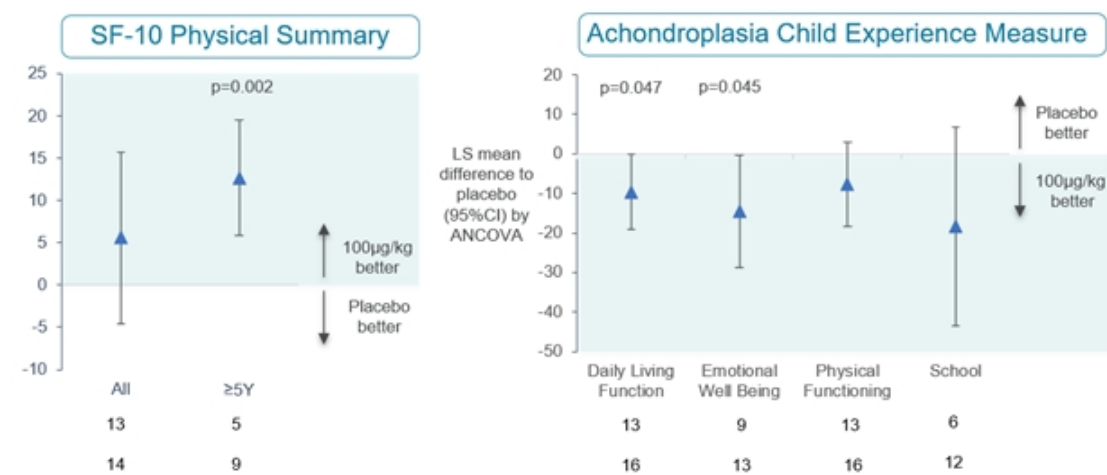
Following our pre-NDA meeting with FDA, we plan to submit a New Drug Application (“NDA”) for the treatment of children with achondroplasia during the first quarter of 2025 and submit a Marketing Authorisation Application (“MAA”) for the treatment of children with achondroplasia to the EMA during the third quarter of 2025.

In December 2023, we announced new analyses demonstrating benefits beyond linear growth from the blinded and ongoing OLE periods of ACcomplisH, a Phase 2 randomized, double-blind, placebo-controlled, dose-escalation trial of TransCon CNP in children aged 2 to 10 years with achondroplasia. In the trial, all 57 patients have now completed one year of treatment with TransCon CNP at 100 µg/kg/week, the dose agreed with regulatory agencies for the active arm in our pivotal ApproaCH Trial.

We analyzed available data for patients who only received TransCon CNP at the 100 µg/kg/week dose in either the blinded or OLE period and were treated for one year (n=19), compared to those administered placebo for one year (n=15). Results showed that these TransCon CNP-treated patients (data available for 9-16 patients) showed improvements (nominal p-value <0.05) in health-related quality of life and disease impacts compared to those receiving placebo (data available for 5-13 patients).

Assessments were performed with the SF-10 (a 10-item non-disease specific survey of a child’s functional health and well-being that has been validated to assess children aged 5 years and older) and the Achondroplasia Child Experience Measure (“ACEM”) a condition-specific clinical outcome measure that assesses the impact of achondroplasia on a child’s health-related quality of life, with statistically significant improved outcome in TransCon CNP-treatment versus placebo for:

- SF-10 Physical Summary (p=0.002, aged 5 years and older)
- ACEM Daily Living Function (p=0.047)
- ACEM Emotional Well-being (p=0.045)



The 46 children switching from placebo or a lower dose of TransCon CNP to the 100 µg/kg/week dose in the OLE demonstrated improved growth after one year of treatment, similar to the growth benefits seen in the 11 children treated with 100 µg/kg/week in the one-year randomized, double-blind period of ACcomplisH.

While the CNP pathway may restore normal growth and skeletal muscle function, we believe delayed initiation of therapy could lead to a permanent height deficit. Clinical use of daily growth hormone injection has consistently demonstrated growth improvements in children with achondroplasia, including catch up growth; however, without reports of benefits beyond linear growth. We believe the combination of TransCon hGH and TransCon CNP, taken together once per week, could enable catch up growth beyond normal growth while maintaining potential benefits on skeletal muscle of continuous CNP exposure. COACH, a Phase 2 open-label single-arm trial, is evaluating TransCon CNP and TransCon hGH in children with achondroplasia (age 2 to 11 years). The primary objective is to evaluate the treatment effect on linear growth and safety. Secondary objectives are to evaluate treatment effect on quality of life, radiological endpoints, physical functioning, and body composition. The trial plans to enroll approximately 18 patients (treatment naïve, n=12; prior treatment with TransCon CNP (100 µg/kg/week) for at least 1 year, n=6). Week 26 top-line data from the COACH Trial are expected in the second quarter of 2025.

During the third quarter of 2023, we filed an IND amendment with the FDA to initiate reACHin, a Phase 2, multicenter, double-blind, randomized, placebo-controlled trial, designed to evaluate the safety, tolerability, and efficacy of 100 µg/kg of TransCon CNP once-weekly for 52 weeks in infants with achondroplasia, aged 0 to < 2 years at the time of randomization.

In November 2022, we announced top-line results from ACcomplisH, a Phase 2 randomized, double-blind, placebo-controlled, dose-escalation trial evaluating the safety and efficacy of once-weekly TransCon CNP compared to placebo in children with achondroplasia aged 2 to 10 years old.

The ACcomplisH Trial evaluated 57 children with achondroplasia aged 2 to 10 years old, randomized in a 3:1 ratio to receive either sequential ascending doses of once-weekly TransCon CNP (6 µg/kg/week, 20 µg/kg/week, 50 µg/kg/week, 100 µg/kg/week) or placebo for 52 weeks. The trial met its primary objectives, demonstrating that TransCon CNP at 100 µg/kg/week (n=11) was superior to placebo (n=15) on the primary efficacy endpoint of AGV at 52 weeks (p=0.0218). All 57 randomized children completed the blinded portion of ACcomplisH and continued in the OLE portion of ACcomplisH at the 100 µg/kg/week dose.

As of December 31, 2024, 55 patients completed the OLE portion of the ACcomplisH Trial; 2 patients prematurely withdrew during the OLE. From ACcomplisH OLE, 53 patients transitioned into the Phase 2 AttaCH Trial, a multicenter, long-term, open-label extension trial to continue treatment with TransCon CNP 100 µg/kg/week and 2 patients transitioned into COACH, a TransCon CNP/TransCon hGH combination trial. As of December 31, 2024, 43 patients continue in AttaCH, on long-term OLE treatment; 3 patients prematurely withdrew from treatment and 7 patients transitioned into COACH. With the last subject completing the OLE portion of the ACcomplisH Trial, the ACcomplisH Trial has completed.

In 2019, we initiated the ACHieve Study, a five-year, multi-center natural history study designed to gain insight into the experiences of pediatric patients with achondroplasia. ACHieve was designed to evaluate growth velocity, body proportionality, and comorbidities over time in children with achondroplasia up to eight years old. No study medication was administered in the ACHieve Study. The study ended in the first quarter of 2024. We plan to make the results available in 2025.

TransCon Product Candidates—Oncology

Market Opportunity in Oncology

Cancer continues to be one of the leading causes of mortality. Improved understanding of the cellular and molecular mechanisms involved in anti-tumor immune responses has fueled the rapid growth of immuno-oncology therapeutics. Immune checkpoint inhibitors, such as anti-PD-(L)1 and anti-CTLA-4 antibodies, have provided new therapeutic options for patients.

Despite recent advances, a high need for new treatment options remains for patients who do not respond to, or who respond inadequately to, current therapies. In addition to insufficient efficacy, many current treatments are limited by toxicities that result in dose reductions, treatment discontinuations, or long-term health risks to patients.

We believe that one approach to improving efficacy while limiting adverse events is to create long-acting product candidates using our sustained systemic release TransCon technology, allowing for more consistent circulating drug levels and potentially avoiding high peak concentrations that are often associated with toxicity.

We are currently developing TransCon technology in oncology for a variety of solid tumors, with encouraging early data in platinum resistant ovarian cancer and melanoma. Aside from Proleukin being the only approved IL-2, TransCon IL-2 b/g may face competition from other IL-2 type drug candidates in development, including those being developed by Mural, Anaveon, Medicenna, Roche, Innovent, Synthekine, Dragonfly, Sotio, and Aulos. In addition, TransCon IL-2 b/g may face competition from drug candidates in development for platinum resistant ovarian cancer, including Merck, Corcept, Novartis, Advenchen Laboratories, Genelux, Daiichi Sankyo and Mereo/OncXerna. In melanoma, TransCon IL-2 b/g may face competition from drug candidates in development including from Replimune, Philogen, OncoSec, Immunocore, and Regeneron.

Our Solution: TransCon Technologies for Oncology

We believe prolonging the therapeutic activity and targeting the drug activity to the relevant cell types and tissues have the potential to improve treatment outcomes. We believe TransCon is well-suited to improve cancer treatments given the large number of validated targets with known limitations. By applying our unique algorithm for product innovation to clinically validated targets and pathways, we believe TransCon has the potential to improve outcomes currently limited by suboptimal efficacy and systemic toxicity.

We believe TransCon technologies may have the potential to increase the efficacy of small molecules, peptides and proteins without increasing toxicity, which could offer the potential to treat more patients with new combination and multi-agent regimens that would not otherwise be feasible.

We are currently investigating one clinical-stage product candidate designed to activate the patient's own immune system to eradicate malignant cells. We believe our approach, if successfully developed, has the potential to improve the efficacy of systemically administered, clinically validated therapies while limiting adverse effects.

Our TransCon product candidate currently being investigated in solid tumors is designed to provide sustained systemic administration, which we believe could provide potent and durable anti-tumor efficacy. Our nonclinical studies have shown sustained activation of cytotoxic immune cells that resulted in robust anti-tumor responses by TransCon product candidates using infrequent administration.

TransCon IL-2 b/g for Sustained Systemic Release

TransCon IL-2 b/g (onvapegleukin alfa) is an investigational long-acting prodrug designed to improve cancer immunotherapy through sustained release of an IL-2 variant that selectively activates IL-2 b/g, with minimal binding to IL-2R α . The IL-Believe Trial, a Phase 1/2 clinical trial to evaluate the safety and efficacy of TransCon IL-2 b/g in locally advanced or metastatic solid tumors, alone or in combination with pembrolizumab or standard of care chemotherapy, has completed dose escalation and is enrolling patients in multiple indication-specific dose expansion cohorts, including platinum-resistant ovarian cancer ("PROC"), cervical cancer, melanoma, non-small cell lung cancer ("NSCLC"), and small cell lung cancer ("SCLC") at the RP2D.

In September 2024, we announced initial data showing signs of clinical activity in heavily pre-treated patients with PROC treated (cohort 3) with TransCon IL-2 β/γ in combination with chemotherapy in the ongoing Phase 1/2 IL-Believe Trial of TransCon IL-2 β/γ . As of a cutoff date of July 29, 2024, of the 18 patients (median age 64 years) included in the initial assessment, 14 were efficacy evaluable patients who had one or more post-baseline tumor assessment(s), plus an additional four who discontinued treatment before the first post-baseline tumor assessment due to disease progression or death.

As of the data cutoff, clinical responses were observed in 29% (4/14) of the efficacy evaluable patients (two confirmed and two unconfirmed partial responses in patients who had received three to seven prior lines of treatment – including patients whose disease had previously progressed on mirvetuximab soravtansine-gynx), suggesting the potential for clinical activity in heavily pre-treated patients. The data suggest that TransCon IL-2 β/γ was generally well-tolerated: the most common TEAEs related to combination therapy with TransCon IL-2 β/γ plus chemotherapy were fatigue, thrombocytopenia, neutropenia, and anemia. Most TransCon IL-2 β/γ -related TEAEs were grade 1 or 2.

In June 2024, we reported updated results from our ongoing Phase 1/2 IL-Believe Trial of TransCon IL-2 b/g. Data included the first presentation of Phase 2 dose expansion Cohort 4 (TransCon IL-2 β/γ in combination with TransCon TLR7/8 Agonist) in post anti-PD-1 melanoma and new analyses of patients from dose escalation cohorts with prior disease progression on checkpoint inhibitors, along with biomarker studies correlating cytotoxic immune cell expansion and observed clinical benefit. As of the April 16, 2024, data cutoff, confirmed clinical partial responses were observed in 40% (two out of five) of efficacy-evaluable patients from Cohort 4, suggesting potential synergy of our two novel immunotherapy candidates in patients who did not derive sufficient benefit from checkpoint inhibitors. Of efficacy-evaluable patients with prior disease progression on checkpoint inhibitors to date (from Phase 1 dose escalation cohorts) in the IL-Believe Trial, confirmed clinical responses (per RECIST v1.1) were observed in 45% (five out of eleven) administered TransCon IL-2 β/γ doses ≥ 80 $\mu\text{g}/\text{kg}$ every 3 weeks, suggesting clinical benefit in treatment-resistant settings (monotherapy (n=4): 1 confirmed partial response (“PR”) in colorectal cancer; combination with pembrolizumab (n=2): 1 confirmed complete response and 1 confirmed PR in small-cell lung cancer; combination with TransCon TLR7/8 Agonist (n=5): 2 confirmed PRs in melanoma). In this trial, TransCon IL-2 β/γ alone or in combination with pembrolizumab or TransCon TLR7/8 Agonist was generally well tolerated with no new safety signals.

In October 2023, we announced updated data from the ongoing Phase 1 dose escalation cohort from IL-Believe Trial. Forty-six patients were enrolled into dose escalation cohorts: 25 to monotherapy and 21 to combination therapy. As of the August 15, 2023, data cutoff, anti-tumor clinical responses were observed with TransCon IL-2 b/g monotherapy (colorectal cancer with PR) or in combination with pembrolizumab (small cell lung cancer, one with confirmed PR and one ongoing with unconfirmed complete response) in heavily pre-treated patients who previously progressed on checkpoint inhibitors. TransCon IL-2 b/g every three weeks was generally well-tolerated, with no meaningful effect on Tregs and eosinophils.

In September 2023, we announced completion of Phase 1 dose escalation in combination with pembrolizumab of the IL-Believe Trial with a total of 21 patients enrolled and RP2D determined at 120 $\mu\text{g}/\text{kg}$ IV every three weeks. Twenty-one patients were enrolled.

In May 2023, we announced completion of the Phase 1 monotherapy dose escalation of the IL-Believe Trial with RP2D determined at 120 $\mu\text{g}/\text{kg}$ IV every three weeks with 25 heavily pre-treated patients enrolled and a median of four prior lines of systemic therapies.

Strategic Collaborations

We also engage in strategic collaborations to further leverage our TransCon technologies in certain geographies and therapeutic areas with market-leading biopharmaceutical companies. These collaborations aim to make promising treatment options available to more patients and to further monetize both our TransCon technologies and our internal product candidates, particularly into therapeutic areas where we believe a partner may have more expertise, capability, and capital. In addition, we may choose to pursue a collaboration to develop and market our internal, wholly owned product candidates in geographic markets outside our core focus areas of the United States and Europe.

Novo Nordisk A/S

In November 2024, we entered into a research and development collaboration and license agreement with Novo Nordisk A/S (“Novo Nordisk”) pursuant to which we granted Novo Nordisk an exclusive worldwide license to the TransCon technology platform to develop, manufacture and commercialize Novo Nordisk proprietary products (including Semaglutide) in metabolic diseases (including obesity and type 2 diabetes) and a product-by-product exclusive license in cardiovascular diseases.

The agreement includes provisions requiring at least one TransCon Semaglutide product and at least one other TransCon technology-based product to be identified, developed and commercialized in metabolic diseases to maintain certain exclusivities in the field, with additional provisions for cardiovascular diseases. Under the terms of the agreement, Novo Nordisk also receives exclusive rights to expand any resulting metabolic disease products into other therapeutic areas. The lead program in the collaboration is a once-monthly TransCon Semaglutide product candidate that will initially target obesity and type 2 diabetes.

Under the agreement, we have the potential to receive total payments of up to \$285 million in upfront, development and regulatory milestone payments for the lead program. In addition, we have the potential to receive sales-based milestone payments and tiered royalties on global net sales. The \$285 million includes an upfront fee of \$100 million for the exclusive license. For each additional metabolic or cardiovascular disease product candidate, we will be eligible to receive payments of up to \$77.5 million in development and regulatory milestone payments. In addition, we have the potential to receive sales-based milestone payments and tiered royalties on global net sales. Novo Nordisk agreed to pay royalties for each potential licensed product developed under the agreement that are an escalating tiered, mid-single digit percentage of the annual net sales of such licensed product and are subject to reduction due to patent valid claim expiration, biosimilar product market share, payment made under certain licenses for third party intellectual property and Inflation Reduction Act price negotiations.

Under the agreement, we have agreed to conduct certain pre-agreed early research and development of TransCon product candidates under the collaboration and we are eligible to receive cost reimbursement from Novo Nordisk for its performance of such research and development activities under the agreement with respect to such TransCon product candidates. Novo Nordisk is responsible for any other non-clinical and clinical development, regulatory, commercial manufacturing, and commercialization of such TransCon product candidates, and all costs associated with such activities.

Subject to the terms of the agreement, we granted Novo Nordisk an exclusive, worldwide, royalty-bearing license, with the right to grant sublicenses, to use its proprietary TransCon technology platform to develop, manufacture and commercialize Novo Nordisk proprietary products in metabolic diseases (including obesity and type 2 diabetes) and a product-by-product exclusive license in cardiovascular diseases. Additionally, we granted Novo Nordisk an exclusive, worldwide, royalty-bearing license, with the right to grant sublicenses, to use its proprietary TransCon technology platform to develop, manufacture and commercialize GLP-1 receptor products using the TransCon technology for all indications, except for (i) certain pre-agreed rare endocrine indications, (ii) all indications in respect of the eye and adnexa and (iii) all indications in respect of oncology.

Until expiry of the last royalty term and for one-year thereafter, we are not permitted to research, develop, manufacture, commercialize, or otherwise exploit outside of the collaboration, any GLP-1 receptor product or any other licensed products that have been subject to the collaboration. We are also not permitted to undertake any research, development, manufacture, commercialization, or other exploitation of products outside of the collaboration in the metabolic field until expiry of the last royalty term of any licensed products that have been subject to the collaboration in metabolic diseases.

Unless earlier terminated, the agreement has a royalty term that continues, on a per licensed product and per country basis, until the later of (i) the expiration of the last valid patent claim for any of our patents, joint improvement patents, licensed product patents as well as any improvements made by Novo Nordisk covering the licensed product’s dosage regimen or target product profile, or (ii) 11 years after the first commercial sale of such licensed product in such country.

Novo Nordisk has the right to terminate the agreement without cause in its entirety or on a per licensed product basis. We have the right to terminate the agreement in its entirety in case Novo Nordisk brings patent challenges with respect to our patents. The agreement may also be terminated by either party based on an uncured material breach by the other party or the bankruptcy of the other party.

Upon termination of the agreement due to Novo Nordisk's default, some or all of the licenses granted by us to Novo Nordisk to develop, manufacture and commercialize any of the licensed products will automatically terminate.

Upon termination of the agreement due to certain defaults by us, Novo Nordisk may choose to either (i) have the license granted by us to Novo Nordisk to develop, manufacture and commercialize licensed products terminate in its entirety or on a product-by-product basis; or (ii) continue with respect to the affected licensed product at a reduced payment rate.

Teijin Limited

In November 2023, we announced that we entered into an exclusive license agreement with Teijin Limited for the further development and commercialization of TransCon hGH, TransCon PTH, and TransCon CNP for endocrinology rare disease in Japan. Under the terms of the agreement with Teijin Limited, we received an upfront payment of \$70 million, with additional development and regulatory milestones of up to \$175 million, transfer pricing and commercial milestones. In addition, we are eligible to receive royalties on net sales in Japan, of up to a mid-20's percentage, varying by product.

In December 2024, Teijin Pharma Limited announced the submission of an application for manufacturing and marketing approval of palopegteriparatide for the treatment of hypoparathyroidism in Japan.

Strategic Investments

VISEN Pharmaceuticals

In November 2018, we announced the formation of VISEN, a company established to develop and commercialize our endocrinology rare disease therapies in the People's Republic of China, Hong Kong, Macau, and Taiwan ("Greater China"). In connection with the formation of VISEN, we granted VISEN exclusive rights to develop and commercialize certain product candidates based on our proprietary TransCon technologies, including TransCon hGH, TransCon PTH, and TransCon CNP, in Greater China for use in all human indications, subject to certain exceptions. As consideration for the rights granted to VISEN, we received 50.0% ownership in the outstanding shares of VISEN and concurrently with the rights we granted to VISEN, entities affiliated with Vivo Capital and Sofinnova Ventures purchased shares in VISEN for an aggregate purchase price of \$40 million in cash. In January 2021, we invested additional \$12.5 million in VISEN as part of VISEN's \$150 million Series B financing. As of December 31, 2024, our ownership in VISEN was 43.9%.

In August 2024, VISEN announced top-line data from the 26-week randomized, double-blind, placebo-controlled portion of the Phase 3 PaTHway China Trial of Palopegteriparatide (TransCon PTH) in adults with chronic hypoparathyroidism. VISEN reported a statistically significant higher proportion of patients treated with palopegteriparatide achieved the primary multi-component endpoint compared to placebo. The primary multi-component endpoint was achieved by 77.6% of palopegteriparatide-treated patients (45 of 58), compared to 0.0% of patients (0 of 22) in the placebo group (p-value <0.0001). Results were consistent with those announced by us for its palopegteriparatide Phase 3 trial.

In March 2024, VISEN announced that the BLA for IonapegSomatropin (TransCon hGH) was accepted by the China National Medical Products Administration.

In November 2023, VISEN announced top-line results from the Phase 2 ACcomplish China Trial in children with achondroplasia aged 2 to 10 years. VISEN reported that patients dosed with TransCon CNP at the 100 µg CNP/kg/week showed significantly higher AGV than placebo at Week 52.

In November 2022, VISEN announced data from its pivotal Phase 3 study of TransCon hGH in children with GHD in China. VISEN reported that patients dosed with TransCon hGH demonstrated an annualized height velocity (“AHV”) of 10.66 cm/year compared to 9.75 cm/year for the daily hGH at 52 weeks (treatment difference at 0.91 cm/year with a 95 percent confidence interval: 0.37 – 1.45 cm/year, p=0.0010), reaching its primary objective, demonstrating that TransCon hGH is non-inferior to the daily hGH.

Market Opportunity in China

China is the second largest pharmaceutical market in the world after the United States and represents one of the fastest growing pharmaceutical markets worldwide. In recent years, the Chinese government has initiated a number of regulatory reforms that are expected to accelerate drug development, as well as drive growth and demand for new therapeutics in China. In addition to joining an international organization that standardizes regulations for clinical development, the National Medical Products Administration has introduced initiatives such as fast track review for drugs for unmet medical needs and adopted new rules that streamline the drug approval process in China for global companies.

The purpose of our investment in VISEN is to support our strategy to extend our endocrinology rare disease portfolio globally and establish a presence in China in partnership with collaborators who have significant experience and knowledge of the biopharmaceutical opportunity in China.

Rights Agreements

Under three exclusive license agreements, each effective November 7, 2018, and as amended January 4, 2021, between the Company and VISEN (collectively, the “Rights Agreements”), VISEN must use diligent efforts to develop and commercialize licensed products in Greater China. Additionally, we and VISEN will conduct certain research and development activities allocated to the respective party under a research and technical development plan, and VISEN will reimburse us for costs of conducting such activities, including costs of our personnel committed to performing such activities in Greater China.

We entered into a clinical supply agreement with VISEN in 2018 to provide product supply for use in conducting clinical trials in Greater China. Additionally, during 2023, we entered into a commercial supply agreement governing commercial supply of licensed product (TransCon hGH) to VISEN on the terms and conditions set forth in the Rights Agreements.

Under the Rights Agreements, we agreed not to research, develop, or commercialize competing products in Greater China, and VISEN agreed not to grant certain rights under its interest in any inventions or intellectual property arising out of the activities conducted under the Rights Agreements to third-parties, in each case, under the terms and conditions specified in the Rights Agreements. We will have the right to exploit inventions and intellectual property arising out of the activities conducted under the Rights Agreements outside of Greater China. Additionally, we granted VISEN a right of first negotiation to develop and commercialize certain of our endocrinology products in Greater China.

The Rights Agreements continue in effect for as long as a valid claim of a licensed patent exists in Greater China. VISEN may terminate a Rights Agreement for convenience, for uncured material breach by us of a Rights Agreement and for our bankruptcy or insolvency-related events. We may terminate a Rights Agreement for certain specified material breaches thereof by VISEN, in the event VISEN undergoes a change of control in favor of a competitor, if VISEN challenges the validity of any of the licensed patents and for VISEN’s bankruptcy or insolvency-related events.

Amended and Restated Shareholders Agreement

In connection with our investment in VISEN, on January 8, 2021, we entered into an Amended and Restated Shareholders Agreement (the “Amended Shareholders Agreement”), amending and restating the Shareholders Agreement dated November 7, 2018, between the Company and the parties set forth therein (the “Shareholders Agreement”). In addition to rights previously granted under the Shareholders Agreement, under the Amended Shareholders Agreement, we have the right to designate two individuals for election to the board of directors of VISEN. In addition, VISEN has agreed that certain specified events (including certain liquidation events) shall require the approval of (i) shareholders of VISEN holding at least 50% of VISEN’s Series B preferred shares, (ii) shareholders of VISEN holding at least 60% of VISEN’s Series A preferred shares and/or (iii) certain members of VISEN’s board of directors. The Amended Shareholders Agreement can be terminated by written agreement among the holders of at least 60% of VISEN’s Series A preferred shares and at least 50% of VISEN’s Series B preferred shares.

Eyconis, Inc

In January 2024, we announced the formation and launch with Frazier Life Sciences of Eyconis, Inc., a separate company created to develop, manufacture, and commercialize TransCon ophthalmology assets globally, together with a \$150 million commitment from an investor syndicate that included Frazier, RA Capital Management, venBio, and HealthQuest Capital.

We have granted Eyconis exclusive rights to develop and commercialize TransCon ophthalmology products globally and received an equity position in the newly formed company. In addition, we are eligible to receive development, regulatory, and sales milestone payments, plus single digit royalties on global net sales of commercialized products, if any. As of December 31, 2024, our ownership in Eyconis was 41.6%.

Manufacturing

As we do not maintain the capability to manufacture finished drug products, we utilize contract manufacturers to manufacture finished drug product of our proprietary TransCon product candidates intended for clinical or commercial use. We source starting materials for our manufacturing activities from one or more suppliers. For the starting materials necessary for our proprietary TransCon product candidate development, we have agreements for the supply of such starting materials with drug manufacturers or suppliers that we believe have sufficient capacity to meet our demands. However, from time to time, we source critical raw materials and services from one or a limited number of suppliers and there is a risk that if such supply or services were interrupted, it would materially harm our business. In addition, we typically order raw materials and services on a purchase order basis and do not enter into long-term dedicated capacity or minimum supply arrangements.

We utilize the services of contract manufacturers to manufacture drug substance required for later phases of clinical development and eventual commercialization for us under all applicable laws and regulations and are subject to long term forecasting obligations and certain minimum purchase requirements for all parts of the commercial supply chain.

We have analytical and process development capabilities in our own facility. We generally perform analytical and process development for our proprietary TransCon product candidates internally and manufacture internally our TransCon product candidates necessary to conduct the non-GLP preclinical studies thereof. However, we occasionally outsource the manufacture of research and development-stage TransCon product candidates.

We do not have, and we do not currently plan to acquire or develop, the facilities or capabilities to manufacture bulk drug substance or filled drug product for use in human clinical trials. We rely on third-party manufacturers to produce the bulk drug substances required for our clinical trials and expect to continue to rely on third-parties to manufacture and test clinical trial drug supplies for the foreseeable future.

Our contract suppliers manufacture drug substance and finished drug product for our TransCon product candidates for clinical trial use in effort to comply with current good manufacturing practice (“cGMP”), applicable local regulations and similar foreign requirements. cGMP and similar foreign requirements include requirements relating to organization of personnel; buildings and facilities; equipment; control of components and drug product containers and closures; production and process controls; packaging and labeling controls; holding and distribution; laboratory controls; records and reports; and returned or salvaged products. The manufacturing facilities for our products must be in compliance with cGMP requirements and similar foreign requirements, and for device and device components, the Quality System Regulation (“QSR”) requirements, before any product is approved. Our third-party manufacturers may also be subject to periodic inspections of facilities by the FDA, the EU member states competent authorities, and other authorities, including reviews of procedures and operations used in the testing and manufacture of our products to assess our compliance with applicable regulations.

We also contract with additional third-parties for the filling, labeling, packaging, testing, storage and distribution of our TransCon product candidates. We employ personnel with the significant scientific, technical, production, quality and project management experience required to oversee our network of third-party suppliers and to manage manufacturing, quality data and information for regulatory compliance purposes.

NOF Manufacturing and Supply Agreement Related to TransCon hGH

On December 21, 2017, we entered into a multi-year Manufacturing and Supply Agreement (the “NOF Agreement”) with NOF Corporation (“NOF”). Under the NOF Agreement, NOF has agreed to manufacture and supply the mPEG Linker (the “NOF hGH Product”) for our TransCon hGH product candidate. We have agreed to purchase certain quantities of NOF hGH Product.

The NOF Agreement is effective as of December 21, 2017. The initial term of the NOF Agreement terminates on December 31, 2025 unless earlier terminated. After the expiration of the initial term of the NOF Agreement, the NOF Agreement continues until it is terminated. The NOF Agreement may be terminated (i) by either party for the other party’s assignment for the benefit of creditors, insolvency, bankruptcy, liquidation, dissolution, or the taking of any action by the other party under an act for relief from creditors, (ii) by either party for the other party’s uncured material breach, (iii) by us after the initial term of the NOF Agreement with one year written notice, or (iv) by mutual agreement of the parties. In addition, the NOF Agreement may be terminated by us in the event of a change of 50% or more of the direct or indirect ownership of NOF or manufacturing facilities relevant to the NOF Agreement, if such ownership goes to a third-party materially involved in the treatment of growth related disorders in humans. The NOF Agreement may also be terminated by either party for a continuing event of force majeure.

The NOF Agreement contains, among other provisions customary representations and warranties by us and NOF, grants of certain limited license rights related to either party’s intellectual property in connection with the manufacturing and supply of NOF hGH Product, certain indemnification rights in favor of both parties and customary confidentiality provisions.

NOF Manufacturing and Supply Agreement Related to TransCon PTH

On August 31, 2020, we entered into a multi-year Manufacturing and Supply Agreement (the “NOF PTH Agreement”) with NOF. Under the NOF PTH Agreement, NOF has agreed to manufacture and supply the PEG maleimide (the “NOF PTH Product”) for our TransCon PTH product candidate. We have agreed to purchase certain quantities of NOF PTH Product. We may purchase NOF PTH Product from other manufacturers and are not obligated to purchase NOF PTH Product from NOF, other than certain quantities that have been forecasted by us in accordance with a mandatory rolling forecast that we must deliver to NOF from time to time.

The NOF PTH Agreement is effective as of August 31, 2020. The initial term of the NOF PTH Agreement terminates on December 31, 2027 unless earlier terminated. After the expiration of the initial term of the NOF PTH Agreement, the NOF PTH Agreement continues until it is terminated. The NOF PTH Agreement may be terminated (i) by either party for the other party's assignment for the benefit of creditors, insolvency, bankruptcy, liquidation, dissolution, or the taking of any action by the other party under an act for relief from creditors, (ii) by either party for the other party's uncured material breach, (iii) by us after the initial term of the NOF PTH Agreement with advance written notice, (iv) by NOF after the initial term of the NOF PTH Agreement with advance written notice, (v) by mutual agreement of the parties, or (vi) by us in the event of a change of fifty percent or more of the direct or indirect ownership of NOF or manufacturing facilities relevant to the NOF PTH Agreement, if such ownership goes to any of a pre-defined list of third parties. In addition, the NOF PTH Agreement may be terminated by NOF in the event of a change of fifty percent or more of the direct or indirect ownership of Ascendis, if such ownership goes to any of a pre-defined list of third parties. The NOF PTH Agreement may also be terminated by either party for a continuing event of force majeure.

The NOF PTH Agreement contains, among other provisions, customary representations and warranties by us and NOF, grants of certain limited license rights related to either party's intellectual property in connection with the manufacturing and supply of NOF PTH Product, certain indemnification rights in favor of both parties and customary confidentiality provisions.

Carbogen Manufacturing and Supply Agreement Related to TransCon hGH

On October 26, 2018, we entered into a multi-year Manufacturing and Supply Agreement (the "Carbogen Agreement") with Carbogen Amcis AG ("Carbogen"). Under the Carbogen Agreement, Carbogen has agreed to manufacture and supply Linker A (the "Carbogen Product") for our TransCon hGH product candidate. We may purchase Linker A from other manufacturers and are not obligated to purchase Carbogen Product from Carbogen, other than certain quantities that have been forecasted by us in accordance with a mandatory rolling forecast that we must deliver to Carbogen from time to time.

The Carbogen Agreement is effective as of October 26, 2018. The initial term of the Carbogen Agreement expires five years after the first commercial launch of our TransCon hGH product candidate (the "Carbogen Initial Term") unless earlier terminated. After the expiration of the Carbogen Initial Term of the Carbogen Agreement, the Carbogen Agreement continues until it is terminated. The Carbogen Agreement may be terminated (i) by either party for the other party's assignment of the Carbogen Agreement for the benefit of creditors, insolvency, bankruptcy, dissolution, or taking of any action under an act for relief from creditors, (ii) by either party for the other party's uncured material breach, (iii) by us after the Carbogen Initial Term of the Carbogen Agreement with one year written notice, (iv) by Carbogen after the Carbogen Initial Term of the Carbogen Agreement with four years written notice or (v) by mutual agreement of the parties. In addition, the Carbogen Agreement may be terminated by us in the event of a change of fifty percent or more of the direct or indirect ownership of Carbogen, if such ownership goes to a third-party materially involved in the treatment of growth-related disorders in humans. The Carbogen Agreement may also be terminated by either party for a continuing event of force majeure.

The Carbogen Agreement contains, among other provisions, certain representations and warranties by us and Carbogen, grants certain rights to intellectual property relating to, or inventions made in connection with, the manufacturing and supply of Carbogen Product, provides for certain indemnification rights in favor of both parties and includes confidentiality provisions.

Carbogen Manufacturing and Supply Agreement Related to TransCon PTH

On May 27, 2021, we entered into a multi-year Manufacturing and Supply Agreement (the "Carbogen PTH Agreement") with Carbogen. Under the Carbogen PTH Agreement, Carbogen has agreed to manufacture and supply Linker F (the "Carbogen PTH Product") for our TransCon PTH product candidate. We may purchase Carbogen PTH Product from other manufacturers and are not obligated to purchase Carbogen PTH Product from Carbogen, other than certain quantities that have been forecasted by us in accordance with a mandatory rolling forecast that we must deliver to Carbogen from time to time.

The Carbogen PTH Agreement is effective as of May 27, 2021. The initial term of the Carbogen PTH Agreement expires five years after the first commercial launch of our TransCon PTH product candidate (the “Carbogen PTH Initial Term”) unless earlier terminated. After the expiration of the Carbogen PTH Initial Term of the Carbogen PTH Agreement, the Carbogen PTH Agreement continues until it is terminated. The Carbogen PTH Agreement may be terminated (i) by either party for the other party’s assignment of the Carbogen PTH Agreement for the benefit of creditors, insolvency, bankruptcy, dissolution, or taking of any action under an act for relief from creditors, (ii) by either party for the other party’s uncured material breach, (iii) by us after the Carbogen PTH Initial Term with one year written notice, (iv) by Carbogen after the Carbogen PTH Initial Term of the Carbogen PTH Agreement with four years written notice (subject to Carbogen’s obligation to actively assist in technology transfer to an alternate supplier) or (v) by mutual agreement of the parties. In addition, the Carbogen PTH Agreement may be terminated by us in the event of a change of fifty percent or more of the direct or indirect ownership of Carbogen, if such ownership goes to a third-party materially involved in the treatment of growth-related disorders in humans. The Carbogen PTH Agreement may also be terminated by either party for a continuing event of force majeure.

The Carbogen PTH Agreement contains, among other provisions, certain representations and warranties by us and Carbogen, grants of certain rights to intellectual property relating to, or inventions made in connection with, the manufacturing and supply of Carbogen PTH Product, certain indemnification rights in favor of both parties and confidentiality provisions.

Phillips Medisize (formerly B&O Medicom and Medicom Innovation Partner)

On January 12, 2017, we entered into a multi-year Manufacturing and Supply Agreement (the “Medicom Agreement”) with Medicom Innovation Partner (“Medicom”). Under the Medicom Agreement, Medicom has agreed to exclusively manufacture and supply the auto injector injection device (the “Medicom Product”) for our TransCon hGH product candidate. We are obligated to purchase certain quantities that have been forecasted by us in accordance with a mandatory rolling forecast that we must deliver to Medicom from time to time.

The Medicom Agreement is effective as of January 12, 2017. The term of the Medicom Agreement terminates on June 30, 2025 (“Medicom Initial Term”) unless earlier terminated or unless extended unilaterally by us, with notice of extension to be given no later than June 30, 2024, by five years until June 30, 2030 (“Extended Term”) after which date it shall continue indefinitely unless terminated. The Medicom Agreement may be terminated (i) by either party for the other party’s bankruptcy or insolvency-related events, (ii) by either party for the other party’s uncured material breach, (iii) by us by not extending the Medicom Initial Term into the Extended Term, (iv) by Medicom after the Extended Term of the Medicom Agreement with two year’s advance written notice or by us after the Extended Term of the Medicom Agreement with one year’s advance notice, or (v) by Medicom if we purchase less than an agreed volume of the Medicom Product (provided that we may avoid such termination by paying Medicom’s lost profits up to such agreed minimum volume). In addition, the Medicom Agreement may be terminated by us in the event of a change of control of Medicom, if such control goes to a third-party materially involved in the treatment of certain defined endocrinology diseases in humans. In all events of termination Medicom is obligated to support a tech transfer of manufacture of Medicom Product to an alternate supplier.

The Medicom Agreement contains, among other provisions certain representations and warranties by us and Medicom, grants certain limited license rights related to either party’s intellectual property in connection with the manufacturing and supply of Medicom Product, provides for certain indemnification rights in favor of both parties and includes confidentiality provisions.

Vetter Pharma International GmbH

On December 14, 2018, we entered into a multi-year Supply Agreement (the “Vetter Agreement”) with Vetter Pharma International (“Vetter”). Under the Vetter Agreement, Vetter has agreed to manufacture and fill-and-finish drug product in dual-chamber cartridges (the “Ascendis Product”) for our TransCon hGH product candidate. Vetter has agreed to supply in accordance with a long-term forecast in addition to a rolling forecast with a binding part that we must deliver to Vetter from time to time.

The Vetter Agreement is effective as of January 1, 2019. The term of the Vetter Agreement expires on the five-year anniversary of the date of first regulatory approval of the TransCon hGH product (the “Initial Term”) after which term it shall be automatically renewed for subsequent two-year terms unless terminated. The Vetter Agreement may be terminated (i) by either party for the other party’s uncured material breach, including certain enumerated events constituting material breach such as bankruptcy or insolvency-related events, (ii) by us with two years’ notice, with effect no earlier than two years after expiry of the Initial Term or (iii) by either party if the other party is taken over by our or a Vetter competitor, as applicable.

The Vetter Agreement contains, among other provisions, certain representations and warranties by us and Vetter, grants certain limited license rights in connection with Vetter’s manufacturing and supply, and our sale, distribution and other use, of Ascendis Product, provides for certain indemnification rights in favor of both parties and includes confidentiality provisions.

On October 1, 2022, we entered into a multi-year Supply Agreement (as amended on April 8, 2024, the “PTH Vetter Agreement”) with Vetter. Under the PTH Vetter Agreement, Vetter has agreed to manufacture and supply single chamber cartridges pre-filled with TransCon PTH (the “Ascendis PTH Product”). Vetter has agreed to supply in accordance with a long-term forecast and a rolling forecast with certain materials that we deliver to Vetter from time to time.

The term of the PTH Vetter Agreement expires five years from the effective date (the “PTH Initial Term”), after which it shall automatically renew for subsequent two-year terms unless terminated. The PTH Vetter Agreement may be terminated (i) by either party for the other party’s uncured material breach, including certain enumerated events constituting material breach such as bankruptcy or insolvency-related events, (ii) by us with two years’ notice, with effect no earlier than the expiry of the PTH Initial Term or (iii) by either party if the other party is taken over by our or a Vetter competitor, as applicable.

The PTH Vetter Agreement includes, among other provisions, certain representations and warranties by us and Vetter, grants limited license rights in connection with Vetter’s manufacturing and supply, and our sale, distribution, and use of Ascendis PTH Product, provides for indemnification rights for both parties, and includes confidentiality provisions.

Lonza Tech Transfer and Manufacturing Agreement

On December 12, 2019, we entered into a multi-year commercial supply agreement (the “Lonza Agreement”) with Lonza Ltd (“Lonza”). Under the Lonza Agreement, Lonza has agreed to manufacture and supply drug substance for our TransCon hGH product candidate (the “TransCon hGH Drug Substance”). Starting in 2023, we are obligated to purchase a certain minimum annual quantity of TransCon hGH Drug Substance from Lonza. We may also purchase TransCon hGH Drug Substance from other manufacturers.

The Lonza Agreement secures us a certain capacity of TransCon hGH Drug Substance per year.

The Lonza Agreement is effective as of December 12, 2019. The initial term of the Lonza Agreement expires seven years after first approval of a drug product manufactured using the TransCon hGH Drug Substance (the “Lonza Initial Term”) unless earlier terminated. During the first five years of the Lonza Initial Term, we may decide, in our sole discretion, to extend the term of the Lonza Agreement by two years. The Lonza Agreement may be terminated (i) by either party for the other party’s bankruptcy or insolvency-related events, (ii) by either party for the other party’s uncured material breach, (iii) by either party for a continuing event of force majeure, (iv) by either party upon written notice after a specified time period in the event of our change of control, and (v) by either party in the event of the occurrence of certain conditions related to the manufacturing of the TransCon hGH Drug Substance as more fully described in the Lonza Agreement.

The Lonza Agreement contains, among other provisions, certain warranties by us and Lonza, grants certain limited license rights related to either party’s intellectual property in connection with the manufacturing and supply of TransCon hGH Drug Substance, provides for certain indemnification rights in favor of both parties and includes confidentiality provisions.

Sharp Corporation Packaging and Supply Agreement

On December 1, 2019, we entered into a multi-year packaging agreement (the “Sharp Agreement”) with Sharp Corporation (“Sharp”). Under the Sharp Agreement, Sharp agreed to package, assemble, and label TransCon hGH for commercial use in certain territories, including the United States and the EU. We are non-exclusive to Sharp and may engage other manufacturers to package, assemble, and label TransCon hGH but we are obligated to meet certain minimum spend requirements for TransCon hGH during the first 12-month period after first shipment of TransCon hGH for commercial sale after regulatory approval thereof.

The Sharp Agreement is effective as of December 1, 2019. The initial term of the Sharp Agreement expires on December 31, 2025 and will be automatically extended for additional two-year periods unless earlier terminated. The Sharp Agreement may be terminated (i) by either party upon mutual consent, (ii) by either party for the other party’s uncured material breach, (iii) by either party for the other party’s bankruptcy or insolvency-related events, (iv) by either party for a continuing event of force majeure, or (v) by either party after the initial term of the Sharp Agreement has been completed.

The Sharp Agreement contains, among other provisions, certain warranties by Sharp, provides for certain indemnification rights in favor of both parties and includes confidentiality provisions.

Bachem Manufacturing and Supply Agreement

On December 27, 2020, we entered into a multi-year Manufacturing and Supply Agreement (the “Bachem Agreement”) with Bachem AG (“Bachem”). Under the Bachem Agreement, Bachem has agreed to manufacture and supply PTH drug substance (the “Bachem Product”) for our TransCon PTH product candidate. We may purchase Bachem Product from other manufacturers and are not obligated to purchase Bachem Product from Bachem, other than certain quantities that have been forecasted by us in accordance with a mandatory rolling forecast that we must deliver to Bachem from time to time.

The Bachem Agreement is effective as of December 27, 2020. The initial term of the Bachem Agreement expires on December 31, 2027 (the “Bachem Initial Term”) unless earlier terminated. After the expiration of the Bachem Initial Term, provided that market approval is received prior to expiration of the Bachem Initial Term, the Bachem Agreement continues until it is terminated. The Bachem Agreement may be terminated (i) by either party for the other party’s assignment of the Bachem Agreement for the benefit of creditors, insolvency, bankruptcy, dissolution, or taking of any action under an act for relief from creditors, (ii) by either party for the other party’s uncured material breach, (iii) by us after the Bachem Initial Term with two years’ written notice, (iv) by Bachem after the Bachem Initial Term with four years’ written notice or (v) by mutual agreement of the parties. In addition, the Bachem Agreement may be terminated by us prior to expiration of the Bachem Initial Term if Bachem is acquired by a company marketing a competing drug to TransCon PTH. The Bachem Agreement may also be terminated by either party for a continuing event of force majeure.

The Bachem Agreement contains, among other provisions, certain representations and warranties by us and Bachem, grants of certain rights to intellectual property relating to, or inventions made in connection with, the manufacturing and supply of Bachem Product, certain indemnification rights in favor of both parties and confidentiality provisions.

Competition

The pharmaceutical industry is very competitive and subject to rapid and significant innovation. Our potential competitors include major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical and generic drug companies, universities, and other research institutions. Many of our competitors have greater resources, as well as larger research and development functions and more experienced marketing and manufacturing organizations. As a result, these companies may obtain regulatory approval more rapidly than we are able to and may be more effective in selling and marketing their products.

Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. Our competitors may succeed in developing, acquiring or licensing technologies and drug products that are superior to, or more effectively marketed than, the product candidates that we are currently developing or that we may develop, which could render our products obsolete and noncompetitive. For additional information regarding the companies that may be competitive with our product candidates currently in development, please see the descriptions of our current product candidates included above under the caption “TransCon Product Candidates.”

In addition, many of our competitors have greater experience than we do in conducting preclinical and clinical trials and obtaining FDA and other regulatory approvals. Accordingly, our competitors may succeed in obtaining FDA or other regulatory approvals for drug candidates more rapidly than we do. Companies that complete clinical trials, obtain required regulatory authority approvals and commence commercial sale of their drugs before their competitors may achieve a significant competitive advantage. Drugs resulting from our research and development efforts or from our joint efforts with collaboration partners therefore may not be commercially competitive with our competitors’ existing products or products under development.

We are aware that other companies are developing or evaluating enhanced drug delivery and sustained release technologies, which may be competitive with our TransCon technologies. In particular, we believe Extend Biosciences, Nektar Therapeutics, OPKO Health, Inc., ProLynx Inc., MBX Biosciences and Serina Therapeutics, Inc. are developing technology platforms in the areas of enhanced drug delivery and/or reversible linkers that may be competitive with our TransCon technologies. We also expect that technological developments will occur at a rapid rate and that competition is likely to intensify as various enhanced delivery and sustained released technologies may achieve similar advantages.

Intellectual Property

We actively seek to protect the intellectual property and proprietary technology that we believe is important to our business, which includes seeking and maintaining patents covering our technology, i.e., TransCon linkers and carriers, specific lead candidate structures, broad product concepts, proprietary processes and any other inventions that are commercially and/or strategically important to the development of our business. We also rely on trade secrets that may be important to the development of our business and actively seek to protect the confidentiality of such trade secrets.

Our success will depend on our ability to obtain and maintain patents and other proprietary protection for commercially important technology, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing valid and enforceable patents or otherwise misappropriate other intellectual property rights of third-parties. For more information, please see “Item 3 D. Key Information—Risk Factors—Risks Related to Our Intellectual Property.”

As of December 31, 2024, we own a total of 99 patent families, 18 of which are currently in their priority year or international phase. These patent families include granted patents in the United States (62), Europe (36), Australia (54), Brazil (10), Canada (29), China (20), Israel (21), Indonesia (6), India (12), Korea (15), Malaysia (13), New Zealand (18), Japan (52), Mexico (21), Singapore (20), Russia (24), the United Arab Emirates (1) and South Africa (17) and approximately 583 pending national/regional applications in a total of 26 jurisdictions (excluding the member states of the European Patent Convention in which our European patents were validated, Hong Kong, in which certain Europe and China patents are extended, and Macao, in which certain China patents are extended).

So far, none of our granted patents have been subject to opposition proceedings, appeals or similar actions aiming at revoking or restricting the scope of such granted patents.

The patent portfolios for the fields containing our most advanced product candidates, as of December 31, 2024, are summarized below and, except as noted otherwise, the expected expiration dates included in the summary below do not give effect to patent term extensions or adjustments that may be available.

TransCon hGH

As of December 31, 2024, our patent portfolio related to TransCon hGH includes eight patent families relating to different aspects of TransCon hGH and eleven patent families covering various aspects of the auto-injector device for the administration of TransCon hGH. The first of these patent families is a composition of matter patent family directed to the particular stoichiometry of TransCon hGH and a related TransCon carrier. As of December 31, 2024, this patent family includes one patent granted in the United States, which is expected to expire in February 2027 (accounting for patent term adjustment).

The second of these patent families is a composition of matter patent family directed to a TransCon linker used in TransCon hGH. As of December 31, 2024, this patent family includes patents granted in the United States, Europe, Australia, Brazil, Canada, Japan and Mexico and one pending patent application in the United States. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in March 2025, absent any patent term adjustments or extensions.

The third of these patent families is a composition of matter patent family directed to a broad class of TransCon hGH lead candidate structures. As of December 31, 2024, this patent family includes patents granted in the United States, Europe, Australia, Brazil, Canada, China, Israel, India, Japan, Mexico, Russia and South Africa and pending patent applications in Europe and the United States. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in April 2029, absent any patent term adjustments or extensions.

The fourth of these patent families is a composition of matter patent family directed to specific dry pharmaceutical compositions comprising TransCon hGH. As of December 31, 2024, this patent family includes patents granted in the United States, Europe, Australia, Brazil, Canada, India, Israel, Mexico, Singapore and South Africa and one pending patent application in the United States. The granted patents and any patents granted from the pending patent application in this patent family are expected to expire in December 2030, absent any patent term adjustments or extensions.

The fifth of these patent families is a composition of matter patent family directed to a broad class of TransCon hGH lead candidate structures. As of December 31, 2024, this patent family includes patents granted in the United States, Australia, Europe, Israel, Japan, South Korea, Mexico, New Zealand, Russia, Singapore and South Africa and pending patent applications in the United States, Europe, Australia, Brazil, Canada, Israel, Japan, South Korea, Mexico, Russia and Singapore. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in November 2035, absent any patent term adjustments or extensions. One granted EP patent in this family was also used as a basis for requesting a supplementary protection certificate (“SPC”) for SKYTROFA in Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, France, Great Britain, Greece, Croatia, Hungary, Ireland, Iceland, Italy, Lithuania, Luxemburg, Latvia, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Sweden, Slovenia and Slovakia. SPCs have already been granted in Bulgaria, Cyprus, Czech Republic, Denmark, Spain, Finland, France, Greece, Hungary, Iceland, Italy, Lithuania, Latvia, Malta, the Netherlands, Norway, Portugal, Sweden, Slovenia and Slovakia, each of which are expected to expire in January 2037.

The sixth of these patent families is directed to a particular dosage regimen for long-acting growth hormone formulations. As of December 31, 2024, this patent family includes granted patents in the United States and Europe and pending patent applications in the United States and in Europe. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in November 2035, absent any patent term adjustments or extensions.

The seventh of these patent families is directed to potential superior efficacy achieved with TransCon hGH treatment. As of December 31, 2024, this patent family includes a granted patent in Japan and pending patent applications in the United States, Europe, Australia, Canada, China, Israel, Japan, Mexico and Singapore. The granted patent and any patents granted from the pending patent applications in this patent family are expected to expire in March 2040, absent any patent term adjustments or extensions.

The eighth of these patent families is directed to the use of TransCon hGH in the treatment of an inflammation-induced disease, in particular of non-alcoholic fatty liver disease and non-alcoholic steatohepatitis. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, China, Indonesia, Israel, Japan, South Korea, Mexico, Malaysia, New Zealand, Russia, Singapore and South Africa. Any patents granted from the pending patent applications in this patent family are expected to expire in March 2042, absent any patent term adjustments or extensions.

Seven of the eleven patent families covering the auto-injector device for the administration of TransCon hGH with a filing date of December 29, 2016, include pending patent applications in the United States, Europe, Australia, Canada, Japan and New Zealand and ten granted patents in the United States, six granted patents in Europe, nine granted patents in Australia, four granted patents in Canada, seven granted patents in New Zealand and thirteen granted patents in Japan as of December 31, 2024. The granted patents in these patent families are expected to expire in December 2036, absent any patent term adjustments or extensions. As of December 31, 2024, another two of the eleven patent families covering the auto-injector device with a filing date of May 23, 2018 and June 29, 2018, respectively, include pending patent applications in the United States, Europe, the United Arab Emirates, Australia, Canada, China, Israel, Japan, South Korea, Mexico, Malaysia, New Zealand, Russia and Singapore and two granted patents in the United States, two granted patents in Australia, two granted patents in Brazil, three granted patents in China, two granted patents in India, three granted patents in Japan, three granted patents in South Korea, one granted patent in Mexico, two granted patents in Malaysia, two granted patents in Russia, two granted patents in Indonesia, two granted patents in Singapore and one granted patent in South Africa. The granted patents in these patent families are expected to expire in March and June 2038, respectively, absent any patent term adjustments or extensions. The tenth patent family includes pending patent applications in the United States, Europe, the United Arab Emirates, Australia, Brazil, Canada, China, Eurasia, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, Singapore, Taiwan and South Africa. We expect any patents granted from the pending patent applications in this patent family to expire in September 2042, absent any patent term adjustments or extensions. The eleventh patent family is currently in its priority year. We expect any patents granted from this family to expire in May 2045, absent any patent term adjustments or extensions.

In addition to the SPCs, three requests for a patent term extension for SKYTROFA were filed based on one granted U.S. patent from the third patent family and two granted patents from the fourth patent family, from which one will be selected for the patent term extension upon allowance. For all of these three requests a preliminary assessment that the patents would be eligible for extension was received from FDA.

TransCon PTH

Our patent portfolio related to TransCon PTH includes twelve patent families relating to different aspects of TransCon PTH. The first of these patent families is a composition of matter patent family directed to the TransCon linker used in TransCon PTH. As of December 31, 2024, this patent family includes granted patents in the United States, Europe, the United Arab Emirates, Australia, Canada, China, Israel, Japan, Mexico, Russia and South Africa and pending patent applications in Europe, the United States and Brazil. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in January 2029, absent any patent term adjustments or extensions.

The second of these patent families is a composition of matter patent family directed to a broad class of TransCon PTH candidate structures. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, China, Indonesia, Israel, Japan, South Korea, Mexico, Malaysia, New Zealand, Russia, Singapore and Thailand and granted patents in the United States, Australia, China, Europe, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, Russia, Singapore and South Africa. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in February 2037, absent any patent term adjustments or extensions. The granted EP patent in this family was used as a basis for requesting an SPC for YORVIPATH in Austria, Belgium, Bulgaria, Switzerland, Cyprus, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, France, Great Britain, Greece, Croatia, Hungary, Ireland, Iceland, Italy, Lithuania, Luxembourg, Latvia, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Sweden, Slovenia and Slovakia. An SPC was already granted in the Netherlands and Malta with an expiration date of November 2038.

The third and fourth of these patent families are method of treatment patent families directed to a particular dosage regimen. As of December 31, 2024, one of these patent families includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, China, Israel, Indonesia, Japan, South Korea, Malaysia, New Zealand, Russia and Thailand and granted patents in the United States, Europe, Australia, China, Indonesia, Israel, Japan, South Korea, Mexico, New Zealand, Russia, Singapore and South Africa. The other one of these patent families includes pending patent applications in the United States, Europe, Australia, Canada and Japan and granted patents in Europe, Australia, China and Japan. We expect any patents granted from the pending patent applications in these patent families to expire in September 2037, absent any patent term adjustments or extensions.

The fifth of these patent families is a composition of matter family directed to PTH compounds exhibiting a beneficial pharmacokinetic profile. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, Brazil, Canada, China, Israel, South Korea, New Zealand and Russia and granted patents in the United States, Europe, Australia, China, Japan, South Korea, Mexico, New Zealand, Russia, Singapore and South Africa. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in September 2037, absent any patent term adjustments or extensions.

The sixth patent family relates to a starting dose for treatment with reversible PTH conjugates. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, China, Indonesia, Israel, Japan, South Korea, Mexico, Malaysia, New Zealand, Russia, Singapore, Thailand and South Africa and granted patents in Japan, Malaysia and Russia. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in May 2039, absent any patent term adjustments or extensions.

The seventh patent family relates to a pharmaceutical composition comprising reversible PTH conjugates. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, China, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, the Philippines, Russia, Singapore, Taiwan, Thailand, Vietnam and South Africa and granted patents in Japan and Russia. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in February 2040, absent any patent term adjustments or extensions.

The eighth and ninth patent families relate to a method of titrating hypoparathyroidism patients off of standard of care within four weeks from the beginning of daily treatment with a PTH compound and the treatment of the physical and mental well-being of hypoparathyroidism patients, respectively. As of December 31, 2024, the eighth family includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, China, Indonesia, Israel, Japan, South Korea, Mexico, Malaysia, New Zealand, Russia, Singapore and South Africa and a granted patent in Russia. The ninth patent family includes pending patent applications in the United States, Europe, Australia, Canada, China, Israel, Japan, South Korea and Mexico. The granted patent and any patents granted from the pending patent applications in this patent family are expected to expire in September 2041, absent any patent term adjustments or extensions.

The tenth patent family relates to a reduction in bone mineral density in patients having increased bone mineral density. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, the United Arab Emirates, Australia, Brazil, Canada, China, Eurasia, Israel, Japan, South Korea, Mexico, Malaysia, New Zealand, Singapore and South Africa. We expect any patents granted from the pending patent applications in this patent family to expire in September 2042, absent any patent term adjustments or extensions.

The eleventh patent family covers treatment of hypoparathyroidism initially with a long-acting PTH compound, followed by treatment with an ultra-long-acting PTH compound. As of December 31, 2024, this patent family is in the Patent Cooperation Treaty phase. We expect any patents granted from this patent family to expire in September 2042, absent any patent term adjustments or extensions.

The twelfth family covers treatment of chronic kidney disease. As of December 31, 2024, this patent family is in the Patent Cooperation Treaty phase. We expect any patents granted from this patent family to expire in September 2044, absent any patent term adjustments or extensions.

In addition to the SPCs, three requests for a patent term extension for YORVIPATH were filed based on two granted U.S. patents from the third patent family described above and one granted patent from the fifth patent family described above, from which one will be selected for patent term extension upon allowance.

TransCon CNP

Our patent portfolio related to TransCon CNP includes fifteen patent families relating to different aspects of TransCon CNP. The first of these patent families is a composition of matter patent family directed to the particular stoichiometry of TransCon CNP and a related TransCon carrier. As of December 31, 2024, this patent family includes a patent granted in the United States, which is expected to expire in February 2027 (accounting for patent term adjustment).

The second of these patent families is a composition of matter patent family directed to the TransCon linker used in TransCon CNP. As of December 31, 2024, this patent family includes granted patents in the United States, Europe, the United Arab Emirates, Australia, Canada, China, Israel, Japan, Mexico, Russia and South Africa and includes pending patent applications in Europe, the United States and Brazil.

The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in January 2029, absent any patent term adjustments or extensions.

The third of these patent families is a composition of matter patent family directed to a broad class of TransCon CNP candidate structures. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, Australia, Canada, India, Japan, Mexico, Malaysia, Singapore and Thailand and granted patents in China, Israel, South Korea, Malaysia, Russia, Singapore and South Africa. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in January 2036, absent any patent term adjustments or extensions.

The fourth to the ninth patent families are composition of matter patent families directed various CNP compounds having beneficial properties. As of December 31, 2024, the first one of these six patent families includes pending patent applications in the United States, Europe and Japan and granted patents in the United States, Australia, Canada, Japan and South Africa. As of December 31, 2024, the second one includes pending patent applications in the United States, Australia and Japan and granted patents in the United States, Europe, Australia, Canada, Japan and South Africa. As of December 31, 2024, the third one includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, Indonesia, India, Japan, South Korea, New Zealand and Singapore and granted patents in the United States, Australia, China, Israel, India, Japan, Mexico, Malaysia, Singapore and South Africa. As of December 31, 2024, the fourth one includes pending patent applications in the United States, Europe and Israel and granted patents in the United States, Australia, Canada and New Zealand. As of December 31, 2024, the fifth one includes pending patent applications in the United States, Europe, Brazil and China and granted patents in the United States, Australia, Canada, China, Israel, New Zealand, South Korea and Singapore. As of December 31, 2024, the sixth one includes pending patent applications in the United States, Europe and Australia and granted patents in the United States, Australia, Canada and Israel. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in January 2037, absent any patent term adjustments or extensions.

The tenth patent family covers a combination therapy of TransCon CNP. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, Brazil, Canada, Israel, South Korea and Thailand and granted patents in the United States, Europe, Australia, China, Indonesia, Israel, Japan, South Korea, Mexico, Malaysia, New Zealand, Russia, Singapore and South Africa. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in September 2037, absent any patent term adjustments or extensions.

The eleventh patent family relates to a pharmaceutical composition comprising reversible CNP conjugates. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, China, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, the Philippines, Russia, Singapore, Taiwan, Thailand, Vietnam and South Africa and granted patents in China, Japan and Russia. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in February 2040, absent any patent term adjustments or extensions.

The twelfth patent family relates to a pharmacologically effective dose of TransCon CNP. As of December 31, 2024, this patent family consists of pending patent applications in the United States, Europe, Australia, Canada, China, Israel, Japan, South Korea and Singapore. We expect any patents granted from the pending patent applications in this patent family to expire in December 2042, absent any patent term adjustments or extensions. One of the priority applications within this family was also claimed by a Patent Cooperation Treaty application relating to improving muscle function. We expect any patents granted from this branch of the patent family to expire in November 2043, absent any patent term adjustments or extension.

The thirteenth patent family, which relates to the treatment of spinal deformities, claims priorities from the twelfth patent family. We expect any patents granted from this patent family to expire in March 2044, absent any patent term adjustments or extensions.

The fourteenth patent family relates to a liquid formulation of TransCon CNP. As of December 31, 2024, this patent family includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, China, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, Russia, Singapore and South Africa. We expect any patents granted from the pending patent applications in this patent family to expire in May 2043, absent any patent term adjustment or extensions.

The fifteenth patent family relates to the use of TransCon CNP for the prevention or reduction of leg bowing. As of December 31, 2024, this patent family is in its priority year and we expect any patents granted from this patent family to expire in December 2045, absent any patent term adjustments or extensions.

TransCon IL-2 b/g

As of December 31, 2024, our patent portfolio related to TransCon IL-2 b/g includes four patent families. The first of these patent families is a composition of matter patent family directed to a TransCon linker used in TransCon IL-2 b/g. As of December 31, 2024, this patent family includes patents granted in the United States, Europe, Australia, Brazil, Canada, Japan and Mexico and one pending patent application in the United States. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in March 2025, absent any patent term adjustments or extensions.

The second and third patent family are composition of matter patent families directed to a broad class of TransCon IL-2 b/g lead candidate structures. As of December 31, 2024, the second patent family includes pending patent applications in the United States, Europe, Australia, Brazil, Canada, China, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, Russia, Singapore, Thailand and South Africa and granted patents in Australia, China, Israel, Japan and Russia. The granted patents and any patents granted from the pending patent applications in this patent family are expected to expire in March 2039. As of December 31, 2024, the third patent family includes pending patent applications in the United States, Europe, Argentina, the United Arab Emirates, Australia, Brazil, Canada, China, Eurasia, Egypt, Indonesia, Israel, India, Japan, South Korea, Mexico, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand, Vietnam and South Africa and a granted patent in the United States. The granted patent and any patents granted from the pending patent applications in this patent family are expected to expire in June 2041, absent any patent term adjustments or extensions.

The fourth patent family relates to a pharmaceutical dose of TransCon IL-2 b/g. As of December 31, 2024, this patent family includes one Patent Cooperation Treaty application. We expect any patents granted in this patent family to expire in May 2044, absent any patent term adjustments or extension.

TransCon Technologies

Our patent portfolio also includes patents and pending patent applications generally relating to our TransCon technologies, including TransCon linkers, TransCon carriers and certain soluble conjugates. We own an aggregate of 16 patent families relating to TransCon linkers, the material components of which are described above. We also own an aggregate of 11 patent families relating to TransCon carriers, the material components of which are described above.

Laws and Regulations Regarding Patent Terms

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application. In the United States, a patent term may be shortened if a patent is terminally disclaimed over another patent or if there are delays in patent prosecution by the patentee. A patent's term may be lengthened by a patent term adjustment, which compensates a patentee for administrative delays by the United States Patent and Trademark Office in granting a patent. The patent term of a European patent is 20 years from its filing date, which, unlike in the United States, is not subject to patent term adjustments.

The term of a patent that covers an FDA-approved drug or biologic may also be eligible for patent term extension, which permits patent term restoration as compensation for the patent term lost during the FDA regulatory review process. The Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Act, permits a patent term extension of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time the drug or biologic is under regulatory review. Patent extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be extended. Similar provisions are available in Europe and other jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our products receive FDA approval, we expect to apply for patent term extensions on patents covering those products. We anticipate that some of our granted patents may be eligible for patent term extensions.

Government Regulation and Product Approval

Government authorities in the United States, at the federal, state and local level, and in other countries extensively regulate, among other things, the research, development, testing, manufacture, including any manufacturing changes, safety surveillance, efficacy, quality control, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, sale, import, export and the reporting of safety and other post-market information of pharmaceutical and medical device products such as those we are developing. Medicinal products, including drugs and biologics, must be approved or licensed by the FDA through the NDA or BLA process, before being able to be legally marketed in the US. Product candidates will be subject to similar requirements in other countries prior to marketing in those countries. The processes for obtaining regulatory approvals in the United States, the European Union ("EU") and in other countries, along with subsequent compliance with appropriate federal, state, local and foreign statutes and regulations, require the expenditure of substantial time and resources.

U.S. Government Regulation

In the United States, sponsors of drugs and biologics are subject to extensive regulation by the FDA, which regulates drugs under the Federal Food, Drug, and Cosmetic Act (“FDCA”) and in the case of biologics, also under the Public Health Service Act (“PHSA”) and their implementing regulations, and other federal, state, and local regulatory authorities. The FDCA, PHSA and their implementing regulations set forth, among other things, requirements for the research, testing, development, manufacture, quality control, safety, effectiveness, approval, labeling, storage, record keeping, reporting, distribution, import, export, advertising and promotion of our products. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA’s refusal to approve pending NDAs or BLAs, withdrawal of an approval, imposition of a clinical hold on clinical studies, issuance of warning letters or other notices of violation, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

The process required by the FDA before a drug or biologic may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies in compliance with the FDA’s Good Laboratory Practice (“GLP”) regulations, where applicable;
- submission to the FDA of an IND which must become effective before human clinical trials may begin;
- approval by an independent institutional review board (“IRB”) at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with Good Clinical Practice (“GCP”), requirements to establish the safety and efficacy of the proposed drug or, or safety, purity and potency of the proposed biological product for each indication;
- submission to the FDA of an NDA or BLA;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with Current Good Manufacturing Practice (“cGMP”) requirements and to assure that the facilities, methods and controls are adequate to preserve the drug’s or biologic’s identity, strength, quality and purity;
- satisfactory completion of potential FDA inspection of selected clinical investigation sites to assess compliance with GCP; and
- FDA review and approval of the NDA or BLA to permit commercial marketing of the product for particular indications for use in the United States.

Nonclinical Studies and Investigational New Drug Applications

Nonclinical studies include laboratory evaluations of product chemistry, toxicity and formulations, as well as animal studies to assess safety and efficacy. An IND is a request for authorization from the FDA to administer an investigational pharmaceutical product to humans. A sponsor must submit the results of the nonclinical tests, together with chemistry, manufacturing & control information, and any available clinical data or literature, to the FDA as part of an IND. Some nonclinical testing may continue after the IND is submitted. An IND automatically becomes effective and a clinical trial proposed in the IND may begin 30 days after the FDA receives the IND, unless during this 30-day waiting period, the FDA raises concerns or questions related to one or more proposed clinical trials and places the clinical trial on a clinical hold. In such a case, the sponsor must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials to commence. The FDA may impose clinical holds on a product candidate at any time before or during clinical trials due to safety concerns or non-compliance. If the FDA imposes a clinical hold, trials may not recommence without FDA authorization and then only under terms authorized by the FDA.

Clinical Trials

Clinical trials involve the administration of the investigational pharmaceutical product to human subjects under the supervision of qualified investigators in accordance with GCP requirements, which include the requirement that all research subjects provide their informed consent in writing for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the parameters to be used in monitoring safety (such as the required subject examinations, processes for tracking adverse events and required laboratory investigations), and the effectiveness criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. While the IND is active, progress reports summarizing the results of the clinical trials and nonclinical studies performed since the last progress report, among other information, must be submitted at least annually to the FDA. In addition, written safety reports regarding serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the same or similar pharmaceutical products, findings from animal or in vitro testing suggesting a significant risk to humans, and any clinically important increased incidence of a serious suspected adverse reaction compared to that listed in the protocol or investigator brochure must be submitted to the FDA.

Furthermore, an IRB at each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. Depending on its charter, this group may determine whether a trial may move forward at designated check points based on access to certain data from the trial. The FDA or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. Information about certain clinical trials must be submitted within specific timeframes to the NIH, for public dissemination on their www.clinicaltrials.gov website.

Human clinical trials are typically conducted in three or four sequential phases, which may overlap or be combined:

- Phase 1: The product candidate is initially introduced into healthy human subjects or patients with the target disease or condition and tested for safety, optimal dosage, absorption, metabolism, distribution, excretion and, if possible, to gain an early indication of its effectiveness.
- Phase 2: The product candidate is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific diseases and to determine optimal dosage.

- Phase 3: The product candidate is administered to an expanded patient population, generally at geographically dispersed clinical trial sites, typically in well-controlled trials, to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to establish the overall risk-benefit profile of the product, and to provide adequate information for the labeling of the product.

In some cases, the FDA may require, or sponsors may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product. These so-called Phase 4 studies may be conducted after initial marketing approval, and may be used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA or BLA.

During the development of a new product candidate, sponsors are given opportunities to meet with the FDA at certain points. These points may be prior to submission of an IND, at the end of Phase 2, and before an NDA or BLA is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date, for FDA to provide advice, and for the sponsor and the FDA to reach consensus on the next phase of development.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

Marketing Approval in the U.S.

Assuming successful completion of the required clinical testing, the results of the preclinical and clinical studies, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA or BLA requesting approval or licensure to market the product for one or more indications. In most cases, the submission of an NDA or BLA is subject to a substantial application user fee. Under the Prescription Drug User Fee Act guidelines that are currently in effect, the FDA has a goal of ten months from the date of "filing" of a standard NDA for a new molecular entity or original BLA to review and act on the submission. This review typically takes twelve months from the date the NDA or BLA is submitted to the FDA because the FDA has sixty days from receipt to decide whether an application is accepted for filing, as described below.

The FDA conducts a preliminary review of all NDAs and BLAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA or BLA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, among other things, whether the drug is safe and effective and whether the facility in which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety, quality and purity. The FDA reviews a BLA to determine, among other things, whether the product is safe, pure and potent (which are analogous to the NDA safety and effectiveness requirements) and the facility in which it is manufactured, processed, packed or held meets standards designed to assure the product's continued safety, purity and potency.

The FDA may refer an application for a novel drug or biologic to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts as well as consumer representatives, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA or BLA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA or BLA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP requirements.

The FDA generally accepts data from foreign clinical trials in support of an NDA or BLA if the trials were conducted under an IND. If a foreign clinical trial is not conducted under an IND, the FDA nevertheless may accept the data in support of an NDA or BLA if the study was conducted in accordance with GCP requirements and the FDA is able to validate the data through an on-site inspection, if deemed necessary. Regardless of whether the applicable trials were conducted under an IND, the FDA may accept foreign data as the sole basis for NDA or BLA approval only if (1) the foreign data are applicable to the U.S. population and U.S. medical practice, (2) the studies were performed by clinical investigators with recognized competence, and (3) the data may be considered valid without the need for an on-site inspection or, if the FDA considers the inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means.

After evaluating the NDA or BLA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a complete response letter. A Complete Response Letter indicates that the review cycle of the application is complete and the application will not be approved in its present form. A Complete Response Letter usually describes the specific deficiencies in the NDA or BLA identified by the FDA and may require additional clinical data, such as an additional clinical trial or other significant and time-consuming requirements. If a Complete Response Letter is issued, the sponsor must resubmit the NDA or BLA, addressing all of the deficiencies identified in the letter, or withdraw the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the drug or biologic with specific prescribing information for specific indications.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the NDA or BLA with a Risk Evaluation and Mitigation Strategy ("REMS") to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a medicine and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries, and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. The FDA may also require one or more post-marketing studies and surveillance programs to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of any post-marketing studies.

In addition, the Pediatric Research Equity Act ("PREA") requires a sponsor to conduct pediatric clinical trials for most drugs, for a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration. Under PREA, original NDAs and BLAs and supplements must contain a pediatric assessment unless the sponsor has received a deferral or waiver. The required assessment must evaluate the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The sponsor or FDA may request a deferral of pediatric clinical trials for some or all of the pediatric subpopulations. A deferral may be granted for several reasons, including a finding that the drug is ready for approval for use in adults before pediatric clinical trials are complete or that additional safety or effectiveness data needs to be collected before the pediatric clinical trials begin. The FDA must send a non-compliance letter to any sponsor that fails to submit the required assessment, keep a deferral current or fails to submit a request for approval of a pediatric formulation.

Regulation of Combination Products in the United States

Certain products are comprised of components, such as drug components and device components, that would normally be subject to different regulatory frameworks by the FDA and frequently regulated by different centers at the FDA. These products are known as combination products. Under the FDCA, the FDA is charged with assigning a center with primary jurisdiction, or a lead center, for review of a combination product. The determination of which center will be the lead center is based on the “primary mode of action” of the combination product. Thus, if the primary mode of action of a drug-device combination product is attributable to the drug product, the FDA center responsible for premarket review of the drug product would have primary jurisdiction for the combination product. The FDA has also established the Office of Combination Products to address issues surrounding combination products and provide more certainty to the regulatory review process. That office serves as a focal point for combination product issues for agency reviewers and industry. It is also responsible for developing guidance and regulations to clarify the regulation of combination products, and for assignment of the FDA center that has primary jurisdiction for review of combination products where the jurisdiction is unclear or in dispute. A combination product with a primary mode of action attributable to the drug component generally would be reviewed and approved pursuant to the drug approval processes set forth in the FDCA or PHSA. In reviewing the NDA or BLA for such a product, however, FDA reviewers would consult with their counterparts in the FDA’s Center for Devices and Radiological Health to ensure that the device component of the combination product met applicable requirements regarding safety, effectiveness, durability and performance. In addition, under FDA regulations, combination products are subject to cGMP requirements applicable to both drugs and devices, including the QSR currently applicable to medical devices.

Expedited Development and Review Programs

The FDA offers a number of expedited development and review programs for qualifying product candidates. For example, the Fast Track program is intended to expedite or facilitate the process for reviewing new products that are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast Track designation applies to the combination of the product candidate and the specific indication for which it is being studied. The sponsor of a Fast Track product candidate has opportunities for more frequent interactions with the applicable FDA review team during product development and, once an NDA or BLA is submitted, the product candidate may be eligible for priority review. An NDA or BLA for a Fast Track product may also be eligible for rolling review, where the FDA may consider for review sections of the NDA or BLA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA or BLA, the FDA agrees to accept sections of the NDA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA or BLA.

A product candidate intended to treat a serious or life-threatening disease or condition may also be eligible for Breakthrough Therapy designation to expedite its development and review. A product candidate can receive Breakthrough Therapy designation if preliminary clinical evidence indicates that the product candidate, alone or in combination with one or more other drugs or biologics, may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the Fast Track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product candidate, including involvement of senior managers.

Any marketing application for a drug or biologic submitted to the FDA for approval, including a product candidate with a Fast Track designation and/or Breakthrough Therapy designation, may be eligible for other types of FDA programs intended to expedite the FDA review and approval process. An NDA or BLA is eligible for priority review if the product candidate is designed to treat a serious or life-threatening disease or condition, and if approved, would provide a significant improvement in safety or effectiveness compared to available alternatives for such disease or condition. For new-molecular-entity NDAs or original BLAs, priority review designation means the FDA’s goal is to take action on the marketing application within six months of the 60-day filing date.

Additionally, product candidates studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product has an effect on a surrogate or intermediate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled confirmatory clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit, and may require that such studies be well underway prior to granting any accelerated approval. Products receiving accelerated approval may be subject to expedited withdrawal procedures if the sponsor fails to conduct the required confirmatory studies in a timely manner or if such studies fail to verify the predicted clinical benefit. In addition, the FDA requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

Fast Track designation, Breakthrough Therapy designation, priority review, and accelerated approval do not change the standards for approval but may expedite the development or approval process. Even if a product candidate qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

Post-Approval Requirements

Drugs and biologics manufactured or distributed pursuant to FDA approvals and licenses are subject to pervasive and continuing regulation by the FDA and other government authorities, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, many types of changes to the approved product, such as adding new indications, manufacturing changes or other labeling claims are subject to prior FDA review and approval.

There also are continuing, annual program fee requirements for certain approved prescription drug or biologic products. The FDA may impose a number of post-approval requirements as a condition of approval of an NDA or BLA. For example, the FDA may require post-marketing testing, including Phase 4 clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization.

In addition, drug and biologics manufacturers and other entities involved in the manufacture and distribution of approved drugs and biologics are required to register their establishments with the FDA and state authorities and are subject to periodic unannounced inspections by the FDA and these state authorities for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP requirements and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance.

Once an approval is granted, the FDA may withdraw the approval in accordance with the statute and regulations if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market.

Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in mandatory revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program.

Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;

- refusal of the FDA to approve pending NDAs or BLAs or supplements to approved NDAs or BLAs, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. A company can make only those claims relating to safety and efficacy, purity and potency that are in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe, in their independent professional medical judgement, legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA-approved labelling.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan drug designation ("ODD") to a drug or biological product intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States and for which there is no reasonable expectation that the cost of developing and making the product available in the United States for this type of disease or condition will be recovered from sales of the product in the United States. ODD must be requested before submitting an NDA or BLA. After the FDA grants ODD, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. ODD does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. However, ODD does entitle a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user fee waivers.

If a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same disease or condition for seven years from the date of such approval, except in limited circumstances, such as a showing of clinical superiority to the product with orphan exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Orphan drug exclusivity does not prevent the FDA from approving a different product for the same disease or condition or the same product for a different disease or condition.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the disease or condition for which it received orphan designation. In addition, exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

Biosimilars and Exclusivity

The Affordable Care Act (“ACA”) includes a subtitle called the Biologics Price Competition and Innovation Act of 2009 (“BPCIA”), which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. To date, relatively few biosimilars have been licensed under the BPCIA, although numerous biosimilars have been approved in Europe. The FDA has issued several guidance documents outlining an approach to review and approval of biosimilars. Biosimilarity, which requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency, can be shown through analytical studies, animal studies, and a clinical study or studies. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product in any given patient and, for products that are administered multiple times to an individual, the biologic and the reference biologic may be alternated or switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic.

Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until twelve years from the date on which the reference product was first licensed. During this twelve-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor’s own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product. The BPCIA also created certain exclusivity periods for biosimilars approved as interchangeable products.

Drug Product Exclusivity

Market exclusivity provisions authorized under the FDCA can delay the submission or the approval of certain marketing applications. The FDCA provides a five-year period of non-patent data exclusivity within the United States to the first applicant to obtain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not approve or even accept for review an abbreviated new drug application (“ANDA”), or an NDA submitted under Section 505(b)(2), submitted by another company for another drug based on the same active moiety, regardless of whether the drug is intended for the same indication as the original innovative drug or for another indication, where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement to one of the patents listed with the FDA by the innovator NDA holder.

The FDCA alternatively provides three years of non-patent exclusivity for an NDA, or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the modification for which the drug received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs or 505(b)(2) NDAs for drugs containing the active agent for the original indication or condition of use. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to any preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Pediatric Exclusivity

Pediatric exclusivity is a type of non-patent exclusivity in the United States and, if granted, provides for the attachment of an additional six months of marketing protection to the term of any existing patent term or period of non-patent regulatory exclusivity, including the five-year and three-year non-patent and orphan exclusivities. This six-month exclusivity may be granted if an NDA or BLA sponsor submits pediatric data that fairly respond to a written request from the FDA for such data. The data does not need to show the product to be effective in the pediatric population studied; rather, if the FDA has requested the study and the clinical study is deemed to fairly respond to the FDA's request, the additional protection may be granted. If reports of FDA-requested pediatric studies are submitted to and accepted by the FDA within the statutory time limits, whatever statutory or regulatory periods of non-patent regulatory exclusivity or patent protection cover the product are extended by six months. This is not a patent term extension, but it effectively extends existing periods of exclusivity.

Foreign Regulation

To market any product outside of the United States, sponsors need to comply with numerous and different regulatory requirements of other countries regarding safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of our products. Foreign regulatory approval processes include all of the risks associated with FDA approval set forth above, as well as additional country and region-specific regulation.

Whether or not applicants obtain FDA approval for a product, companies must obtain approval of a product by the comparable regulatory authorities of foreign countries before commencing clinical trials or marketing of the product in those countries. Approval by one regulatory authority does not ensure approval by regulatory authorities in other jurisdictions. The approval process varies from country to country, can involve additional testing or studies beyond that required by FDA, and may be longer or shorter than the FDA approval process. The requirements governing the conduct of clinical trials, product licensing, pricing, promotion, and reimbursement vary greatly from country to country.

Non-clinical Studies and Clinical Trials in the EU

Similar to the United States, the various phases of non-clinical and clinical research in the EU are subject to significant regulatory controls.

Non-clinical studies are performed to demonstrate the health or environmental safety of new chemical or biological substances. Non-clinical studies (pharmaco-toxicological) must be conducted in compliance with the principles of GLP as set forth in EU Directive 2004/10/EC (unless otherwise justified for certain medicinal products – e.g., radio-pharmaceutical precursors for radio-labeling purposes). In particular, non-clinical studies, both in vitro and in vivo, must be planned, performed, monitored, recorded, reported and archived in accordance with the GLP principles, which define a set of rules and criteria for a quality system for the organizational process and the conditions for non-clinical studies. These GLP standards reflect the Organization for Economic Co-operation and Development requirements.

Clinical trials of medicinal products in the EU must be conducted in accordance with EU and national regulations and the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use guidelines on GCP as well as the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki. If the sponsor of the clinical trial is not established within the EU, it must appoint an EU entity to act as its legal representative. The sponsor must take out a clinical trial insurance policy, and in most EU countries, the sponsor is liable to provide 'no fault' compensation to any study subject injured in the clinical trial.

The regulatory landscape related to clinical trials in the EU has been subject to recent changes. The EU Clinical Trials Regulation ("EU CTR") repeals the EU Clinical Trials Directive, and became applicable on January 31, 2022. Unlike a Directive, the EU CTR is directly applicable in all EU member states without the need for member states to further implement it into national law. The EU CTR notably harmonizes the assessment and supervision processes for clinical trials throughout the EU via the Clinical Trials Information System ("CTIS"), which is a centralized EU portal and database.

While the EU Clinical Trials Directive required a separate clinical trial application (“CTA”), to be submitted in each member state in which the clinical trial takes place, to both the competent national health authority and an independent ethics committee, much like the FDA and IRB respectively, the EU CTR introduced a centralized process and only requires the submission of a single application for multi-center trials. The EU CTR allows sponsors to make a single submission to both the competent authority and an ethics committee in each member state, leading to a single decision per member state. The CTA must include, among other things, the trial protocol and an investigational medicinal product dossier containing information about the manufacture and quality of the medicinal product under investigation. The assessment procedure of the CTA has been harmonized as well, including a joint assessment by all member states concerned, and a separate assessment by each member state with respect to specific requirements related to its own territory, including ethics rules. Each member state’s decision is communicated to the sponsor via the centralized EU portal. Once the CTA is approved, clinical study development may proceed. One of the main aims of EU CTR is to increase transparency about clinical trials, which is done by making documents and data from the CTA publicly available through CTIS at the time of decision about the clinical trial. There are few exceptions to this, and release of personal data and company confidential information may be controlled through redaction. The CTR transition period ended on January 31, 2025, and all clinical trials (and related applications) are now fully subject to the provisions of the CTR.

Medicines used in clinical trials must be manufactured in accordance with GMP. Other national and EU-wide regulatory requirements may also apply.

Marketing Authorization in the EU

In order to market our future product candidates in the EU and many other foreign jurisdictions, we must obtain separate regulatory approvals. More concretely, in the EU, medicinal product candidates can only be commercialized after obtaining a marketing authorization (“MA”). To obtain regulatory approval of a product candidate under EU regulatory systems, we must submit a MA application (“MAA”). The process for doing this depends, among other things, on the nature of the medicinal product. There are two types of MAs:

- “Centralized MAs” are issued by the European Commission (“EC”) through the centralized procedure based on the opinion of the Committee for Medicinal Products for Human Use of the European Medicine Agency (“EMA”), and are valid throughout the EU. The centralized procedure is compulsory for certain types of medicinal products such as (i) medicinal products derived from biotechnological processes, (ii) designated orphan medicinal products, (iii) advanced therapy medicinal products (such as gene therapy, somatic cell therapy and tissue engineered products) and (iv) medicinal products containing a new active substance indicated for the treatment of certain diseases, such as HIV/AIDS, cancer, diabetes, neurodegenerative diseases or autoimmune diseases and other immune dysfunctions, and viral diseases. The centralized procedure is optional for products containing a new active substance not authorized in the EU before May 20, 2004, or that represent a significant therapeutic, scientific or technical innovation, or whose authorization would be in the interest of public health in the EU. Under the centralized procedure the maximum timeframe for the evaluation of an MAA by the EMA is 210 days, excluding clock stops.
- “National MAs” are issued by the competent authorities of the EU member states, only cover their respective territory, and are available for product candidates not falling within the mandatory scope of the centralized procedure.

Data and Marketing Exclusivity in the EU

In the EU, new products authorized for marketing (i.e., reference products) generally receive eight years of data exclusivity and an additional two years of market exclusivity upon MA. If granted, the data exclusivity period prevents generic and biosimilar applicants from relying on the preclinical and clinical trial data contained in the dossier of the reference product when applying for a generic or biosimilar MA in the EU during a period of eight years from the date on which the reference product was first authorized in the EU. The market exclusivity period prevents a successful generic or biosimilar applicant from commercializing its product in the EU until ten years have elapsed from the initial MA of the reference product in the EU. The overall ten-year market exclusivity period can be extended to a maximum of eleven years if, during the first eight years of those ten years, the MA holder obtains an authorization for one or more new therapeutic indications, which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. However, there is no guarantee that a product will be considered by the EU's regulatory authorities to be a new chemical or biological entity, and products may not qualify for data exclusivity.

Orphan Medicinal Products in the EU

The criteria for designating an "orphan medicinal product" in the EU are similar in principle to those in the United States, albeit with some key differences in definition. A medicinal product can be designated as an orphan if its sponsor can establish that: (1) the product is intended for the diagnosis, prevention or treatment of a life threatening or chronically debilitating condition (2) either (a) such condition affects not more than five in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from the orphan status, would not generate sufficient return in the EU to justify the necessary investment; and (3) there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized for marketing in the EU or, if such method exists, the product will be of significant benefit to those affected by that condition.

Orphan designation must be requested before submitting an MAA. An EU orphan designation entitles a sponsor to incentives such as reduction of fees or fee waivers, protocol assistance, and access to the centralized procedure. Upon grant of a MA, orphan medicinal products are entitled to a ten years of market exclusivity for the approved indication, which means that the competent authorities cannot accept another MAA, or grant a MA, or accept an application to extend a MA for a similar medicinal product for the similar indication for a period of ten years. The period of market exclusivity is extended by two years for orphan medicinal products that have also complied with an agreed pediatric investigation plan ("PIP"). No extension to any supplementary protection certificate can be granted on the basis of pediatric studies for orphan indications. Orphan designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

The orphan exclusivity period may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for which it received orphan designation, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity or where the prevalence of the condition has increased above the threshold. Additionally, MA may be granted to a similar product for the same indication at any time if (i) the second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior; (ii) the applicant consents to a second orphan medicinal product application; or (iii) the applicant cannot supply enough orphan medicinal product.

Pediatric Development in the EU

In the EU, MAAs for new medicinal products have to include the results of studies conducted in the pediatric population, in compliance with a PIP agreed with the EMA's Paediatric Committee ("PDCO"). The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of the product candidate for which MA is being sought. The PDCO can grant a deferral of the obligation to implement some or all of the measures of the PIP until there are sufficient data to demonstrate the efficacy and safety of the product in adults. Further, the obligation to provide pediatric clinical trial data can be waived by the PDCO when these data is not needed or appropriate because the product is likely to be ineffective or unsafe in children, the disease or condition for which the product is intended occurs only in adult populations, or when the product does not represent a significant therapeutic benefit over existing treatments for pediatric patients. Once the MA is obtained in all the EU member states and study results are included in the product information, even when negative, the product is eligible for six months' supplementary protection certificate extension (if any is in effect at the time of approval) or, in the case of orphan pharmaceutical products, a two year extension of the orphan market exclusivity is granted.

Post-Approval Requirements in the EU

Similar to the United States, both MA holders and manufacturers of medicinal products are subject to comprehensive regulatory oversight by the EMA, the EC and/or the competent regulatory authorities of the member states. The holder of a MA must establish and maintain a pharmacovigilance system and appoint an individual qualified person for pharmacovigilance (“QPPV”) who is responsible for the establishment and maintenance of that system and oversees the safety profiles of medicinal products and any emerging safety concerns. Key obligations include expedited reporting of suspected serious adverse reactions and submission of periodic safety update reports (“PSURs”).

All MAA must include a risk management plan (“RMP”), describing the risk management system that the company will put in place and documenting measures to prevent or minimize the risks associated with the product. The RMP must be updated any time new information on the medicinal product becomes available which has a significant impact on the content of the RMP. The regulatory authorities may also impose specific obligations as a condition of the MA. Such risk-minimization measures or post-authorization obligations may include additional safety monitoring, more frequent submission of PSURs, or the conduct of additional clinical trials or post-authorization safety studies.

The advertising and promotion of medicinal products is also subject to laws concerning promotion of medicinal products, interactions with physicians, misleading and comparative advertising and unfair commercial practices. All advertising and promotional activities for the product must be consistent with the approved summary of product characteristics, and therefore all off-label promotion is prohibited. Direct-to-consumer advertising of prescription medicines is prohibited in the EU. Although general requirements for advertising and promotion of medicinal products are established under EU directives, the details are governed by regulations in each member state and differ from one country to another.

The aforementioned EU rules are generally applicable in the European Economic Area (“EEA”), which consists of the 27 EU member states plus Norway, Liechtenstein and Iceland.

Failure to comply with EU and member state laws that apply to the conduct of clinical trials, manufacturing approval, MA of medicinal products and marketing of such products, both before and after grant of the MA, manufacturing of pharmaceutical products, statutory health insurance, bribery and anti-corruption or with other applicable regulatory requirements may result in administrative, civil or criminal penalties. These penalties could include delays or refusal to authorize the conduct of clinical trials, or to grant MA, product withdrawals and recalls, product seizures, suspension, withdrawal or variation of the MA, total or partial suspension of production, distribution, manufacturing or clinical trials, operating restrictions, injunctions, suspension of licenses, fines and criminal penalties.

Brexit and the Regulatory Framework in the United Kingdom

Since January 1, 2021, the Medicines and Healthcare products Regulatory Agency (“MHRA”) is the UK’s standalone medicines and medical devices regulator. Between January 1, 2021 and December 31, 2024 and as a result of the Northern Ireland Protocol, different rules applied in Northern Ireland than in England, Wales, and Scotland, together, Great Britain (“GB”); broadly, Northern Ireland continued to follow the EU regulatory regime. On January 1, 2025, a new arrangement called the “Windsor Framework” came into effect and reintegrated Northern Ireland under the regulatory authority of the MHRA with respect to medicinal products. The Windsor Framework removes EU licensing processes and EU labelling and serialization requirements in relation to Northern Ireland and introduces a UK-wide licensing process for medicines.

The UK regulatory framework in relation to clinical trials is governed by the Medicines for Human Use (Clinical Trials) Regulations 2004, as amended, which is derived from the now-repealed EU Clinical Trials Directive. The extent to which the regulation of clinical trials in the UK will mirror the EU CTR in the long term is not yet certain, however, on December 12, 2024, the UK government introduced a legislative proposal - the Medicines for Human Use (Clinical Trials) Amendment Regulations 2024 - that, if implemented, will replace the current regulatory framework for clinical trials in the UK. The UK government has provided the legislative proposal to the UK Parliament for its review and approval. Once the legislative proposal is approved (with or without amendment), it will be adopted into UK law which is expected in early 2026.

The MHRA has introduced changes to national licensing procedures, including procedures to prioritize access to new medicines that will benefit patients, including a 150-day assessment and a rolling review procedure. All existing EU MAs for centrally authorized products were automatically converted or grandfathered into UK MAs, effective in GB (only), free of charge on January 1, 2021, unless the MA holder opted-out. Under the terms of the Windsor Framework, these MAs became valid for the whole of the UK from January 1, 2025. In order to use the centralized procedure to obtain an MA that will be valid throughout the EEA, companies must be established in the EEA. Therefore after Brexit, companies established in the UK can no longer use the EU centralized procedure and instead an EEA entity must hold any centralized MAs. In order to obtain a UK MA to commercialize products in the UK, an applicant must be established in the UK and must follow one of the UK national authorization procedures or one of the remaining post-Brexit international cooperation procedures to obtain an MA to commercialize products in the UK. In addition, an international recognition procedure has been in place since January 1, 2024, which allows the MHRA to take into account the expertise and decision-making of trusted partner agencies, such as the European Medicines Agency, when determining an application for a new UK MA.

There is no pre-MA orphan designation in the UK. Instead, the MHRA reviews applications for orphan designation in parallel to the corresponding MA application. The criteria are essentially the same, but have been tailored for the market, i.e., the prevalence of the condition in the UK, rather than the EU, must not be more than five in 10,000. Should an orphan designation be granted, the period or market exclusivity will be set from the date of first approval of the product in the UK.

Regulation of Combination Products in the EU

The EU regulates medical devices and medicinal products separately, through different legislative instruments, and the applicable requirements will vary depending on the type of drug-device combination product. Guidances have been published to help manufacturers select the right regulatory framework.

Drug-delivery products intended to administer a medicinal product where the medicinal product and the device form a single integral product are regulated as medicinal products in the EU. The EMA is responsible for evaluating the quality, safety and efficacy of MAAs submitted through the centralized procedure, including the safety and performance of the medical device in relation to its use with the medicinal product. The EMA or the EU member state national competent authority will assess the product in accordance with the rules for medicinal products described above but the device part must comply with the Medical Devices Regulation (including the general safety and performance requirements provided in Annex I). MAA must include—where available—the results of the assessment of the conformity of the device part with the Medical Devices Regulation contained in the manufacturer’s EU declaration of conformity of the device or the relevant certificate issued by a notified body. If the MAA does not include the results of the conformity assessment and where for the conformity assessment of the device, if used separately, the involvement of a notified body is required, the competent authority must require the applicant to provide a notified body opinion on the conformity of the device.

By contrast, in case of drug-delivery products intended to administer a medicinal product where the device and the medicinal product do not form a single integral product (but are, e.g., co-packaged), the medicinal product is regulated in accordance with the rules for medicinal products described above while the device part is regulated as a medical device and will have to comply with all the requirements set forth by the Medical Devices Regulation.

The characteristics of non-integral devices used for the administration of medicinal products may impact the quality, safety and efficacy profile of the medicinal products. To the extent that administration devices are co-packaged with the medicinal product or, in exceptional cases, where the use of a specific type of administration device is specifically provided for in the product information of the medicinal product, additional information may need to be provided in the MAA for the medicinal product on the characteristics of the medical device(s) that may impact on the quality, safety and/or efficacy of the medicinal product.

The requirements regarding quality documentation for medicinal products when used with a medical device, including single integral products, co-packaged and referenced products, are outlined in the EMA guideline of July 22, 2021, which became applicable as of January 1, 2022.

The aforementioned EU rules are generally applicable in the EEA.

Rest of the World Regulation

For other countries outside of the EU and the United States, such as countries in Eastern Europe, Latin America, Asia, or Japan, the requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from jurisdiction to jurisdiction. Additionally, the clinical trials must be conducted in accordance with GCP requirements and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

If we fail to comply with applicable regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Other Healthcare Laws

In addition to FDA restrictions on marketing of pharmaceutical products, other U.S. federal, state and foreign healthcare regulatory laws, regulations and industry codes restrict business practices in the biopharmaceutical industry, which include, but are not limited to, state, federal and foreign anti-kickback, false claims, and transparency laws regarding drug pricing and payments or other items of value provided to physicians and other healthcare providers.

The federal Anti-Kickback Statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving any remuneration, directly or indirectly, overtly or covertly, to induce or in return for purchasing, leasing, ordering, or arranging for or recommending the purchase, lease, or order of any item or service reimbursable, in whole or in part, under Medicare, Medicaid or other federal healthcare programs. The term “remuneration” has been broadly interpreted to include anything of value. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on one hand and prescribers, purchasers, and formulary managers on the other. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases, or recommendations may be subject to scrutiny if they do not meet the strict requirements of a statutory or regulatory exception or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all its facts and circumstances in light of the prohibitions in the statute. Several courts have interpreted the statute’s intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the statute has been violated. In addition, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation.

The federal civil False Claims Act prohibits any person or entity from, among other things, knowingly presenting, or causing to be presented, a false claim for payment to, or approval by, the federal government or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. A claim includes “any request or demand” for money or property presented to the U.S. government. Several pharmaceutical and other healthcare companies have been prosecuted under these laws for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. Other companies have been prosecuted for causing false claims to be submitted because of the companies’ marketing of products for unapproved, and thus non-covered, uses. Moreover, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act.

In addition, the civil monetary penalties statute imposes penalties against any person who is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

HIPAA created new federal criminal statutes that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. As with the Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation.

In addition, there has been a recent trend of increased federal and state regulation of payments made to physicians and other healthcare providers. The Physician Payments Sunshine Act imposed, among other things, annual reporting requirements for covered manufacturers for certain payments and “transfers of value” provided to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician providers such as physician assistants and nurse practitioners, and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Covered manufacturers must submit reports by the 90th day of each subsequent calendar year.

The majority of states also have anti-kickback and other fraud and abuse laws, which establish similar prohibitions and in some cases may apply to items or services reimbursed by any third-party payor, including commercial insurers. Certain states also require implementation of compliance programs and compliance with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, impose restrictions on marketing practices, and/or tracking and reporting of marketing expenditures and pricing information as well as gifts, compensation and other remuneration or items of value provided to physicians and other healthcare professionals and entities.

Moreover, analogous state and foreign laws, regulations and industry codes may be broader in scope than the provisions described above and may apply regardless of payor. These laws and regulations may differ from one another in significant ways, thus further complicating compliance efforts. For instance, in the EU, many EU member states have adopted specific anti-gift statutes that further limit commercial practices for medicinal products, in particular vis-à-vis healthcare professionals and organizations. Additionally, there has been a recent trend of increased regulation of payments and transfers of value provided to healthcare professionals or entities and many EU member states have adopted regional and national “Sunshine Acts” which impose reporting and transparency requirements, similar to the requirements in the United States, on pharmaceutical companies. Certain countries also mandate implementation of commercial compliance programs, or require disclosure of marketing expenditures and pricing information.

Violation of any of such laws, regulations and industry codes or any other governmental regulations that apply to drug manufacturers may result in significant penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, contractual damages, reputational harm, diminished profits and future earnings, the curtailment or restructuring of our operations, exclusion from participation in federal and state healthcare programs and imprisonment.

Coverage and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any drug or medical device products for which we obtain regulatory approval. In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our products. Sales of SKYTROFA or any other products for which we receive regulatory approval for commercial sale will therefore depend, in part, on the availability of coverage and adequate reimbursement from third-party payors. Third-party payors include government authorities, managed care providers, private health insurers and other organizations.

Third-party payors may limit coverage to specific drug products on an approved list, also known as a formulary, which might not include all of the FDA-approved drugs for a particular indication. A decision by a third-party payor not to cover SKYTROFA or our other product candidates could reduce physician utilization of our products and have a material adverse effect on our sales, results of operations and financial condition. Moreover, a third-party payor's decision to provide coverage for a drug or medical device product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development. Additionally, coverage and reimbursement for new products can differ significantly from payor to payor. One third-party payor's decision to cover a particular medical product or service does not ensure that other payors will also provide coverage for the medical product or service or that they will provide coverage at an adequate reimbursement rate. As a result, the coverage determination process will require us to provide scientific and clinical support for the use of our products to each payor separately and will be a time-consuming process.

The containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of drugs have been a focus in this effort. Third-party payors are increasingly challenging the prices charged for medical products and services, examining the medical necessity and reviewing the cost-effectiveness of drugs, medical devices and medical services, in addition to questioning safety and efficacy. If these third-party payors do not consider our products to be cost-effective compared to other available therapies, they may not cover our products after FDA approval or, if they do, the level of payment may not be sufficient to allow us to sell our products at a profit. In addition, in many foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing and reimbursement vary widely from country to country. In the EU, governments influence the price of products through their pricing and reimbursement rules and control of national healthcare systems that fund a large part of the cost of those products to consumers. Member states are free to restrict the range of pharmaceutical products for which their national health insurance systems provide reimbursement, and to control the prices and reimbursement levels of pharmaceutical products for human use. Some jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed to by the government. Member states may approve a specific price or level of reimbursement for the pharmaceutical product, or alternatively adopt a system of direct or indirect controls on the profitability of the company responsible for placing the pharmaceutical product on the market, including volume-based arrangements, caps and reference pricing mechanisms. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product to currently available therapies. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our products. The downward pressure on healthcare costs in general, particularly prescription products, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross border imports from lower priced markets exert a commercial pressure on pricing within a country.

Healthcare Reform

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and other third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medical products. For example, in 2010, the ACA and related legislation were enacted, which, among other things, (i) increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program, (ii) addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, (iii) extended the Medicaid Drug Rebate Program to utilization of prescriptions of individuals enrolled in Medicaid managed care plans, (iv) imposed mandatory discounts for certain Medicare Part D beneficiaries, and (v) subjected drug manufacturers to new annual fees based on pharmaceutical companies' share of sales to federal healthcare programs.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. For example, on June 17, 2021 the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress. Thus, the ACA will remain in effect in its current form.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. These changes include the Budget Control Act of 2011, which resulted in reductions in Medicare payments to providers, which went into effect on April 1, 2013 and will stay in effect through 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act was signed into law, which, among other things, reduced certain Medicare payments to several types of providers, including hospitals. The legislation also increased the statute of limitations period for the government to recover overpayments to providers from three to five years. In addition, the American Rescue Plan Act of 2021 was signed into law, which eliminated the statutory Medicaid drug rebate cap, beginning January 1, 2024. The rebate was previously capped at 100% of a drug's average manufacturer price.

Further, on May 30, 2018, the Right to Try Act was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a pharmaceutical manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

Moreover, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which has resulted in several U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. Most recently, on August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023); and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services, or HHS, to implement many of these provisions through guidance, as opposed to regulation, for the initial years. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the drug price negotiation program is currently subject to legal challenges. For that and other reasons, it is currently unclear how the IRA will be effectuated. Individual states in the United States have also become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including through constraints on reimbursement, imposition of mandatory discounts, restrictions on access to certain products, transparency measures, and programs for importation from other countries or bulk purchasing.

Similar political, economic and regulatory developments are occurring in the EU and may affect the ability of pharmaceutical companies to profitably commercialize their products. In addition to continuing pressure on prices and cost containment measures, legislative developments at the EU or member state level may result in significant additional requirements or obstacles. The delivery of healthcare in the EU, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than EU, law and policy. National governments and health service providers have different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most EU member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with ever-increasing EU and national regulatory burdens on those wishing to develop and market products, this could restrict or regulate post-approval activities and affect the ability of pharmaceutical companies to commercialize their products.

In international markets, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies.

In the EU, potential reductions in prices and changes in reimbursement levels could be the result of different factors, including reference pricing systems, parallel distribution and parallel trade. It could also result from the application of external reference pricing mechanisms, which consist of arbitrage between low-priced and high-priced countries. Reductions in the pricing of our medicinal products in one EU member state could affect the price in other EU member states and, thus, have a negative impact on our financial results.

Health Technology Assessment (“HTA”) of medicinal products in the EU is an essential element of the pricing and reimbursement decision-making process in a number of EU member states. The outcome of HTA has a direct impact on the pricing and reimbursement status granted to the medicinal product. A negative HTA by a leading and recognized HTA body concerning a medicinal product could undermine the prospects to obtain reimbursement for such product not only in the EU member state in which the negative assessment was issued, but also in other EU member states.

In 2011, Directive 2011/24/EU was adopted at the EU level. This Directive establishes a voluntary network of national authorities or bodies responsible for HTA in the individual EU member states. The network facilitates and supports the exchange of scientific information concerning HTAs. Further to this, on December 13, 2021, Regulation No 2021/2282 on HTA, amending Directive 2011/24/EU, was adopted. While the Regulation entered into force in January 2022, it will only begin to apply from January 2025 onwards, with preparatory and implementation-related steps to take place in the interim. Once applicable, it will have a phased implementation depending on the concerned products: oncology and Advanced Therapy Medicinal Products as of 2025, orphan medicinal products as of 2028 and 2030 for all other medicinal products authorized centrally. The Regulation intends to boost cooperation among EU member states in assessing health technologies, including new medicinal products, and provide the basis for cooperation at the EU level for joint clinical assessments in these areas. It will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the highest potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technology, and making decisions on pricing and reimbursement.

In the future, there may continue to be additional proposals relating to the reform of the U.S. healthcare system and international healthcare systems. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our products once approved or additional pricing pressures.

Data Privacy and Security

Privacy, use of AI and data security have become significant concerns around the world including United States, Europe and in many other jurisdictions where we may in the future conduct our operations. As we receive and, process personal and confidential data, we become subject to numerous laws and regulations relating to data privacy, AI and security, such as data breach notification laws, health information laws, AI regulations and consumer protection laws in the United States and abroad including the GDPR and the U.K. GDPR. These laws and regulations are complex and constantly evolving, and any unauthorized access, use, disclosure and other loss of personal data, including by third party vendors providing support services, can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties, restrictions on data processing and reputational damage.

C. Organizational Structure

Certain of our operations are conducted through our following wholly-owned subsidiaries: Ascendis Pharma GmbH (Germany), Ascendis Pharma Endocrinology GmbH (Germany), Ascendis Pharma, Inc. (Delaware, United States), Ascendis Pharma Endocrinology, Inc. (Delaware, United States), Ascendis Pharma Ophthalmology Division A/S (Denmark), Ascendis Pharma Endocrinology Division A/S (Denmark), Ascendis Pharma Bone Diseases A/S (Denmark), Ascendis Pharma Growth Disorders A/S (Denmark), Ascendis Pharma Oncology Division A/S (Denmark), Ascendis Pharma Europe A/S (Denmark), Ascendis Pharma UK Limited (United Kingdom), Ascendis Pharma Iberia S.L. (Spain), Ascendis Pharma France SASU (France), Ascendis Pharma Italia SRL (Italy), Ascendis Pharma Sverige AB (Sweden) and Ascendis Pharma Switzerland GmbH (Switzerland). These subsidiaries are also set forth in Exhibit 8.1 to this annual report.

D. Property, Plants and Equipment

Our material tangible fixed assets relate to leased facilities, which are recognized and measured as right-of-use assets in the consolidated financial statements. We do not own any of our facilities.

Our corporate headquarters is located in Hellerup, Denmark. In addition, we have offices and research and development facilities in Germany and the United States. Further, we are establishing commercial infrastructure in Europe and currently have sales and representative offices in Germany, France, Spain, Italy, and the United Kingdom. Since we do not own facilities for manufacturing of our products and product candidates for the potential pivotal clinical studies, and/or for commercial manufacturing, we engage with Contract Manufacturing Organizations (“CMOs”) to manufacture commercial and clinical trial supply.

The following table specifies our current material leased facilities and their related activities.

Location	Size (in square meters)	Primary usage	Enforceable lease period	Option to extend the lease beyond enforceable lease period
Denmark				
Tuborg Boulevard, Hellerup	12,079	Corporate headquarters, Administration and R&D	July, 2029 - May, 2038	No
Germany				
Technologiepark, Heidelberg	3,034	R&D and laboratory facilities	October 2026 - January 2027	Rolling 24 months option to extend
Max-Jarecki-Str., Heidelberg	2,321	Administration, R&D and laboratory facilities	January, 2026	No
United States				
Page Mill, Palo Alto, California	6,765	Administration	October, 2033	Option to extend for up to two periods of five years each
Redwood City, California ¹	3,681	R&D and laboratory facilities	April, 2030	Option to extend for additional five years
West Windsor Township, New Jersey	1,097	Selling and administration	December, 2025	Option to extend for additional five years

- (1) Our lease in Redwood City, California is subleased to Eyconis, initially until December 2025. See “Item 7 B. Major Shareholders and Related Party Transactions—Related Party Transactions” for more information about Eyconis.

In February 2022 we entered into a lease in Germany, comprising 11,390 square meters, with a term of 15 years, expected to commence in 2025, where its main activities will be administration, R&D and laboratory functions. In addition, in December 2024, we entered into additional leases in Denmark, comprising an aggregate of 5,141 square meters, each expected to commence in 2025, with a term of 12 years and with an option to terminate earlier, where the main activities will be administration functions.

We believe that our existing facilities are adequate for our near-term needs. We believe that suitable additional or alternative space would be available if required in the future on commercially reasonable terms.

Item 4A Unresolved Staff Comments

Not applicable.

Item 5 Operating and Financial Review and Prospects

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and related notes appearing elsewhere in this annual report. In addition to historical information, this discussion contains forward-looking statements based on our current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the “Item 3 D. Key Information—Risk Factors” and “Special Note Regarding Forward-Looking Statements” sections and elsewhere in this annual report.

A. Operating Results

Refer to Part I, Item 5 in our Annual Report on Form 20-F for the financial year ended December 31, 2023 (filed with the SEC on February 7, 2024) for additional discussion of our financial condition and results of operations for the year ended December 31, 2022, as well as our financial condition and results of operations for the year ended December 31, 2023, compared to the year ended December 31, 2022.

Overview

For a description of business highlights in 2024, please refer to “Item 4B. Information on the Company—Business Overview.”

Financial Operations Overview

Income and Expenses

Revenue from sale of commercial products and clinical trial supply is recognized when the customer has obtained control of the goods and it is probable that we will collect the consideration to which we are entitled for transferring the goods. Control is transferred upon delivery. Cost of sales are recognized when the sales takes place. Rendering of services is recognized as revenue over the service period as stipulated under the applicable agreement. License agreements which transfer rights to our intellectual property (“IP”) with significant stand-alone value are classified as “right-to-use,” with revenue recognized at the point in time when the customer can use and benefit from the IP.

Our operating expenses relate to research and development activities and to selling, general, and administration activities. Research and development costs (“R&D costs”) consist primarily of product development and pre-commercial manufacturing costs, preclinical and clinical study costs and costs for process optimizations and improvements performed by Clinical Research Organizations (“CROs”) and Contract Manufacturing Organizations (“CMOs”), salaries and other personnel costs including pension and share-based payment, the cost of facilities, professional fees, cost of obtaining and maintaining our IP portfolio, and depreciation of non-current assets used in research and development activities. Selling, general, and administrative expenses (“SG&A expenses”) comprise salaries and other personnel costs including pension and share-based payment, office supplies, cost of facilities, professional fees, and depreciation and amortization of non-current assets related to selling, general, and administrative activities, and pre-commercial and commercial activities.

A material portion of our operating expenses are denominated in other currencies than the Euro, which expose our operating expenses to volatility. We do not currently enter into derivative financial instruments to manage our exposure to foreign exchange risks.

Operating Assets and Liabilities

Our operating assets and liabilities primarily relate to property, plant and equipment, inventories, receivables, prepayments and accruals for development costs, lease liabilities, trade payables, other liabilities, and contract liabilities. Property, plant and equipment primarily relate to leased facilities which are recognized and measured as right-of-use assets. Our receivables and liabilities are exposed to development in foreign currencies, primarily with respect to the U.S. Dollar. Please refer to the “Foreign Currency Risk” section under “Quantitative and Qualitative Disclosures about Market Risk” in this “Item 5 A. Operating and Financial Review and Prospects—Operating Results” and to Note 17, “Financial Risk Management,” for an analysis of our foreign currency exposure.

We have built up inventories to support the commercialization of SKYTROFA[®] as well as the launch of YORVIPATH[®]. In addition to commercial inventories, manufacturing of pre-launch inventories is initiated for late-stage product candidates and is recognized as inventories. However, since pre-launch inventories are not realizable prior to obtaining marketing approvals, pre-launch inventories are immediately written down to zero through research and development costs.

Capital Structure

Our capital structure consists of equity and external borrowings obtained through issuance of convertible senior notes (“convertible notes”) and royalty funding liabilities. We are not subject to any contractually imposed capital requirements or financial covenants. For further details, please refer to “Item 5 B. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

Results of Operations

Comparison of the Years Ended December 31, 2024 and 2023

Financial Highlights (unaudited)

	2024	2023	Change
		(EUR'000)	
Revenue	363,641	266,718	96,923
Gross profit	319,383	222,323	97,060
Operating expenses ⁽¹⁾	598,146	677,864	(79,718)
Operating profit/(loss)	(278,763)	(455,541)	176,778
Net profit/(loss) for the year	(378,084)	(481,447)	103,363
Cash flows from/(used in) operating activities	(306,197)	(467,361)	161,164

(1) Operating expenses comprise research and development costs and selling, general and administrative expenses.

Compared to the year ended December 31, 2023, revenue for the year ended December 31, 2024, primarily benefited from license revenue related to our exclusive license agreements with Novo Nordisk and Eyconis, continued demand growth for SKYTROFA[®] in the U.S. which was offset by higher sales deductions, and the launch of YORVIPATH[®] in Europe. Operating loss was €278.8 million, representing an improvement of €176.8 million compared to December 31, 2023, which, in addition to an increase in revenue, was driven by reduced operating expenses. We had a net loss of €378.1 million for the year ended December 31, 2024, which, compared to our operating loss, was driven primarily by non-cash financial items. Refer to section “Finance Income and Finance Expenses” in below section.

Our total equity presented a negative balance of €105.7 million as of December 31, 2024, compared to a negative balance of €145.7 million as of December 31, 2023.

Further details about our results of operations are described in the following sections.

Revenue

The following table summarizes our revenue for the years ended December 31, 2024 and 2023:

	2024	2023	Change
		(EUR'000)	
Commercial products	225,728	178,663	47,065
Rendering of services	11,794	21,659	(9,865)
Clinical supply	3,776	319	3,457
Licenses	122,343	66,077	56,266
Total revenue	363,641	266,718	96,923

Revenue for the year ended December 31, 2024 was €363.6 million, representing an increase of €96.9 million compared to last year. This increase was primarily attributable to higher revenue from licenses associated with our exclusive license agreement with Novo Nordisk, signed in November 2024, which includes a \$100 million upfront payment, recognized in 2024, and our exclusive license agreement with Eyconis in January 2024 of €27.1 million (non-cash) upfront payment adjusted for internal profit, compared to the \$70 million upfront payment received from our exclusive license agreement with Teijin in 2023.

In addition, revenue was positively impacted from increased sales of SKYTROFA in the U.S. and the commercial launch of YORVIPATH in Europe. Revenue for SKYTROFA was negatively impacted by an adjustment to estimates and assumptions for sales deductions of €4.7 million, which were attributable to years prior to January 1, 2024. The adjustment was primarily attributable to a different payer and rebate mix than anticipated, and on which provisions for prior years were based.

Revenue from sale of commercial products were as follows:

	2024	2023	Change
	(EUR'000)		
Revenue from commercial products			
SKYTROFA®	197,001	178,663	18,338
YORVIPATH®	28,727	—	28,727
Total revenue from commercial products	225,728	178,663	47,065

Cost of Sales

Cost of sales for the year ended December 31, 2024 was €44.3 million, representing a decrease of €0.1 million compared to last year. This decrease was primarily attributable to lower costs under our license and collaboration agreements, partly offset by increased sales of commercial products.

Research and Development Costs

The following table specifies external project costs on the development pipeline and other R&D costs.

	2024	2023	Change
	(EUR'000)		
External project costs			
TransCon hGH	41,776	63,981	(22,205)
TransCon PTH	6,777	40,580	(33,803)
TransCon CNP	60,609	58,615	1,994
TransCon IL-2 b/g	30,414	31,993	(1,579)
TransCon TLR7/8 Agonist	10,752	33,482	(22,730)
Ophthalmology	—	16,721	(16,721)
Other project costs	1,656	1,025	631
Total external project costs	151,984	246,397	(94,413)
Other research and development costs			
Employee costs	131,867	127,002	4,865
Other costs	15,698	21,925	(6,227)
Depreciation and amortization	7,455	10,296	(2,841)
Impairment	—	7,834	(7,834)
Total other research and development costs	155,020	167,057	(12,037)
Total research and development costs	307,004	413,454	(106,450)

R&D costs for the year ended December 31, 2024 were €307.0 million representing a decrease of €106.5 million compared to last year. This decrease was primarily due to:

- Maturity of our endocrinology rare disease pipeline, especially regarding TransCon hGH and TransCon PTH. In addition, 2024 include reversal (income) of prior period write-downs of pre-launch inventories for TransCon PTH of €12.6 million, due to the commercial launch of YORVIPATH in Europe and the U.S. in 2024;
- Lower product development activities on our TransCon TLR7/8 Agonist and TransCon IL-2 b/g programs, partly offset by increased clinical trial activities. During the fourth quarter of 2024, we closed enrollment in our BelieveIT-201 clinical trial and to dose expansion cohorts involving TransCon TLR7/8 Agonist in the transcendIT-101 and IL-Believe trials to prioritize our efforts on TransCon IL-2 b/g; and

- Cessation of ophthalmology expenses, including related employee costs, due to the grant of exclusive rights to develop and commercialize TransCon ophthalmology to Eyconis in January 2024.

Selling, General, and Administrative Expenses

The following table specifies SG&A expenses:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
	(EUR'000)		
Selling, general, and administrative expenses			
Employee costs	144,181	115,706	28,475
Other costs	139,899	142,598	(2,699)
Depreciation and amortization	7,062	6,106	956
Total selling, general, and administrative expenses	<u>291,142</u>	<u>264,410</u>	<u>26,732</u>

SG&A expenses for the year ended December 31, 2024 was €291.1 million representing an increase of €26.7 million compared to last year. This increase was primarily due to higher employee related expenses and other general and administrative expenses attributable to organizational growth in support of launch of YORVIPATH in Europe and the U.S., partly offset by lower administrative expenses.

Finance Income and Finance Expenses

The following table specifies the result of finance income and expenses, further disaggregated into cash and non-cash items:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
	(EUR'000)		
Net finance income/(expenses)			
Finance income	25,609	43,857	(18,248)
Finance expenses	(100,027)	(44,065)	(55,962)
Total net finance income/(expenses)	<u>(74,418)</u>	<u>(208)</u>	<u>(74,210)</u>
Specified in cash and non-cash items			
Cash items			
Finance income received	14,374	17,048	(2,674)
Finance expenses paid	(15,205)	(15,672)	467
Non-cash items			
Remeasurement gain/(loss) of financial liabilities	3,874	14,654	(10,780)
Currency gain/(loss)	(27,149)	12,346	(39,495)
Amortization charges, accruals, and other items	(50,312)	(28,584)	(21,728)
Total net finance income/(expenses)	<u>(74,418)</u>	<u>(208)</u>	<u>(74,210)</u>

The development in non-cash items was driven primarily by translation of U.S. dollar denominated monetary positions into Euro, primarily cash and cash equivalents, convertible notes and royalty funding liabilities. The development was further driven by amortization charges, accruals, and other items, primarily due to our royalty funding liabilities which we entered into in September 2023 and September 2024, and from lower remeasurement gains from financial liabilities.

B. Liquidity and Capital Resources

Our liquidity and capital resources comprise cash and cash equivalents. As of December 31, 2024, these amounted to €559.5 million.

Our expenditures primarily relate to research and development activities and selling, general, and administrative activities to support our business, including our continued development of product and product candidates within Endocrinology Rare Disease and Oncology portfolios, the commercialization of SKYTROFA and YORVIPATH, and expenses made in anticipation of potential future product launches. We manage our liquidity risk by maintaining adequate cash reserves and banking facilities. We monitor the risk of a shortage of funds through a liquidity planning tool to ensure sufficient funds are available to settle liabilities as they become due.

As of December 31, 2024, the consolidated statements of financial position presented a negative balance of equity of €105.7 million. Under Danish corporate law, as Ascendis Pharma A/S, the parent company of the Company, holds a positive balance of equity, the Company is currently not subject to legal or regulatory requirements to re-establish the balance of equity. There is no direct impact from the negative balance of equity to the liquidity and capital resources.

Based on our current operating plan, we believe that our existing capital resources as of December 31, 2024 will be sufficient to meet our projected cash requirements for at least twelve months from the date of this annual report. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned.

Historically, we have funded our operations primarily through the issuance of preference shares, ordinary shares (including public offerings and exercise of warrants), convertible debt securities, payments to us made under collaboration agreements, and our royalty funding agreements. Including our initial public offering, since February 2015, we have completed public offerings of American Depositary Shares (“ADSs”), latest in September 2024, with total net proceeds of \$2,580.2 million (or €2.259.0 million at the time of the offerings).

Royalty Funding Liabilities

We have entered into capped synthetic royalty funding agreements with Royalty Pharma (the “Purchaser”), which are presented as part of borrowings, and represents the Company’s contractual obligations to pay a predetermined percentage of future commercial revenue until reaching a predetermined multiple of proceeds received, according to the detailed provisions of the synthetic royalty funding agreements.

In September 2024, we entered into a \$150.0 million capped synthetic royalty funding agreement (the “Royalty Pharma Yorvipath Agreement”) with the Purchaser. Under the terms of the Royalty Pharma Yorvipath Agreement, we received an upfront payment of \$150.0 million (the “Yorvipath Purchase Price”) in exchange for a 3% royalty on net revenue from sales of YORVIPATH in the U.S. (the “Yorvipath Revenue Payments”). The net proceeds were \$148.2 million (€134.2 million) after deducting offering expenses. The Yorvipath Revenue Payments to the Purchaser will cease upon reaching a multiple of the Yorvipath Purchase Price of 2.0 times, or 1.65 times if the Purchaser receives Yorvipath Revenue Payments in that amount by December 31, 2029. The Royalty Pharma Yorvipath Agreement includes a buy-out option under various terms and conditions.

In September 2023, we entered into a \$150.0 million capped synthetic royalty funding agreement (the “Royalty Pharma Skytrofa Agreement”) with the Purchaser. Under the terms of the Royalty Pharma Skytrofa Agreement, we received an upfront payment of \$150.0 million (the “Skytrofa Purchase Price”) in exchange for a 9.15% royalty on net revenue from sales of SKYTROFA in the U.S., beginning on January 1, 2025 (the “Skytrofa Revenue Payments”). The net proceeds were \$146.3 million (€136.3 million) after deducting offering expenses. The Skytrofa Revenue Payments to the Purchaser will cease upon reaching a multiple of the Skytrofa Purchase Price of 1.925 times, or 1.65 times if the Purchaser receives Skytrofa Revenue Payments in that amount by December 31, 2031. The Royalty Pharma Skytrofa Agreement includes a buy-out option under various terms and conditions.

Refer to Note 16, “Financial Assets and Liabilities” for further information about our royalty funding liabilities.

Convertible Senior Notes

In March 2022, we issued an aggregate principal amount of \$575.0 million of fixed rate 2.25% convertible notes. The net proceeds from the offering of the convertible notes were \$557.9 million (€503.3 million), after deducting the initial purchasers' discounts and commissions, and transaction costs. The coupon interest is payable semi-annually. Unless earlier converted or redeemed, the convertible notes will mature on April 1, 2028. Refer to Note 16, "Financial Assets and Liabilities" for further information about our convertible notes.

Cash requirements

We maintain cash-forecasts to ensure sufficient cash reserves are available to settle liabilities as they come due.

As of December 31, 2024, our cash requirements primarily relate to the following:

- Semi-annual interest payments and potential repayment (April 1, 2028) of principal amount of convertible notes;
- Payments to Royalty Pharma under our royalty funding agreements of 3% on net revenue from sales of YORVIPATH in the U.S., and 9.15% on net revenue from sales of SKYTROFA in the U.S., subject to caps as described in above section;
- Lease obligations related to our office, research and development facilities;
- Purchase obligations under our commercial supply agreements and related activities;
- Research and development activities related to clinical trials for our product candidates in clinical development; and
- Establishing an integrated organization to support the ongoing commercialization of SKYTROFA and YORVIPATH in the U.S. and Europe.

Our cash requirements are determined in Euro applying foreign exchange rates at December 31, 2024. Accordingly, actual cash payments are exposed to development in foreign currencies, primarily with respect to the U.S. Dollar. Refer to "Foreign Currency Risk" section under "Quantitative and Qualitative Disclosures about Market Risk," above.

Our borrowings comprise convertible notes, royalty funding liabilities and lease liabilities. As of December 31, 2024, short-term (payable within twelve months after the reporting date) and long-term (payable beyond twelve months after the reporting date) cash requirements (on an undiscounted basis) for convertible notes and royalty funding liabilities were €32.3 million and €1,041.2 million, respectively. Expected maturity for royalty funding liabilities is based on anticipated amount and timing of future revenue from sale of commercial products. Further details regarding the payment structure of the royalty funding agreements and convertible notes are provided above.

As of December 31, 2024, the length of non-cancellable leases is up to nine years. Our cash requirements for lease obligations (on an undiscounted basis) are €16.2 million and €91.3 million, on short-term and long-term, respectively. In February 2022, we entered into a facility lease in Germany with an enforceable lease term of 15 years, which is expected to commence in 2025. In addition, in December 2024, we entered into additional leases in Denmark, each expected to commence in 2025, with a term of 12 years and with an option to terminate earlier. As of December 31, 2024, when including the impact of the new leases in Germany and Denmark, which is not recognized as lease liabilities in the consolidated statement of financial position as of December 31, 2024, our short-term and long-term cash requirements for lease obligations (on an undiscounted basis) were expected to be €22.2 million and €167.5 million, respectively. In addition, our lease obligations establish ancillary contractual commitments in relation to utilities, maintenance, levies, and other services. Further, we have commitments related to short-term leases and leases of low value assets, IT and facility related services. Costs relating to those commitments are expensed as incurred.

We have also entered into long-term commercial supply agreements, related to commercial manufacturing of SKYTROFA and YORVIPATH.

Commercial supply agreements may include purchase obligations, usually determined on binding and non-binding supply forecasts, that are subject to continuous negotiation and adjustments according to individual contractual terms and conditions. As of December 31, 2024, our short-term and long-term cash requirements were €64.7 million and €60.2 million, respectively, excluding non-binding commitments for purchase of raw materials and intermediates used in the manufacturing process.

As part of our ordinary activities, we engage third-party CROs to perform clinical trial activities, which primarily are studies for more than one year. We are not subject to contingent liabilities from potential milestone payments related to in-licensing of IP.

We have not entered into any off-balance sheet arrangements or any holdings in variable interest entities. In addition, we are not aware of any significant legal claims or disputes.

Based on our current operating plan, we currently estimate that our existing cash and cash equivalents will be sufficient to fund our operations for at least twelve months from the date of this annual report. However, our operating plan and actual cash requirements may change as a result of many factors. For example our future funding requirements will depend on many factors, including, but not limited to:

- the manufacturing, selling and marketing costs associated with our products and product candidates, if approved, including the cost and timing of building our sales and marketing capabilities;
- the timing, receipt, and amount of sales of, or royalties on, approved products and any future products;
- the sales price and the availability of adequate third-party coverage and reimbursement for our products and product candidates, if approved;
- the costs related to manufacturing of our products and product candidates, including the timing of when we incur such costs;
- our ability to establish and maintain strategic partnerships, licensing or other arrangements and the financial terms of such agreements;
- our ability to collect payments which are due to us from customers and collaboration partners (if any), which in turn is impacted by the financial standing of any such customers and collaboration partners;
- the progress, timing, scope, results and costs of our preclinical studies and clinical trials and manufacturing activities for our products and product candidates, including the ability to enroll patients in a timely manner for clinical trials;
- the time and cost necessary to obtain regulatory approvals for our products and product candidates and the costs of post-marketing studies that could be required by regulatory authorities;
- the cash requirements of any future acquisitions or discovery of products or product candidates;
- the number and scope of preclinical and discovery programs that we decide to pursue or initiate;
- the potential acquisition and in-licensing of other technologies, products or assets;
- the time and cost necessary to respond to technological and market developments, including further development of our TransCon platform;
- the achievement of development, regulatory and commercial milestones resulting in the payment to us from collaboration partners of contractual milestone payments and the timing of receipt of such payments, if any;
- our progress in the successful commercialization and co-promotion of our products and product candidates, if approved, and our efforts to develop and commercialize our other existing product candidates;
- the market opportunities and patient populations for our products and product candidates, if approved, and our ability to obtain market acceptance of our products and product candidates, if approved;

- the costs of filing, prosecuting, maintaining, defending and enforcing any patent claims and other intellectual property rights, including litigation costs and the outcome of such litigation, including costs of defending any claims of infringement brought by others in connection with the development, manufacture or commercialization of our product candidates; and
- the extent to which we purchase ADSs prior to granting rights or awards for such shares under our equity incentive plans.

Additional funds may not be available if we need them or on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, scale back or cease our research and development and commercialization activities, preclinical studies and clinical trials. Furthermore, uncertainty about the interest rate environment and an increase in interest rates may make it more difficult, costly or dilutive for us to secure additional financing, which may have a negative impact on earnings and cash flow.

The following table summarizes our cash flows for the years ended December 31, 2024 and 2023:

	Year Ended December 31,		Change
	2024	2023 (EUR'000)	
Cash flows from / (used in)			
Operating activities	(306,197)	(467,361)	161,164
Investing activities	6,876	286,474	(279,598)
Financing activities	443,929	134,292	309,637
Increase/(decrease) in cash and cash equivalents	144,608	(46,595)	191,203

Cash flows from/(used in) Operating Activities

Cash flows used in operating activities for the year ended December 31, 2024 were €306.2 million, representing a decrease of €161.2 million compared to last year. This improvement was primarily related to higher revenue and reduced operating expenditures, and to further adjustment for changes to non-operating financial income and expenses, taxes and non-cash items of total €168.5 million, partly offset by negative impact from working capital balances with €7.4 million. The negative impact from working capital balances includes \$100 million plus indirect taxes related to the upfront payment from our exclusive license agreement with Novo Nordisk, which was subsequently settled in January 2025.

Cash flows from/(used in) Investing Activities

Cash flows from investing activities for the year ended December 31, 2024 were €6.9 million, representing a decrease of €279.6 million compared to last year. This increase was primarily attributable to higher net settlement of marketable securities.

Cash Flows from/(used in) Financing Activities

Cash flows from financing activities for the year ended December 31, 2024, were €443.9 million, representing an increase of €309.6 million compared to the last year. This increase was primarily attributable to our follow-on public offering of ADSs completed in September 2024 with net proceeds of €290.6 million and increased warrant exercise activity of €20.2 million. Similar to 2023, we entered into a \$150.0 million capped synthetic royalty funding agreement with Royalty Pharma.

C. Research and Development, Patents and Licenses, etc.

See “Item 4 B. Information on the Company—Business Overview” and “Item 5 A. Operating and Financial Review and Prospects – Operating Results—Financial Operations Overview—Research and Development Costs.”

D. Trend Information

See “Item 5 A. Operating and Financial Review and Prospects—Operating Results.”

E. Critical Accounting Estimates

The consolidated financial statements are prepared in accordance with the IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and as adopted by the European Union (“EU”). A description of critical accounting estimates is provided in Note 3, “Significant Accounting Judgements and Estimates” under the Significant Estimation Uncertainties sub-section in the audited consolidated financial statements as of and for the years ended December 31, 2024, 2023 and 2022, of this annual report.

Item 6 Directors, Senior Management and Employees

A. Directors and Senior Management

We have a two-tier governance structure consisting of a board of directors and an executive board. The two bodies are separate; however, Jan Møller Mikkelsen, our President and Chief Executive Officer, is represented on both our board of directors and our executive board. Our executive board is supported by the other members of our senior management. Below is a summary of relevant information concerning our board of directors, executive board and senior management.

Members of Our Board of Directors, Executive Board and Senior Management

Board of Directors

The following table sets forth information with respect to each of our current board members as of the date of this annual report. All members of our board of directors are elected for one year and eligible for re-election at each annual general meeting. Our board of directors currently consists of six members.

The business address of our board members is our registered office address at Tuborg Boulevard 12, DK-2900 Hellerup, Denmark.

Name of Board Member	Age	Position(s)
Albert Cha	52	Chairman and Board Member
Lisa Bright	57	Board Member
William Carl Fairey Jr.	60	Board Member
Lars Holtug, M.Sc.	66	Board Member
Siham Imani	47	Board Member
Jan Møller Mikkelsen	65	President, Chief Executive Officer and Board Member

The following is a brief summary of the business experience of our non-employee board members.

Albert Cha, M.D., Ph.D. has served as a member of our board of directors since November 2014 and as the Chairman of our board of directors since May 2021. Dr. Cha is a Managing Partner with Frazier Life Sciences. He previously was a managing partner at Vivo Capital LLC, a healthcare investment firm, where he has served in various positions, most recently as a managing partner. Dr. Cha previously served as a member of the board of directors of KalVista Pharmaceuticals, Inc., Aclaris Therapeutics, a publicly traded dermatology company, Sierra Oncology, Inc., a publicly traded oncology company, Biohaven Pharmaceutical Holding Company Ltd, a publicly traded clinical-stage biopharmaceutical company targeting neurological diseases and Menlo Therapeutics, Inc., a publicly traded late-stage biopharmaceutical company focused on the treatment of pruritus. Dr. Cha holds a B.S. and an M.S. from Stanford University and an M.D. and a Ph.D. from the University of California at Los Angeles.

Lisa Bright has served as a member of our board of directors since April 2017. Ms. Bright has over 30 years of executive experience in global life sciences companies and over five years' experience serving as a member of the board of directors of a number of public and private companies. Ms. Bright is currently on the board of Immedica Pharma AB, a pharmaceutical company, and serves as Chair of the board of Metadeq Inc, a medical diagnostics company and DRI Capital, a private equity fund. She previously served as the Chair of the board of Resolution Therapeutics Ltd, a biotechnology company, and as a Non-Executive Director of Dechra Pharmaceuticals PLC, a veterinary pharmaceutical company. She is also an Executive Partner to Syncona Limited, an investment trust dedicated to life science investments. Previously, she served as President International for Intercept Pharmaceuticals, Inc., a biopharmaceutical company, from July 2016 to January 2021, and from November 2014 to July 2016 as Chief Commercial and Corporate Affairs Officer and Senior Vice President, Head of EUCA. During her tenure at Intercept, Ms. Bright oversaw the development of the global launch of an orphan medicine in the United States and Europe, including building the commercial organization in the United States and establishing legal affiliates and teams across Europe and Canada. From 2008 to November 2014, Ms. Bright held various leadership positions at Gilead Sciences Ltd., a biopharmaceutical company, including Vice President, Head of Government Affairs, Europe, Asia, Middle East and Australasia, Vice President and Head of HCV Launch Planning, Vice President and Head of Northern Europe and General Manager, UK and Ireland. Prior to Gilead Sciences, Ms. Bright served in various positions of increasing responsibility at GlaxoSmithKline plc from 1997 to 2006 including Vice President Commercial Planning and Operations and Vice President General Manager NZ and Vice President Head of Sales, UK and Ireland. Prior to that, Ms. Bright also worked at Sanofi from 1992 to 1996 and GlaxoSmithKline from 1989 to 1992. Ms. Bright received her B.Sc. in Pharmacology from University College London, United Kingdom.

William Carl Fairey Jr. has served as a member of our board of directors since September 2022. Mr. Fairey currently serves as Executive Chairman of Respira Therapeutics, Inc., a clinical-stage company developing inhaled therapeutics for cardiopulmonary diseases, a position he has held since January 2022. Since August 2021, Mr. Fairey has also served as a director of Mirum Pharmaceuticals, a publicly-traded biotechnology company developing therapies for rare liver diseases; since November 2023, he has served on the board of Aileron Therapeutics (previously Lung Therapeutics, Inc.), a public clinical-stage biopharmaceutical company; and since June 2024, he has served on the board of KalVista, a publicly-traded pharmaceutical company developing therapies for hereditary angioedema. Prior to Respira, Mr. Fairey was Executive Vice President and Chief Commercial Officer of MyoKardia, Inc., a publicly-traded clinical-stage biopharmaceutical company, from January 2019 until November 2020 when the company was acquired by Bristol-Myers Squibb. From January 2018 until January 2019, Mr. Fairey served as Executive Vice President and Chief Operating Officer of ChemoCentryx, Inc., a publicly-traded biopharmaceutical company developing therapeutics to treat autoimmune diseases, inflammatory disorders and cancer, primarily focused on orphan and rare diseases. Before ChemoCentryx, between 2001 and 2017, Mr. Fairey served in various positions of increasing responsibility at Actelion Pharmaceuticals, including as President of Actelion's U.S. division, as well as Vice President, Asia Pacific Region, Managing Director and Vice President, Australia Asia Pacific Region, President of Actelion Canada, and Vice President, US Sales and Managed Markets. Mr. Fairey began his pharmaceutical career as Business Director, Healthcare Management for the Parke-Davis Division of Warner-Lambert between 1988 and 2000. Mr. Fairey received a B.S. in Biology from the University of Oregon and an M.B.A. from Saint Mary's College of California.

Lars Holtug, M.Sc. has served as a member of our board of directors since November 2018. Mr. Holtug was a partner at PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab ("PwC") from 1993 to 2015. Mr. Holtug also currently serves as chairman of Erhvervsinvest Management A/S, a private equity firm, Gaming Investment A/S, a gaming solutions provider, and its eleven subsidiaries, and of Caretag A/S, a healthcare technology company. Mr. Holtug also currently serves as a board member of Evaxion Biotech A/S, as well as the Audit Committee Chair and Remuneration Committee member. Previously, he was Chairman of PwC in Denmark from 2005 to 2009. From 2004 to 2015, Mr. Holtug was a member of the Danish Commercial Appeals Board (Erhvervsankenaevnet) and a board member of the Danish Company law association (Dansk Forening for Selskabsret). He was also a member of the Accounting Standards Board of the Federation of State Authorized Accountants in Denmark (Foreningen af Statsautoriserede Revisorer) from 1998 to 2002, and a member of the Auditing Standards Board from 1993 to 1998. Mr. Holtug holds an M.Sc. from Copenhagen Business School and is educated as a state authorized public accountant in Denmark.

Siham Imani has served as a member of our board of directors since September 2022. Ms. Imani currently serves as Executive Vice President of Strategy, Sustainability and Growth at Chiesi Farmaceutici S.p.A., a pharmaceutical company. Before joining Chiesi, Ms. Imani was EVP Corporate Strategy & Business Development at Servier, where she contributed to the Group transformation as a leader in Cardio Metabolism and Oncology. Prior to Servier, Ms. Imani held various positions of increasing responsibility at Ipsen, a French pharmaceutical company specializing in oncology, neuroscience and rare diseases, including Vice President European Business Unit Pediatric Endocrinology, Vice President Commercial Transformation & Support, Vice President Corporate Strategic Planning and Executive Committee Secretary, from 2011 until April 2017. Ms. Imani also worked for Pierre Fabre and Biosense Webster, part of the Johnson & Johnson Family of Companies, from 2005 to 2010. Ms. Imani is also a board member at Lapropan, a pharmaceutical company. Ms. Imani received a Master in Economics and a Master in Chemistry from École Polytechnique in Palaiseau, France and an M.B.A. from Stanford University.

Executive Board and Senior Management

The following table sets forth information with respect to each of the members of our senior management as of the date of this annual report. In addition to serving as members of our senior management, Mr. Mikkelsen, Mr. Smith, Mr. Wolff Jensen, and Ms. Sønderbjerg serve as the members of our executive board. The business address of these individuals is our registered office address at Tuborg Boulevard 12, DK-2900 Hellerup, Denmark.

Name	Age	Position(s)
Jan Møller Mikkelsen	65	President, Chief Executive Officer and Board Member
Flemming Steen Jensen	63	Executive Vice President, Product Supply and Quality
Michael Wolff Jensen, L.L.M.	53	Executive Vice President, Chief Legal Officer
Mads Bodenhoff	56	Senior Vice President, Head of Finance and Principal Accounting Officer
Stina Singel, M.D., Ph.D.	51	Executive Vice President, Head of Clinical Development, Oncology
Scott T. Smith	51	Executive Vice President, Chief Financial Officer
Lotte Sønderbjerg	63	Executive Vice President, Chief Administrative Officer
Kennett Sprogøe, Ph.D.	46	Executive Vice President, Head of Innovation and Research
Aimee Shu, M.D.	48	Executive Vice President, Chief Medical Officer
Jay Donovan Wu	39	Executive Vice President, U.S. President

The following is a brief summary of the business experience of our senior management and executive board.

Jan Møller Mikkelsen founded Ascendis Pharma and has served as President and Chief Executive Officer as well as a Board member since December 2007 and currently serves on the board of VISEN Pharmaceuticals and as Chairman of the board of Hummingbird Bioscience, Inc. From 2002 to 2006, Mr. Mikkelsen served as President and Chief Executive Officer of LifeCycle Pharma A/S, now Veloxis Pharmaceuticals A/S, which was a publicly traded biotechnology company. From 2000 to 2002, Mr. Mikkelsen was President of the Pharmaceutical Division of Maxygen, Inc. Prior to that, Mr. Mikkelsen co-founded ProFound Pharma A/S, a biopharmaceutical company that was later acquired by Maxygen, Inc., and at ProFound, he served as Co-Chief Executive Officer from 1999 to 2000. From 1988 to 1999, Mr. Mikkelsen held various positions at Novo Nordisk A/S, a global healthcare company, including Vice President of Protein Discovery. Mr. Mikkelsen currently serves as a member of the advisory board of Inspirion Delivery Technologies, a specialty pharmaceutical company. Mr. Mikkelsen received a Cand. Scient. degree in Biochemistry from the University of Odense, Denmark, and pursued his post-doctoral research at Children's Hospital in Oakland, CA.

Flemming Steen Jensen has served as our Executive Vice President, Product Supply and Quality since January 2023 and previously served as our Senior Vice President, Product Supply and Quality from August 2015 until January 2023. Prior to this, Mr. Jensen served as Corporate Vice President for Global Pharma Consulting and Business Development and member of the management team at NNE Pharmaplan A/S, an engineering and consulting company (part of Novo Nordisk A/S), from October 2014 to July 2015. From 1999 to September 2014, Mr. Jensen served as Executive Vice President of Product Supply (Production, Supply Chain, Engineering and Maintenance, Business Improvements, Quality Assurance and Health, Safety and Environment) and member of the Board of Management of ALK-Abello A/S, a pharmaceutical company. From 1986 to 1999, Mr. Jensen held several management positions relating to development, manufacturing and engineering within Novo Nordisk A/S. Mr. Jensen is also a member of various boards of directors of companies in the life sciences industry. Mr. Jensen holds a M.Sc. in Pharmacy from the University of Copenhagen.

Michael Wolff Jensen, L.L.M. has served as our Executive Vice President, Chief Legal Officer since January 2023 and previously served as our Senior Vice President, Chief Legal Officer from June 2013 until January 2023. Mr. Jensen also currently serves as Chairman of the board of VISEN Pharmaceuticals. In addition, Mr. Jensen served as Chairman of our board of directors from January 2008 to May 2021 and as our Acting Chief Financial Officer from May 2008 to June 2013. Prior to Ascendis Pharma, Mr. Jensen served as Executive Vice President & Chief Financial Officer of LifeCycle Pharma, currently known as Veloxis Pharmaceuticals A/S, a publicly traded biotechnology company, from 2003 to 2008. Prior to joining Veloxis, Mr. Jensen served as Senior Vice President & Chief Financial Officer of Genmab A/S from 2000 to 2003. Mr. Jensen received an L.L.M. degree from the University of Copenhagen.

Mads Bodenhoff was appointed as Senior Vice President, Head of Finance and Principal Accounting Officer at Ascendis Pharma in February 2024. Mr. Bodenhoff served as Senior Vice President and Head of Finance of the Company from June 2021 to March 2024. From March 2018 to June 2021, Mr. Bodenhoff served as Chief Financial Officer at NKT Photonics A/S. From September 2014 to February 2018, Mr. Bodenhoff served as Chief Financial Officer at Xellia Pharmaceuticals, a subsidiary of Novo Holdings A/S. From 2007 to 2014, Mr. Bodenhoff served as Vice President Finance and Vice President Corporate Finance at Novozymes A/S, a global biotechnology company. Prior to this, Mr. Bodenhoff had leading financial roles for Novozymes within China and Asia Pacific and Latin and North America. Mr. Bodenhoff currently serves on the board of 4XROBOTS A/S. Mr. Bodenhoff received a Bachelor in Economics from Handelshøjskolen in Slagelse and a Master's Degree in Business Economics and Auditing from Copenhagen Business School. Mr. Bodenhoff further is educated as a state authorized public accountant in Denmark.

Stina Singel, M.D., Ph.D. has served as our Executive Vice President, Head of Clinical Development, Oncology, since January 2023 and previously served as our Senior Vice President, Head of Clinical Development, Oncology, from January 2022 until January 2023 and as our Head of Clinical Development, Oncology, from May 2020 to January 2022. Prior to joining Ascendis, Dr. Singel served as Senior Vice President and Head of Clinical Development and Drug Safety at Nektar Therapeutics, a biopharmaceutical company, from April 2019 to May 2020. From March 2014 to April 2019, Dr. Singel held various positions of increasing responsibility at Genentech, a biotechnology company, ending her tenure as Senior Medical Director. From 2017 to 2019, Dr. Singel also served as an Adjunct Clinical Instructor at the Stanford University School of Medicine. Prior to Genentech, Dr. Singel was an Attending Physician and Clinical Translational Researcher focused on breast oncology at the University of Texas Southwestern Medical Center from 2010 to 2014 and was a Medical Oncologist at Washington Hematology Oncology, a community practice in Yakima, Washington, from 2008 to 2010. Dr. Singel received her M.D. and Ph.D. degrees from the University of California, San Diego, where she also completed her internal medicine residency and medical oncology fellowship. She received her B.S. in Biology (magna cum laude) from Harvard University.

Scott T. Smith has served as our Executive Vice President and Chief Financial Officer since January 2023 and previously served as our Senior Vice President and Chief Financial Officer from August 2016 until January 2023. Previously, Mr. Smith served as Director of the Healthcare Investment Banking Group at Wedbush Securities, from 2012 to 2016, where he led the healthcare team, and, from 2009 to 2012, Mr. Smith served as a Managing Director at Wedbush. Prior to joining Wedbush, Mr. Smith served as a Director in the Global Healthcare Investment Banking Group at Merrill Lynch where he began his career in 1995. He has also worked in sales, marketing and strategy roles for various companies, including start-ups and a Fortune Global 500 company.

Mr. Smith received his M.B.A. from the Stanford University Graduate School of Business and graduated magna cum laude with a B.A. in Economics/Accounting-Physics from Claremont McKenna College.

Lotte Sønderbjerg has served as our Executive Vice President, Chief Administrative Officer since January 2023 and previously served as our Senior Vice President, Chief Administrative Officer from December 2007 until January 2023. Mrs. Sønderbjerg is also Managing Director of Ascendis Pharma GmbH. Prior to joining Ascendis, Mrs. Sønderbjerg served as Senior Director of Human Resources and as Finance Director at Veloxis Pharmaceuticals A/S from 2003 to 2007. Prior to joining Veloxis Pharmaceuticals A/S, Mrs. Sønderbjerg served as Senior Director of Finance and Human Resources at Acadia Pharmaceuticals Inc., a publicly traded biotechnology company, from 1996 to 2003. Prior to her career in biotech, Mrs. Sønderbjerg was the Executive Secretary for the CEO and Board of Directors of Novo Nordisk A/S and PA to leading audit partner in PricewaterhouseCoopers LLP in Denmark. Mrs. Sønderbjerg received a Masters of Arts in International Business Communications from University of Aarhus.

Kennett Sprogøe, Ph.D. has held positions of increasing responsibility at Ascendis Pharma since December 2007, including serving as our Executive Vice President, Head of Innovation and Research since January 2023, Senior Vice President, Head of Innovation and Research from 2019 until January 2023, Senior Vice President of Product Innovation since January 2016 and Vice President Product Innovation since June 2014. Prior to joining Ascendis, Dr. Sprogøe conducted research at the University of Copenhagen, where he applied novel hyphenated screening technologies to expedite discovery of drug leads from natural sources. Dr. Sprogøe holds a Ph.D. in Natural Products Chemistry from the University of Copenhagen and a M.Sc. in Pharmacy from the Danish University of Pharmaceutical Sciences.

Aimee Shu, M.D. was named Executive Vice President of Endocrine and Rare Disease Medical Sciences and Chief Medical Officer in November 2024 after holding positions of increasing responsibility since joining the company in July 2017. These include Vice President and Head of Clinical Development, Endocrinology from May 2022 to November 2024, Vice President, Clinical Development, Endocrine Medical Sciences from January 2021 to November 2024, Senior Medical Director, Clinical Development from January 2019 to December 2020 and Medical Director, Clinical Development from July 2017 to December 2018. Dr. Shu has also served as Clinical Associate Professor of Medicine, Division of Endocrinology at Stanford University School of Medicine since November 2016 and has held positions of increasing responsibility at Stanford since November 2012, including Associate Program Director, Endocrinology Training Fellowship Training Program from July 2015 to July 2017 and Clinical Assistant Professor of Medicine, Division of Endocrinology from November 2012 to October 2016. Prior to 2012, Dr. Shu served as Assistant Professor of Medicine, Division of Endocrinology at Baylor College of Medicine from February 2011 to December 2011 and as Assistant Professor of Clinical Medicine at Columbia University College of Physicians & Surgeons from July 2009 to June 2010. Dr. Shu received her A.B. from Princeton University and her M.D. from Harvard Medical School before completing her residency at Brigham and Women's Hospital and a Fellowship in Endocrinology at Columbia University Medical Center.

Jay Donovan Wu was appointed as Executive Vice President and U.S. President at Ascendis Pharma in January 2025. Prior to joining Ascendis, Mr. Wu served in various positions of increasing responsibility at Genentech, Inc., a biotechnology company, from July 2012 to January 2025, ending his tenure as Vice President, Head of Rare Diseases Portfolio. Prior to this, Mr. Wu served as a Consultant at Bain & Company. Mr. Wu received a BA in Neuroscience and a BSEc in Finance from the University of Pennsylvania, Wharton School and an MBA from Stanford Graduate School of Business.

B. Compensation

Compensation of Members of Our Board of Directors and Senior Management

The primary objective of our board of directors and senior management (executive board and non-executive senior management) compensation program is to attract, motivate, reward and retain the managerial talent needed to achieve our business objectives. In addition, the compensation program is intended to compensate all employees at competitive market rates, while recognizing extraordinary accomplishments.

Compensation arrangements for our senior management have been designed to align a portion of their compensation with the achievement of our business objectives and growth strategy. Bonus payments for our senior management are determined with respect to a given year based on quantitative and qualitative goals set for our Company as a whole, as well as on an individual basis. Once the results of the year are known, bonus payments are determined at the discretion of our board and, with respect to senior management reporting to the CEO, in light of recommendations made by the CEO.

Compensation to our senior management comprises salaries, participation in annual bonus schemes, pensions (defined contributions plans), and share-based compensation. Compensation to our board of directors comprises fees and salaries for their membership of the board and committee work, as applicable, and share-based compensation. Mr. Mikkelsen did not receive any separate compensation in respect of his service on the board. Share-based compensation is elaborated in further details in Note 7, “Share-based Payment.”

Compensation cost to the board of directors and senior management is summarized below:

	Board of Directors ⁽¹⁾			Executive Board ⁽²⁾			Non-executive Senior Management		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	(EUR '000)								
Compensation									
Wages and salaries	482	543	403	4,148	4,375	3,809	3,286	4,673	6,087
Share-based payment	2,169	1,276	1,273	18,334	13,243	11,392	10,266	9,529	8,872
Pensions (defined contribution plans)	—	—	—	57	54	46	98	122	118
Social security costs	—	—	—	118	103	55	52	45	89
Other employee cost	—	—	—	20	20	20	25	40	45
Total compensation	2,651	1,819	1,676	22,677	17,795	15,322	13,727	14,409	15,211

(1) The Board of Directors comprised six persons in 2024 and six to seven persons in 2023 and 2022.

(2) The Executive Board comprised four persons in 2024, 2023 and 2022.

Wages and salaries for our senior management set forth in the table above includes bonuses of €3.0 million, €3.9 million and €3.2 million for the years ended December 31, 2024, December 31, 2023 and December 31, 2022.

On March 1, 2024, our board of directors granted an aggregate of 20,610 Restricted Stock Units (“RSUs”) to certain non-employee board members of the company and 158,875 RSUs to certain members of senior management. The aggregate grant date fair value of the RSUs granted was €25.3 million. Also on March 1, 2024, our board of directors granted an aggregate of 92,655 Performance Stock Units (“PSUs”) to certain members of senior management. The aggregated grant date fair value of the PSUs was €13.1 million.

As of December 31, 2024, a total of 29,072 RSUs and 253,091 RSUs were outstanding for non-employee board members and members of senior management, respectively, and a total of 151,924 PSUs were outstanding for members of senior management.

As of December 31, 2024, a total of 127,886 warrants and 1,835,453 warrants were outstanding for non-employee board members and members of senior management, respectively.

The total amount set aside or accrued by us to provide pension, retirement or similar benefits for the members of our board of directors and members of senior management for the year ended December 31, 2024 was €0.

Senior Management Agreements

We have entered into employment or service agreements with our senior management with the below notice periods:

Mr. Mikkelsen’s employment agreement contains a notice period of six months if terminated by Mr. Mikkelsen and twelve months if terminated by Ascendis Pharma.

In addition, in case of a change of control (“change in control period”), Ascendis Pharma would for a period of 12 months have to observe an 18 months’ notice period. Should the position and responsibilities be changed during such change of control period (excluding insignificant changes) Mr. Mikkelsen will be entitled to regard his employment as having been terminated by Ascendis Pharma with twelve months’ notice.

Messrs. M. Jensen, F. Jensen and Ms. Sønderbjerg all have notice periods of three months if terminated by them and six months if terminated by Ascendis Pharma. In addition, for Ms. Sønderbjerg, the notice period may be no less than the notice required pursuant to the rules of the Danish Salaried Employees Act with the addition of two months.

Mr. Bodenhoff’s notice period may be no less than the notice required pursuant to the rules of the Danish Salaried Employees Act, mutually extended with three months’ notice for Mr. Bodenhoff and six months’ notice by Ascendis Pharma.

Dr. Sprogøe’s notice period is one month if terminated by him and six months if terminated by Ascendis Pharma.

Dr. Singel’s, Mr. Wu’s, and Mr. Smith’s employment is at-will and may be terminated by both parties at any time. However, the agreement with Mr. Smith provides that, if terminated by Ascendis Pharma without “cause” or Mr. Smith resigns for “good reason” (as defined in the agreement), he will be eligible to receive continued base salary during a 6 month severance period following termination and continued healthcare coverage during this period. If Mr. Smith’s termination is due to disability, he will be eligible to continued base salary and healthcare coverage for 120 days following termination, and in the event of his death, his estate will be eligible to a lump sum amount equal to three months base salary.

The agreements with certain of the foregoing senior management contain post-termination non-competition covenants that generally may last for a period of twelve months post-termination and entitle the executives to their base salary, or portion thereof, during the period.

Warrant Incentive Program

For information of our warrant incentive program, see Note 7, “Share-based Payment.”

The table below sets forth information regarding outstanding warrants held by those members of our board of directors and senior management who, assuming the exercise of warrants, beneficially own 1% or more of our total outstanding ordinary shares as of December 31, 2024.

Name	Grant Date	Awards granted and outstanding	Awards granted and outstanding, but unvested as of March 1, 2025	Award Exercise Price(s)	Award Expiration Date
Jan Møller Mikkelsen	December 18, 2015	17,000	—	€ 15.6750	December 18, 2025
	December 14, 2016	180,000	—	€ 19.4194	December 14, 2026
	December 12, 2017	200,000	—	€ 31.5995	December 12, 2027
	December 11, 2018	200,000	—	€ 54.6357	December 11, 2028
	December 10, 2019	120,000	—	€ 97.4993	December 10, 2029
	December 10, 2020	101,145	—	€ 145.5045	December 10, 2030
	December 9, 2021	69,466	14,473	€ 123.4637	December 9, 2031

RSU Program and PSU Program

For information of our RSU and PSU programs, refer to Note 7, “Share-based Payment.”

Insurance and Indemnification

According to the Danish Companies Act, the general meeting is allowed to discharge our board members and members of our senior management from liability for any particular financial year based on a resolution relating to the financial statements. This discharge means that the general meeting will discharge such board members and members of our senior management from liability to our company; however, the general meeting cannot discharge any claims by individual shareholders or other third-parties.

Additionally, we have entered into agreements with our board members and members of our senior management, pursuant to which, subject to limited exceptions, we have agreed to indemnify such board members and members of our senior management from civil liability, including (i) any damages or fines payable by them as a result of an act or failure to act in the exercise of their duties currently or previously performed by them; (ii) any reasonable costs of conducting a defense against a claim; and (iii) any reasonable costs of appearing in other legal proceedings in which such individuals are involved as current or former board members or members of our senior management.

There is a risk that such agreement will be deemed void under Danish law, either because the agreement is deemed contrary to the rules on discharge of liability in the Danish Companies Act, as set forth above, because the agreement is deemed contrary to sections 19 and 23 of the Danish Act on Damages, which contain mandatory provisions on recourse claims between an employee (including members of our senior management) and the company, or because the agreement is deemed contrary to the general provisions of the Danish Contracts Act.

In addition to such indemnification, we provide our board members and senior management with directors' and officers' liability insurance.

Insofar as indemnification of liabilities arising under the Securities Act may be permitted to board members and senior management or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

C. Board Practices

Board of Directors

Our board of directors is responsible for our overall and strategic management and must ensure proper organization of our business. In addition, our board is obligated to ensure that (i) bookkeeping and financial reporting procedures are satisfactory; (ii) adequate risk management and internal control procedures have been established; (iii) our board of directors receives ongoing information as necessary about our financial position; (iv) our executive board performs its duties properly and as directed by our board of directors; and (v) the financial resources of our company are adequate at all times, and that our company has sufficient liquidity to meet its current and future liabilities as they become due.

In performing its duties, our board of directors is required to act in the interests of our company (including our shareholders) and our associated business as a whole. Our board of directors may generally make any decisions in furtherance of our objectives that are not reserved for either the executive board or the shareholders either by virtue of the articles of association or by operation of Danish law. Typical shareholder decisions that our board of directors cannot resolve alone are: changes to the articles of association, elections of board members, elections of auditors, decisions to scrutinize our company's affairs, capital increases and decreases, payment of dividends, purchase of treasury shares, and decisions to merge, demerge or liquidate our company.

The general meeting of shareholders must elect no fewer than three and no more than ten members to our board of directors. The members of our board of directors are elected for a term expiring at the first annual general meeting following their election.

Board members may be dismissed at any time at a general meeting of shareholders. A resolution by the general meeting of shareholders to appoint or dismiss board members requires a simple majority of the votes cast and there is no requirement for a specific quorum.

Under Danish corporate law, employees of companies that have employed at least 35 employees for the preceding three years are entitled to elect members of their board of directors corresponding to one-half of the members of their board of directors elected by the general meeting of shareholders. Board members elected by the employees are elected for terms of four years, and they hold the same rights and obligations as any board member elected by the shareholders. We do not currently have employee representatives on our board of directors.

Our board of directors elects its chairman. Our board of directors forms a quorum when more than half of the members of our board of directors are represented. Resolutions of our board of directors are passed by simple majority. Each board member is entitled to cast one vote. For a complete description of these board governance matters, you should refer to our articles of association, which are incorporated by reference as an exhibit to this annual report.

Our board of directors may also adopt resolutions without a meeting, provided that such resolutions are adopted in writing and submitted to all members of our board of directors and provided that no board member objects to adopting resolutions without conducting a meeting.

As a foreign private issuer, our board of directors is not required to hold regularly scheduled meetings at which only independent board members are present and we intend to comply with home country practices, which do not require executive sessions, in lieu of complying with Nasdaq Rule 5605(b)(2).

Mr. Mikkelsen is a member of our senior management and a member of our board of directors and has an employment agreement that provides for benefits upon termination of employment in certain circumstances. For information about such agreements, see “Item 6 B. Directors, Senior Management and Employees—Compensation—Senior Management Agreements.”

In accordance with the exemption available to foreign private issuers under Nasdaq rules, we do not follow the requirements of the Nasdaq rules with regard to the process of nominating board members, and instead, follow Danish law and practice, in accordance with which our board of directors (or a committee thereof) is authorized to recommend to our shareholders director nominees for election. Under the Danish Companies Act, nominations for directors also may be made upon the request of any shareholder.

Executive Board

Our executive board is in charge of the day-to-day management of our operations and is assisted in this respect by the other members of our senior management. The executive board must follow the guidelines and directions issued by the board of directors. Day-to-day management does not include decisions of an unusual nature or of major importance, having regard to the circumstance. Such decisions may only be made by the executive board if specifically authorized by the board of directors, unless it will cause considerable inconvenience to our company’s activities to wait for authorization by the board of directors. If so, the board of directors must be notified of the decision as soon as possible.

Director Independence

Our board of directors has undertaken a review of the independence of the directors and considered whether any director has a material relationship with us that could compromise their ability to exercise independent judgement in carrying out the responsibilities of a director. As a result of this review, our board of directors determined that Lisa Bright, Albert Cha, M.D., Ph.D., William Carl Fairey Jr., Lars Holtug, and Siham Imani, representing five of our six directors, are “independent directors” as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of Nasdaq. In making such determination, our board of directors considered the relationships that each non-employee director has with us and all other facts and circumstances our board of directors deemed relevant in determining the director’s independence, including the number of ordinary shares beneficially owned by the director and his or her affiliated entities (if any).

Committees of the Board of Directors

We have an audit committee, a remuneration committee and a nominating and corporate governance committee. We have adopted a charter for each of these committees. Under Danish corporate law, it is not possible to delegate the decision-making authority of the entire board of directors to board committees.

Audit Committee

Our audit committee consists of Lars Holtug (Chair), Lisa Bright and William Carl Fairey Jr. Each member satisfies the independence requirements of the Nasdaq listing standards, and Lars Holtug qualifies as an “audit committee financial expert,” as defined in Item 16A(b) of Form 20-F and as determined by our board of directors. Our audit committee oversees our accounting and financial reporting processes and the audits of our consolidated financial statements. As a foreign private issuer, we are not required to have a formal written audit committee charter that complies with Nasdaq Rule 5605(c)(1) and, although we have adopted an audit committee charter, we comply with home country practices in lieu of Nasdaq Rule 5605(c)(1). Nasdaq Rule 5605(c)(2)(A) requires that U.S. listed companies have an audit committee composed of at least three members, each of whom is an independent director, as defined in the Nasdaq rules. As a foreign private issuer, we are exempt from complying with the Nasdaq requirement to have an audit committee with at least three members, and we comply with home country practices in lieu of Nasdaq Rule 5605(c)(2)(A). However, our audit committee currently comprises three members, all of whom meet the relevant criteria for independence under Nasdaq rules and under Rule 10A-3 of the Exchange Act. Our audit committee is responsible for, among other things:

- making recommendations to our board of directors regarding the appointment by the general meeting of shareholders of our independent auditors;
- overseeing the work of the independent auditors, including making recommendations to the board of directors and resolving disagreements between the executive board and the independent auditors relating to financial reporting;
- reviewing the independence and quality control procedures of the independent auditors;
- discussing material off-balance sheet transactions, arrangements and obligations with the executive board and the independent auditors;
- reviewing all proposed related-party transactions;
- discussing the annual audited consolidated and statutory financial statements with the executive board;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately with the independent auditors to discuss critical accounting policies, recommendations on internal controls, the auditor’s engagement letter and independence letter and other material written communications between the independent auditors and the executive board; and
- attending to such other matters as are specifically delegated to our audit committee by our board of directors from time to time.

Remuneration Committee

Our remuneration committee consists of Albert Cha, M.D., Ph.D. (Chair), Lisa Bright and Lars Holtug. Each member satisfies the independence requirements of the Nasdaq listing standards. Our remuneration committee assists our board of directors in reviewing and approving or recommending our compensation structure, including all forms of compensation relating to our board of directors and the executive board. As a foreign private issuer, we are not required to have a formal written remuneration committee charter that complies with Nasdaq Rule 5605(d)(1) and, although we have adopted a remuneration committee charter, we comply with home country practices in lieu of Nasdaq Rule 5605(d)(1). Our remuneration committee is responsible for, among other things:

- reviewing and making recommendations to our board of directors with respect to compensation of our executive board and members of our board of directors;

- reviewing and approving the compensation, including equity compensation, change-of-control benefits and severance arrangements, of our chief executive officer, chief financial officer and such other members of our executive board as it deems appropriate;
- overseeing and making recommendations to our board of directors regarding the evaluation of our executive board;
- reviewing periodically and making recommendations to our board of directors with respect to any incentive compensation and equity plans, programs or similar arrangements; and
- attending to such other matters as are specifically delegated to our compensation committee by our board of directors from time to time.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Albert Cha, M.D., Ph.D. (Chair), Lisa Bright and Siham Imani. Each member satisfies the independence requirements of the Nasdaq listing standards. Our nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our board members and in determining the composition of the board of directors and its committees. Our nominating and corporate governance committee is responsible for, among other things:

- recommending to our board of directors, persons to be nominated for election or re-election to our board of directors at any meeting of the shareholders;
- overseeing orientation of new members of our board of directors, continuing education for existing members, and succession planning for our board or directors, leadership roles on our board of directors and its committees, and members of our senior management;
- overseeing our board of director’s annual review of its own performance and the performance of its committees; and
- considering, preparing and recommending to our board of directors a set of corporate governance guidelines.

For information on the current term of office and the period during which the members of our board of directors, executive board and our senior management have served in office see “Item 6 A. Directors, Senior Management and Employees—Directors and Senior Management.”

D. Employees

The following tables specify number of employees at the end of period, per their main activity function and geographic location for the past three financial years.

	Selling, General, and Administration ⁽¹⁾	Research and Development, and Commercial Manufacturing	Total
December 31, 2024			
Europe	253	413	666
North America	239	112	351
Total	492	525	1,017

	Selling, General, and Administration ⁽¹⁾	Research and Development, and Commercial Manufacturing	Total
December 31, 2023			
Europe	169	385	554
North America	185	140	325
Total	354	525	879
	Selling, General, and Administration ⁽¹⁾	Research and Development	Total
December 31, 2022			
Europe	135	352	487
North America	170	140	310
Total	305	492	797

(1) Selling, general, and administration function includes commercial activities, corporate activities and business development.

In 2024, the number of employees engaged with selling, general, and administration increased, primarily due to commercial activities, and extension of corporate functions to support those activities. Further, in connection with formation of Eyconis, a separate company, certain employees of Ascendis Pharma, engaged with research and development in the U.S., joined the newly formed company in 2024. See “Item 7 B. Major Shareholders and Related Party Transactions—Related Party Transactions” for more information about Eyconis.

None of our employees are represented by a labor union. In certain European countries, employees are covered under collective bargaining agreements. We consider our employee relations to be good.

E. Share Ownership

See “Item 7 A. Major Shareholders and Related Party Transactions—Major Shareholders.” Our board of directors and employees are eligible to own shares of the company through a warrant incentive program and a RSU and PSU program. For information of the programs, see Note 7, “Share-based Payment.” For information regarding the warrants held by members of our board of directors and senior management who, assuming the exercise of warrants, beneficially own 1% or more of our total outstanding ordinary shares as of December 31, 2024, see “Item 6 B. Compensation.”

F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7 Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information relating to the beneficial ownership of our shares as of December 31, 2024, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding ordinary shares;
- each of our board members; and
- each member of our senior management, including members of our executive board.

The number of shares beneficially owned by each entity, person, member of our board of directors or senior management is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power, as well as any shares that the individual has the right to subscribe for within 60 days of December 31, 2024, through the exercise of any warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares owned by that person.

The percentage of shares beneficially owned is computed on the basis of 60,689,487 ordinary shares outstanding as of December 31, 2024, which includes 845,887 ordinary shares represented by ADSs held by Ascendis Pharma A/S. Ordinary shares that a person has the right to subscribe for within 60 days of December 31, 2024 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights but are not deemed outstanding for purposes of computing the percentage ownership of any other person. Additionally, a person is considered to have the right to subscribe for ordinary shares which are subject to outstanding warrants and vested within 60 days of December 31, 2024, although such warrants may only be exercised in prescribed exercise periods. A person is considered to beneficially own ordinary shares which are subject to RSUs that vest within 60 days of December 31, 2024 and a person is not considered to beneficially own ordinary shares subject to PSUs because these awards are subject to performance-based vesting criteria. Unless otherwise indicated below, the address for each beneficial owner listed is c/o Ascendis Pharma A/S, at Tuborg Boulevard 12, DK-2900 Hellerup, Denmark.

Name and Address of Beneficial Owner	Number of Outstanding Shares Beneficially Owned	Number of Warrants Exercisable and RSUs to be Settled Within 60 Days	Number of Shares Beneficially Owned	Percentage of Beneficial Ownership
Entities affiliated with RA Capital Management, L.P. ⁽¹⁾	9,710,428	—	9,710,428	16.0 %
Westfield Capital Management Company, LP ⁽²⁾	5,528,239	—	5,528,239	9.1 %
Entities affiliated with FMR LLC ⁽³⁾	5,114,369	—	5,114,369	8.4 %
Avoro Capital Advisors LLC ⁽⁴⁾	4,988,888	—	4,988,888	8.2 %
Entities affiliated with Artisan Partners LP ⁽⁵⁾	4,411,111	—	4,411,111	7.3 %
Entities affiliated with Janus Henderson Group plc ⁽⁶⁾	4,186,694	—	4,186,694	6.9 %
Senior Management and Board Members				
Jan Møller Mikkelsen ⁽⁷⁾	438,250	904,651	1,342,901	2.2 %
Flemming Steen Jensen ⁽⁸⁾	5,763	145,905	151,668	*
Michael Wolff Jensen, L.L.M. ⁽⁹⁾	—	139,342	139,342	*
Mads Bodenhoff ⁽¹⁰⁾	193	36,381	36,574	*
Stina Singel, M.D., Ph.D. ⁽¹¹⁾	2,729	77,585	80,314	*
Scott T. Smith ⁽¹²⁾	4,017	189,967	193,984	*
Lotte Sønderbjerg ⁽¹³⁾	5,763	199,342	205,105	*
Kennett Sprogøe, Ph.D. ⁽¹⁴⁾	6,793	140,280	147,073	*
Aimee Shu, M.D. ⁽¹⁵⁾	1,917	13,732	15,649	*
Albert Cha, M.D., Ph.D. ⁽¹⁶⁾	1,087	20,056	21,143	*
Lisa Bright ⁽¹⁷⁾	1,087	42,619	43,706	*
William Carl Fairey Jr. ⁽¹⁸⁾	164	7,273	7,437	*
Lars Holtug, M.Sc. ⁽¹⁹⁾	1,593	54,514	56,107	*
Siham Imani ⁽²⁰⁾	364	7,273	7,637	*
Jay Donovan Wu	—	—	—	*

* Indicates beneficial ownership of less than 1% of the total outstanding ordinary shares.

- (1) Consists of 9,710,428 ADSs held by RA Capital Healthcare Fund, L.P. (the "RA Fund") as reported by Amendment No. 15 to Schedule 13G filed with the SEC on November 14, 2024 by RA Capital Management, L.P. ("RA Capital"). RA Capital Healthcare Fund GP, LLC is the general partner of the RA Fund. The general partner of RA Capital is RA Capital Management GP, LLC, of which Peter Kolchinsky and Rajeev Shah are the controlling persons. RA Capital serves as investment adviser for the RA Fund and may be deemed a beneficial owner of ADSs

held by the RA Fund. The RA Fund has delegated to RA Capital the sole power to vote and the sole power to dispose of all securities held in the RA Fund's portfolio. Because the RA Fund has divested voting and investment power over the reported securities it holds and may not revoke that delegation on less than 61 days' notice, the RA Fund disclaims beneficial ownership of the securities it holds and therefore disclaims any obligation to report ownership of the reported securities. As managers of RA Capital, Dr. Kolchinsky and Mr. Shah may be deemed beneficial owners of the ADSs beneficially owned by RA Capital. The address of the RA Fund, the RA Capital, Dr. Kolchinsky and Mr. Shah is c/o RA Capital Management, L.P., 200 Berkeley Street, 18th Floor, Boston, MA 02116.

- (2) Consists of 5,528,239 ADSs owned of record by clients of Westfield Capital Management Company, L.P. ("Westfield") in its capacity as investment advisor, as reported by Amendment No. 3 to Schedule 13G filed on February 11, 2025, by Westfield. Westfield's clients have the right to receive, or the power to direct the receipt of, dividends or proceeds from the sale of the shares. The address of Westfield is 1 Financial Center, 24th Floor, Boston, MA 02111.
- (3) Consists of an aggregate of 5,114,369 ADSs beneficially owned, or that may be deemed to be beneficially owned, by FMR LLC, certain of its affiliates and other companies as reported on Amendment No. 10 to Schedule 13G filed on February 8, 2024, by FMR LLC. Abigail P. Johnson is a Director, the Chairman and the Chief Executive Officer of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. FMR LLC has its principal business office at 245 Summer Street, Boston, MA 02210.
- (4) Consists of 4,988,888 ADSs held by Avoro Capital Advisors LLC ("Avoro") as reported on Amendment No. 2 Schedule 13G filed on November 14, 2024, by Avoro and Behzad Aghazadeh ("Dr. Aghazadeh"). Dr. Aghazadeh is the portfolio manager and controlling person of Avoro. The address of Avoro is 110 Greene Street, Suite 800, New York, NY 10012.
- (5) Consists of an aggregate of 4,411,111 ADSs beneficially owned, or that may be deemed to be beneficially owned, by Artisan Partners Limited Partnership ("APLP"), Artisan Investments GP LLC ("Artisan Investments"), Artisan Partners Holdings LP ("Artisan Holdings") and Artisan Partners Asset Management Inc. ("APAM") as reported by Amendment No. 5 to Schedule 13G filed on November 12, 2024. Artisan Holdings is the sole limited partner of APLP and the sole member of Artisan Investments; Artisan Investments is the general partner of APLP; APAM is the general partner of Artisan Holdings. APLP, Artisan Investments, Artisan Holdings and APAM have shared voting power over 3,771,469 shares and shared dispositive power over 4,411,111 shares. The address of APLP, Artisan Investments, Artisan Holdings, and APAM is 875 East Wisconsin Avenue, Suite 800, Milwaukee, WI 53202.
- (6) Consists of an aggregate of 4,186,694 ADSs beneficially owned, or that may be deemed to be beneficially owned, by Janus Henderson Group plc ("Janus Henderson") as reported on Amendment No. 4 to Schedule 13G filed on November 14, 2024. The address of Janus Henderson is 201 Bishopsgate, EC2M 3AE, United Kingdom.
- (7) Consists of (i) 904,651 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Mr. Mikkelsen and (ii) 438,250 ordinary shares and ADSs beneficially owned by Mr. Mikkelsen, of which 68,470 ordinary shares and ADSs are owned through an entity controlled by Mr. Mikkelsen and 113,548 ordinary shares and ADSs have been pledged as security to lending financial institutions.
- (8) Consists of (i) 145,905 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Mr. Jensen and (ii) 5,763 ADSs held by Mr. Jensen.
- (9) Consists of 139,342 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Mr. Jensen.
- (10) Consists of (i) 36,381 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Mr. Bodenhoff and (ii) 193 ADSs held by Mr. Bodenhoff.
- (11) Consists of (i) 77,585 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Dr. Singel and (ii) 2,729 ADSs held by Dr. Singel.
- (12) Consists of (i) 189,967 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Mr. Smith and (ii) 4,017 ADSs held by Mr. Smith

- (13) Consists of (i) 199,342 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Ms. Sønderbjerg and (ii) 5,763 ADSs held by Ms. Sønderbjerg.
- (14) Consists of (i) 140,280 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Dr. Sprogøe, (ii) 6,763 ADSs held by Dr. Sprogøe, and (iii) 30 ADSs held by family members of Dr. Sprogøe.
- (15) Consists of (i) 13,732 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Dr. Shu and (ii) 1,917 ADSs held by Dr. Shu.
- (16) Consists of (i) 20,056 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Dr. Cha and (ii) 1,087 ADSs held by Dr. Cha
- (17) Consists of (i) 42,619 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Ms. Bright and (ii) 1,087 ADSs held by Ms. Bright.
- (18) Consists of (i) 7,273 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Mr. Fairey and (ii) 164 ADSs held by Mr. Fairey.
- (19) Consists of (i) 54,514 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Mr. Holtug and (ii) 1,593 ADSs held by Mr. Holtug.
- (20) Consists of (i) 7,273 ordinary shares that may be subscribed pursuant to the exercise of warrants or that may vest pursuant to RSUs within 60 days of December 31, 2024 by Ms. Imani and (ii) 364 ADSs held by Ms. Imani.

Record Holders

As of December 31, 2024, assuming that all of our ordinary shares represented by ADSs are held by residents of the United States, 99.9% of our outstanding ordinary shares were held in the United States by two holders of record and 0.1% of our outstanding ordinary shares were held outside of the United States. At such date, there were outstanding 60,507,426 ADSs, each representing one of our ordinary shares, and in the aggregate representing 99.79% of our outstanding ordinary shares. At such date, there were three holders of record registered with the Bank of New York Mellon, depository of the ADSs. The actual number of holders is greater than these numbers of record holders and includes beneficial owners whose ADSs are held in street name by brokers and other nominees. This number of holders of record also does not include holders whose shares may be held in trust by other entities.

B. Related Party Transactions

The following is a description of related party transactions we have entered into since January 1, 2024 with any of our board members, our senior management, the owners of more than five percent of our share capital, and any other related parties.

Employment Agreements and Grants of Warrants and RSUs/PSUs

We have entered into employment agreements with, and granted RSUs and PSUs to, certain members of our senior management. Further, we have issued RSUs to our members of the board of directors. In addition, we are paying fees for board tenure and board committee tenure to the independent members of our board of directors. See “Item 6 B. Directors, Senior Management and Employees—Compensation” for more information.

Indemnification Agreements

We have entered into indemnification agreements with our board members and members of our senior management. See “Item 6 B. Directors, Senior Management and Employees—Compensation—Insurance and Indemnification” for a description of these indemnification agreements.

VISEN Pharmaceuticals

We have provided research and development services to VISEN Pharmaceuticals (“VISEN”) under our Rights Agreements which will be reimbursed by VISEN.

Further, under our Rights Agreements, clinical supply agreements, purchase agreement and commercial supply agreement, we have provided and agreed to provide product supply to VISEN for use in Greater China.

For quantitative details regarding transactions and outstanding balances with associates, including VISEN, please refer to Note 12, “Investments in Associates.”

Eyconis

On January 29, 2024, we announced the formation and launch with Frazier Life Sciences of Eyconis, a separate company created to develop, manufacture, and commercialize TransCon ophthalmology assets globally, together with a \$150 million commitment from an investor syndicate that includes Frazier, RA Capital Management, venBio, and HealthQuest Capital. Albert Cha, M.D., Ph.D. the chairman of our board of directors, is a Managing Partner with Frazier Life Sciences.

We have granted Eyconis exclusive rights to develop and commercialize TransCon ophthalmology products globally and received an equity position in the newly formed company. In addition, we are eligible to receive development, regulatory, and sales milestone payments, plus single digit royalties on global net sales of commercialized products, if any. Eyconis is based in Redwood City, California and certain employees of Ascendis joined the newly formed company in 2024.

In connection with the formation of Eyconis, we have provided various administrative and support services under our Transitional Services Agreement. Further, under our Inventory Transfer Agreement and Material Transfer Agreement, we have sold laboratory and office inventory, materials and assigned certain contract manufacturers contracts to Eyconis. In addition, under our Sublease Agreement, we have subleased R&D and laboratory facilities to Eyconis, initially until December 2025.

For quantitative details regarding transactions and outstanding balances with associates, including Eyconis, please refer to Note 12, “Investments in Associates.”

C. Interests of Experts and Counsel

Not applicable.

Item 8 Financial Information

A. Consolidated Statements and Other Financial Information

See the financial statements beginning on page F-1.

Legal Proceedings

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Dividends

We do not at present plan to pay cash dividends on our ordinary shares. Under Danish law, the distribution of ordinary and extraordinary dividends requires the approval of a company's shareholders at a company's general meeting. Under the Danish Companies Act the general meeting may authorize the board of directors to resolve to distribute extraordinary dividends after presentation of a company's first financial statements. The authorization may be subject to financial and time restrictions. The shareholders may not distribute dividends in excess of the recommendation from the board of directors and may only pay out dividends from our distributable reserves, which are defined as results from operations carried forward and reserves that are not bound by law after deduction of loss carried forward. The decision to pay out extraordinary dividends shall be accompanied by a balance sheet, and the board of directors determine whether it will be sufficient to use the balance sheet from the annual report or if an interim balance sheet for the period from the annual report period until the extraordinary dividend payment shall be prepared. If extraordinary dividends are paid out later than six months following the financial year for the latest annual report, an interim balance sheet showing that there are sufficient funds shall always be prepared. If a resolution to distribute extraordinary dividends is passed more than six months after the balance sheet date as set out in the company's latest approved annual report an interim balance sheet showing that sufficient funds are available for distribution must always be prepared.

B. Significant Changes

See Note 22, "Subsequent Events" to the audited consolidated financial statements included elsewhere in this annual report.

Item 9 The Offer and Listing

A. Offer and Listing Details

The ADS have been listed on The Nasdaq Global Select Market under the symbol "ASND" since January 28, 2015. Prior to that date, there was no public trading market for ADSs or our ordinary shares.

B. Plan of Distribution

Not applicable.

C. Markets

The ADS have been listed on The Nasdaq Global Select Market under the symbol "ASND" since January 28, 2015.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10 Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Authorizations to Our Board of Directors

As of December 31, 2024, our board of directors is authorized to increase the share capital as follows:

- Our board of directors is authorized to increase our share capital by up to 9,000,000 shares with pre-emptive subscription rights for existing shareholders. Capital increases according to this authorization shall be carried out by our board of directors by way of cash contributions. This authorization is valid until May 29, 2029.
- Our board of directors is authorized to increase our share capital by up to 3,825,000 without pre-emptive subscription rights for existing shareholders. Capital increases according to this authorization can be carried out by our board of directors by way of contributions in kind, conversion of debt and/or cash contributions, and must be carried out at market price as determined in accordance with Danish law. This authorization is valid until May 27, 2026.
- Our board of directors is authorized to issue 111,992 warrants and to increase our share capital by up to 111,912 shares without pre-emptive subscription rights for existing shareholders in connection with the exercise, if any, of said warrants and to determine the terms and conditions thereof. This authorization is valid until May 28, 2025.
- Our board of directors is authorized to obtain loans against issuance of convertible bonds which confer the right to subscribe for shares in the Company. The Company's existing shareholders shall not have pre-emption rights to such shares. Our board of directors is authorized to increase the share capital by up to nominal DKK 9,000,000 by conversion of the convertible bonds. The convertible bonds shall be offered at a subscription price and a conversion price that correspond in aggregate to at least the market price of the shares at the time of the decision of our board of directors to issue the convertible bonds as determined in accordance with Danish law. The loans shall be paid in cash and our board of directors shall determine the terms and conditions for the convertible bonds. This authorization is valid until May 29, 2027.
- Our board of directors is authorized to issue 948,124 warrants to members of the executive management and employees, advisors and consultants of the Company or our subsidiaries and to increase our share capital by up to 948,124 shares, without pre-emptive subscription rights for existing shareholders in connection with the exercise, if any, of said warrants and to determine the terms and conditions thereof. The exercise price for the warrants shall be determined by the board of directors in consultation with the Company's advisors and shall at least be equal to the market price of the shares at the time of issuance as determined in accordance with Danish law. This authorization is valid until May 29, 2027.
- Our board of directors is authorized to issue 1,000,000 warrants to members of the executive management and employees, advisors and consultants of the Company or our subsidiaries and to increase our share capital by up to 1,000,000 shares, without pre-emptive subscription rights for existing shareholders in connection with the exercise, if any, of said warrants and to determine the terms and conditions thereof. The exercise price for the warrants shall be determined by the board of directors in consultation with the Company's advisors and shall at least be equal to the market price of the shares at the time of issuance as determined in accordance with Danish law. This authorization is valid until May 29, 2029.
- If our board of directors exercises its authorizations in full, and all warrants and convertible debt instruments are exercised fully (not including already issued warrants and already issued convertible debt instruments), then our share capital will amount to 84,574,603 shares consisting of 84,574,603 shares with a nominal value of DKK 1 each.

The ADSs are listed on the Nasdaq Global Select Market under the symbol “ASND.”

Owners’ Register

We are obligated to maintain an owners’ register (in Danish: *ejerbog*). The owners’ register is maintained by Computershare A/S (Company Registration (CVR) no. 27088899), our Danish share registrar. It is mandatory that the owners’ register is maintained within the European Union and that it is available to public authorities. Pursuant to the Danish Companies Act, public and private limited liability companies are required to register with the Danish Business Authority information regarding shareholders who own at least 5% of the share capital or the voting rights. Pursuant to this provision, we file registrations with the Public Owners’ Register of the Danish Business Authority. Shareholders that exceed the ownership threshold must notify us and we will subsequently file the information with the Danish Business Authority. Reporting is further required when thresholds of 5%, 10%, 15%, 20%, 25%, 50%, 90% or 100%, or 1/3 or 2/3 are reached or no longer reached.

Articles of Association and Danish Corporate Law

With respect to our articles of association, the following should be emphasized:

Objects Clause

Our corporate object, as set out in article 3 of our articles of association, is to develop ideas and preparations for the combating of disease medically, to manufacture and sell such preparations or ideas, to own shares of companies with the same objects and to perform activities in natural connection with these objects.

Summary of Provisions Regarding the Board of Directors and the Executive Board

Pursuant to our articles of association, our board of directors shall be elected by our shareholders at the general meeting and shall be composed of not less than three and no more than 10 members. The members of the board of directors are elected for a term expiring at the first coming annual general meeting following their election. Board members must retire from the board of directors at the annual general meeting following their 75th birthday. Board members are not required to own any shares of our share capital. The board of directors shall appoint and employ an executive board consisting of one to five members to attend to our day-to-day management, and the board of directors shall determine the terms and conditions of the employment.

Voting Rights

Each shareholder is entitled to one vote for each share owned at the time of any general meeting. As compared with Danish citizens, there are no limitations under the articles of association or under Danish law on the rights of foreigners or non-Danish citizens to hold or vote our shares.

Dividend Rights

Our shareholders may at general meetings authorize the distribution of ordinary and extraordinary dividends. Our shareholders may not distribute dividends in excess of the recommendation from our board of directors and may only pay out dividends from our distributable reserves, which are defined as results from operations carried forward and reserves that are not bound by law after deduction of loss carried forward.

Our shareholders are eligible to receive any dividends declared and paid out. However, we have not to date declared or paid any dividends and we currently intend to retain all available financial resources and any earnings generated by our operations for use in the business and we do not anticipate paying any dividends in the foreseeable future. The payment of any dividends in the future will depend on a number of factors, including our future earnings, capital requirements, financial condition and future prospects, applicable restrictions on the payment of dividends under Danish law and other factors that our board of directors may consider relevant.

See “Item 10 E. Additional Information—Taxation” for a summary of certain tax consequences in respect of dividends or distributions to holders of our ordinary shares or the ADSs.

Pre-emptive Subscription Rights

Under Danish law, all shareholders have pre-emptive subscription rights in connection with capital increases that are carried out as cash contributions. An increase in share capital can be resolved by the shareholders at a general meeting or by the board of directors pursuant to an authorization given by the shareholders. In connection with an increase of a company's share capital, the shareholders may, by resolution at a general meeting, approve deviations from the general Danish pre-emptive rights of the shareholders. Under the Danish Companies Act, such resolution must be adopted by the affirmative vote of shareholders holding at least a two-thirds majority of the votes cast and the share capital represented at the general meeting.

The board of directors may resolve to increase our share capital without pre-emptive subscription rights for existing shareholders pursuant to the authorizations set forth above under the caption "Authorizations to our board of directors."

Unless future issuances of new shares and/or pre-emptive rights are registered under the Securities Act or with any authority outside Denmark, U.S. shareholders and shareholders in jurisdictions outside Denmark may be unable to exercise their pre-emptive subscription rights.

Rights on Liquidation

Upon a liquidation or winding-up of our company, shareholders will be entitled to participate, in proportion to their respective shareholdings, in any surplus assets remaining after payment of our creditors.

Limitations on Holding of Shares

There are no limitations on the right to hold shares under the articles of association or Danish law.

Liability to Capital Calls by Us

Under our articles of association as well as the Danish Companies Act, our shareholders are not obligated to pay further amounts to us. All our shares are fully paid.

Sinking Fund Provisions

There are no sinking fund provisions or similar obligations relating to our ordinary shares.

Disclosure Requirements

Pursuant to Section 55 of the Danish Companies Act, a shareholder is required to notify us when such shareholder's stake represents 5% or more of the voting rights in our company or the nominal value accounts for 5% or more of the share capital, and when a change of a holding already notified entails that the limits of 5%, 10%, 15%, 20%, 25%, 50%, 90% or 100%, or 1/3 or 2/3 are reached or no longer reached. The notification shall be given within two weeks following the date when the limits are reached or are no longer reached.

The notification must include information on the date of acquisition or disposal of the shares, the number and, if applicable, the share class, the full name, address and civil registration ("CPR") number of the shareholder or the name, central business register ("CVR") number and registered office of the enterprise. If the shareholder has no CPR number or CVR number, such notice must be accompanied by other documentation securing unambiguous identification of the shareholder. The notice must also include information on the denomination or nominal value of the shares and the voting rights attaching to the shares.

Pursuant to section 58a, we are obligated to collect and store for a period of at least five years certain information regarding the beneficial owners of shares in the company. A beneficial owner is a physical person who ultimately holds or controls, directly or indirectly, a sufficient part of the ownership interests or voting rights or exercises control by other means, except for owners of companies whose ownership interests are traded on a regulated market or a similar market which is subject to a duty of disclosure in accordance with EU law or similar international standards.

The legal status of the notification obligations is not fully clarified in relation to ADS holders and an ADS holder may be subject to such obligations.

General Meetings

The general meeting of shareholders is the highest authority in all matters, subject to the limitations provided by Danish law and the articles of association. The annual general meeting shall be held in the Greater Copenhagen area not later than the end of May in each year.

At the annual general meeting, the audited annual report is submitted for approval, together with the proposed appropriation of profit/treatment of loss, the election of the board of directors and election of our auditors. In addition, the board of directors reports on our activities during the past year.

General meetings are convened by the board of directors with a minimum of two weeks' notice and a maximum of four weeks' notice. A convening notice will be forwarded to shareholders recorded in our owners' register, who have requested such notification and by publication in the Danish Business Authority's computerized information system and on the company's website.

At the latest, two weeks before a general meeting (inclusive of the day of the general meeting), we shall make the following information and documents available on our webpage:

- the convening notice,
- the documents that shall be presented at the general meeting, which will, in the case of the annual general meeting include the annual report, and
- the agenda and the complete proposals.

Shareholders are entitled to attend general meetings, either in person or by proxy, and they or their proxy may be accompanied by one advisor. A shareholder's right to attend general meetings and to vote at general meetings is determined on the basis of the shares that the shareholder holds on the registration date. The registration date shall be one week before the general meeting is held. The shares which the individual shareholder holds are calculated on the registration date on the basis of the registration of ownership in the owners' register as well as notifications concerning ownership which the company has received with a view to update the ownership in the owners' register. In addition, any shareholder who is entitled to attend a general meeting and who wishes to attend must have requested an admission card from us no later than three days in advance of the general meeting. Any shareholder is entitled to submit proposals to be discussed at the general meetings. However, proposals by the shareholders to be considered at the annual general meeting must be submitted in writing to the board of directors not later than six weeks before the annual general meeting.

Extraordinary general meetings must be held upon resolution of an annual general meeting to hold such a meeting or upon request of the board of directors, our auditors or shareholders representing at least 1/20 of the registered share capital or such lower percentage as our articles of association may provide. Our articles of association do not state such lower percentage.

Holders of ADSs are not entitled to directly receive notices or other materials or to attend or vote at general meetings.

Resolutions in General Meetings

Resolutions made by the general meeting generally may be adopted by a simple majority of the votes cast, subject only to the mandatory provisions of the Danish Companies Act and our articles of association. Resolutions concerning all amendments to the articles of association must be passed by two-thirds of the votes cast as well as two-thirds of the share capital represented at the general meeting. Certain resolutions, which limit a shareholder's ownership or voting rights, are subject to approval by a nine-tenth majority of the votes cast and the share capital represented at the general meeting. Decisions to impose or increase any obligations of the shareholders towards the company require unanimity.

Quorum Requirements

There are no quorum requirements generally applicable to general meetings of shareholders. To this extent, our practice varies from the requirement of Nasdaq Listing Rule 5620(c), which requires an issuer to provide in its bylaws for a generally applicable quorum, and that such quorum may not be less than one-third of the outstanding voting shares.

Squeeze Out

According to Section 70 of the Danish Companies Act, shares in a company may be redeemed by a shareholder holding more than nine-tenths of the shares and the corresponding voting rights in the company. Furthermore, according to Section 73 of the Danish Companies Act, a minority shareholder may require a majority shareholder holding more than nine-tenths of the shares and the corresponding voting rights to redeem the minority shareholder's shares.

Danish Rules Intended to Prevent Market Abuse

As of July 3, 2016, EU Regulation No 596/2014 on market abuse entered into force and Chapter 10 of the Danish Securities Trading Act was repealed. Pursuant to said Chapter 10, we had adopted an internal code on inside information in respect of the holding of and carrying out of transactions by our board of directors and executive officers and employees in the shares or ADSs or in financial instruments the value of which is determined by the value of the ordinary shares or ADSs, and we had drawn up a list of those persons working for us who could have access to inside information on a regular or incidental basis and had informed such persons of the rules on insider trading and market manipulation, including the sanctions which could be imposed in the event of a violation of those rules. However, said EU Regulation No 596/2014 on market abuse imposes no such requirements on us and we have abandoned our previous practice.

Limitation on Liability

Under Danish law, members of the board of directors or senior management may be held liable for damages in the event that loss is caused due to their negligence. They may be held jointly and severally liable for damages to the company, the shareholders and to third parties for acting in violation of the articles of association and Danish law.

The general meeting is allowed to discharge our board members and members of our senior management from liability for any particular financial year based on a resolution relating to the financial statements. This discharge means that the general meeting will discharge such board members and members of our senior management from liability to us; however, the general meeting cannot discharge any claims by individual shareholders or other third parties.

Additionally, we have entered into agreements with our board members and members of our senior management, pursuant to which, subject to limited exceptions, we have agreed to indemnify such board members and members of senior management from civil liability, including (i) any damages or fines payable by them as a result of an act or failure to act in the exercise of their duties currently or previously performed by them; (ii) any reasonable costs of conducting a defense against a claim; and (iii) any reasonable costs of appearing in other legal proceedings in which such individuals are involved as current or former board members or members of senior management.

There is a risk that such agreement will be deemed void under Danish law, either because the agreement is deemed contrary to the rules on discharge of liability in the Danish Companies Act, as set forth above, because the agreement is deemed contrary to sections 19 and 23 of the Danish Act on Damages, which contain mandatory provisions on recourse claims between an employee (including members of our senior management) and us, or because the agreement is deemed contrary to the general provisions of the Danish Contracts Act.

In addition to such indemnification, we provide our board members and senior management with directors' and officers' liability insurance.

Comparison of Danish Corporate Law and Our Articles of Association and Delaware Corporate Law

The following comparison between Danish corporate law, which applies to us, and Delaware corporate law, the law under which many publicly traded companies in the United States are incorporated, discusses additional matters not otherwise described in this annual report. This summary is subject to Danish law, including the Danish Companies Act, and Delaware corporate law, including the Delaware General Corporation Law. Further, please note that ADS holders will not be treated as our shareholders and will not have any shareholder rights.

Duties of Board Members

Denmark. Public limited liability companies in Denmark are usually subject to a two-tier governance structure with the board of directors having the ultimate responsibility for the overall supervision and strategic management of the company in question and with an executive board/management being responsible for the day-to-day operations.

Each board member and member of the executive board/management is under a fiduciary duty to act in the interest of the company, but shall also take into account the interests of the creditors and the shareholders. Under Danish law, the members of the board of directors and executive management of a limited liability company are liable for losses caused by negligence whether shareholders, creditors or the company itself suffers such losses. They may also be liable for wrongful information given in the annual financial statements or any other public announcements from the company. An investor suing for damages is required to prove its claim with regard to negligence, loss, and causation. Danish courts, when assessing negligence, have been reluctant to impose liability unless the directors and officers neglected clear and specific duties. This is also the case when it comes to liability with regard to public offerings or liability with regard to any other public information issued by the company.

Delaware. The board of directors bears the ultimate responsibility for managing the business and affairs of a corporation. In discharging this function, directors of a Delaware corporation owe fiduciary duties of care and loyalty to the corporation and to its stockholders. Delaware courts have decided that the directors of a Delaware corporation are required to exercise informed business judgment in the performance of their duties. Informed business judgment means that the directors have informed themselves of all material information reasonably available to them. Delaware courts have also imposed a heightened standard of conduct upon directors of a Delaware corporation who take any action designed to defeat a threatened change in control of the corporation. In addition, under Delaware law, when the board of directors of a Delaware corporation approves the sale or break-up of a corporation, the board of directors may, in certain circumstances, have a duty to obtain the highest value reasonably available to the stockholders.

Terms of the Members of Our Board of Directors

Denmark. Under Danish law, the members of the board of directors of a limited liability company are generally appointed for an individual term of one year. There is no limit on the number of consecutive terms the board members may serve. Pursuant to our articles of association, our board members are appointed by the general meeting of shareholders for a term of one year. Election of board members is, according to our articles of association, an item that shall be included on the agenda for the annual general meeting.

At the general meeting, shareholders are entitled at all times to dismiss a board member by a simple majority vote.

It follows from Section 140 of the Danish Companies Act that in limited liability companies that have employed an average of at least 35 employees in the preceding three years, the employees are entitled to elect a minimum of two representatives and alternate members to the company's board of directors up to one half the number of the shareholder elected directors. If the number of representatives to be elected by the employees is not a whole number, such number must be rounded up.

Our company currently employs more than an average of 35 employees and has done so since 2016. Consequently, from 2018, our employees have been entitled to demand representation on our board of directors. The question will, upon request from the employees, be put to a popular vote among the employees. If more than half of the employees (regardless of whether they participate in the vote) vote in favor of having representation, we must organize an election process.

Additionally, Section 141 of the Danish Companies Act allows for group representation on the board of directors of our company, i.e., that employees of our Danish subsidiaries may demand representation on our board. However, our Danish subsidiaries do not currently have employees. The employees of Ascendis Pharma, Inc., Ascendis Pharma Endocrinology, Inc., Ascendis Pharma GmbH, and Ascendis Pharma Endocrinology GmbH may only demand representation on our board of directors provided that our general meeting adopts a resolution to that effect.

Delaware. The Delaware General Corporation Law generally provides for a one-year term for directors, but permits directorships to be divided into up to three classes, of relatively equal size, with up to three-year terms, with the years for each class expiring in different years, if permitted by the certificate of incorporation, an initial bylaw or a bylaw adopted by the stockholders. A director elected to serve a term on a “classified” board may not be removed by stockholders without cause. There is no limit in the number of terms a director may serve.

Board Member Vacancies

Denmark. Under Danish law, in the event of a vacancy, new board members are elected by the shareholders in a general meeting. Thus, a general meeting will have to be convened to fill a vacancy on the board of directors. However, the board of directors may choose to wait to fill vacancies until the next annual general meeting of the company, provided that the remaining board members can still constitute a quorum. It is only a statutory requirement to convene a general meeting to fill vacancies if the number of remaining members on the board is less than three.

Delaware. The Delaware General Corporation Law provides that vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) unless (1) otherwise provided in the certificate of incorporation or bylaws of the corporation or (2) the certificate of incorporation directs that a particular class of stock is to elect such director, in which case any other directors elected by such class, or a sole remaining director elected by such class, will fill such vacancy.

Conflict-of-Interest Transactions

Denmark. Under Danish law, board members may not take part in any matter or decision-making that involves a subject or transaction in relation to which the board member has a conflict of interest with us.

Delaware. The Delaware General Corporation Law generally permits transactions involving a Delaware corporation and an interested director of that corporation if:

- The material facts as to the director’s relationship or interest are disclosed and a majority of disinterested directors’ consent;
- The material facts are disclosed as to the director’s relationship or interest and a majority of shares entitled to vote thereon consent; or
- The transaction is fair to the corporation at the time it is authorized by the board of directors, a committee of the board of directors or the stockholders.

Proxy Voting by Board Members

Denmark. In the event that a board member in a Danish limited liability company is unable to participate in a board meeting, the elected alternate, if any, shall be given access to participate in the board meeting. Unless the board of directors has decided otherwise, or as otherwise is set out in the articles of association, the board member in question may in special cases grant a power of attorney to another board member, provided that this is considered safe considering the agenda in question.

Delaware. A director of a Delaware corporation may not issue a proxy representing the director’s voting rights as a director.

Shareholder Rights

Notice of Meeting

Denmark. According to the Danish Companies Act, general meetings in limited liability companies shall be convened by the board of directors with a minimum of two weeks' notice and a maximum of four weeks' notice as set forth in the articles of association. A convening notice shall be forwarded to shareholders recorded in the company's owners' register, who have requested such notification. There are specific requirements as to the information and documentation required to be disclosed in connection with the convening notice.

Delaware. Under Delaware law, unless otherwise provided in the certificate of incorporation or bylaws, written notice of any meeting of the stockholders must be given to each stockholder entitled to vote at the meeting not less than ten nor more than 60 days before the date of the meeting and shall specify the place, date, hour, and purpose or purposes of the meeting.

Voting Rights

Denmark. Each ordinary share confers the right to cast one vote at the general meeting of shareholders, unless the articles of association provide otherwise. Each holder of ordinary shares may cast as many votes as it holds shares. Shares that are held by the company or its subsidiaries do not confer the right to vote.

Delaware. Under the Delaware General Corporation Law, each stockholder is entitled to one vote per share of stock, unless the certificate of incorporation provides otherwise. In addition, the certificate of incorporation may provide for cumulative voting at all elections of directors of the corporation, or at elections held under specified circumstances. Either the certificate of incorporation or the bylaws may specify the number of shares and/or the amount of other securities that must be represented at a meeting in order to constitute a quorum, but in no event can a quorum consist of less than one third of the shares entitled to vote at a meeting.

Stockholders as of the record date for the meeting are entitled to vote at the meeting, and the board of directors may fix a record date that is no more than 60 nor less than ten days before the date of the meeting, and if no record date is set then the record date is the close of business on the day next preceding the day on which notice is given, or if notice is waived then the record date is the close of business on the day next preceding the day on which the meeting is held. The determination of the stockholders of record entitled to notice or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, but the board of directors may fix a new record date for the adjourned meeting.

Shareholder Proposals

Denmark. According to the Danish Companies Act, extraordinary general meetings of shareholders will be held whenever the board of directors or the appointed auditor requires. In addition, one or more shareholders representing at least 1/20th of the registered share capital of the company may, in writing, require that a general meeting be convened. If such a demand is forwarded, the board of directors shall convene the general meeting within two weeks thereafter.

All shareholders have the right to present proposals for adoption at the annual general meeting, provided that the proposals are made in writing and forwarded at the latest six weeks prior thereto. In the event that the proposal is received at a later date, the board of directors will decide whether the proposal has been forwarded in due time to be included on the agenda.

Delaware. Delaware law does not specifically grant stockholders the right to bring business before an annual or special meeting of stockholders. However, if a Delaware corporation is subject to the SEC's proxy rules, a stockholder who owns at least \$2,000 in market value, or 1% of the corporation's securities entitled to vote, may propose a matter for a vote at an annual or special meeting in accordance with those rules.

Action by Written Consent

Denmark. Under Danish law, it is permissible for shareholders to take action and pass resolutions by written consent in the event of unanimity; however, this will normally not be the case in listed companies and for a listed company, this method of adopting resolutions is generally not feasible.

Delaware. Although permitted by Delaware law, publicly listed companies do not typically permit stockholders of a corporation to take action by written consent.

Appraisal Rights

Denmark. The concept of appraisal rights does not exist under Danish law, except in connection with statutory redemptions rights according to the Danish Companies Act.

According to Section 73 of the Danish Companies Act, a minority shareholder may require a majority shareholder that holds more than 90% of the company's registered share capital and votes to redeem his or her shares. Similarly, a majority shareholder holding more than 90% of the company's share capital and votes may, according to Section 70 of the same act, squeeze out the minority shareholders. In the event that the parties cannot agree to the redemption squeeze out price, this shall be determined by an independent evaluator appointed by the court. Additionally, there are specific regulations in Sections 249, 267, 285 and 305 of the Danish Companies Act that require compensation in the event of national or cross-border mergers and demergers. Moreover, shareholders who vote against a cross-border merger or demerger or cross-border conversion are, according to Sections 286, 306 and 318 m of the Danish Companies Act, entitled to have their shares redeemed.

Delaware. The Delaware General Corporation Law provides for stockholder appraisal rights, or the right to demand payment in cash of the judicially determined fair value of the stockholder's shares, in connection with certain mergers and consolidations.

Shareholder Suits

Denmark. Under Danish law, only a company itself can bring a civil action against a third party; an individual shareholder does not have the right to bring an action on behalf of a company. An individual shareholder may, in its own name, have an individual right to take action against such third party in the event that the cause for the liability of that third party also constitutes a negligent act directly against such individual shareholder.

Delaware. Under the Delaware General Corporation Law, a stockholder may bring a derivative action on behalf of the corporation to enforce the rights of the corporation. An individual also may commence a class action suit on behalf of himself and other similarly situated stockholders where the requirements for maintaining a class action under Delaware law have been met. A person may institute and maintain such a suit only if that person was a stockholder at the time of the transaction which is the subject of the suit. In addition, under Delaware case law, the plaintiff normally must be a stockholder at the time of the transaction that is the subject of the suit and throughout the duration of the derivative suit. Delaware law also requires that the derivative plaintiff make a demand on the directors of the corporation to assert the corporate claim before the suit may be prosecuted by the derivative plaintiff in court, unless such a demand would be futile.

Repurchase of Shares

Denmark. Danish limited liability companies may not subscribe for newly issued shares in their own capital. Such company may, however, according to the Danish Companies Act Sections 196-201, acquire fully paid shares of its own capital, provided that the board of directors has been authorized thereto by the shareholders acting in a general meeting. Such authorization can only be given for a maximum period of five years and the authorization shall fix (i) the maximum value of the shares and (ii) the minimum and the highest amount that the company may pay for the shares. Shares may generally only be acquired using distributable reserves.

Delaware. Under the Delaware General Corporation Law, a corporation may purchase or redeem its own shares unless the capital of the corporation is impaired or the purchase or redemption would cause an impairment of the capital of the corporation.

A Delaware corporation may, however, purchase or redeem out of capital any of its preferred shares or, if no preferred shares are outstanding, any of its own shares if such shares will be retired upon acquisition and the capital of the corporation will be reduced in accordance with specified limitations.

Anti-takeover Provisions

Denmark. Under Danish law, it is possible to implement limited protective anti-takeover measures. Such provisions may include, among other things, (i) different share classes with different voting rights, (ii) specific requirements to register the shares named in the company's owners register and (iii) notification requirements concerning participation in general meetings. We have currently not adopted any such provisions.

Delaware. In addition to other aspects of Delaware law governing fiduciary duties of directors during a potential takeover, the Delaware General Corporation Law also contains a business combination statute that protects Delaware companies from hostile takeovers and from actions following the takeover by prohibiting some transactions once an acquirer has gained a significant holding in the corporation.

Section 203 of the Delaware General Corporation Law prohibits "business combinations," including mergers, sales and leases of assets, issuances of securities and similar transactions by a corporation or a subsidiary with an interested stockholder that beneficially owns 15% or more of a corporation's voting stock, within three years after the person becomes an interested stockholder, unless:

- the transaction that will cause the person to become an interested stockholder is approved by the board of directors of the target prior to the transaction;
- after the completion of the transaction in which the person becomes an interested stockholder, the interested stockholder holds at least 85% of the voting stock of the corporation not including shares owned by persons who are directors and officers of interested stockholders and shares owned by specified employee benefit plans; or
- after the person becomes an interested stockholder, the business combination is approved by the board of directors of the corporation and holders of at least 66.67% of the outstanding voting stock, excluding shares held by the interested stockholder.

A Delaware corporation may elect not to be governed by Section 203 by a provision contained in the original certificate of incorporation of the corporation or an amendment to the original certificate of incorporation or to the bylaws of the company, which amendment must be approved by a majority of the shares entitled to vote and may not be further amended by the board of directors of the corporation. Such an amendment is not effective until 12 months following its adoption.

Inspection of Books and Records

Denmark. According to Section 150 of the Danish Companies Act, a shareholder may request an inspection of the company's books regarding specific issues concerning the management of the company or specific annual reports. If approved by shareholders with simple majority, one or more investigators are elected. If the proposal is not approved by simple majority but 25% of the share capital votes in favor, then the shareholder can request the court to appoint an investigator.

Delaware. Under the Delaware General Corporation Law, any stockholder may inspect certain of the corporation's books and records, for any proper purpose, during the corporation's usual hours of business.

Pre-emptive Rights

Denmark. Under Danish law, all shareholders have pre-emptive subscription rights in connection with capital increases that are carried out as cash contributions. In connection with an increase of a company's share capital, the shareholders may, by resolution at a general meeting, approve deviations from the general Danish pre-emptive rights of the shareholders. Under the Danish Companies Act, such resolution must be adopted by the affirmative vote of shareholders holding at least a two-thirds majority of the votes cast and the share capital represented at the general meeting. The board of directors may resolve to increase our share capital without pre-emptive subscription rights for existing shareholders pursuant to the authorizations described above under the caption "Authorizations to our board of directors." Unless future issuances of new shares are registered under the Securities Act or with any authority outside Denmark, U.S. shareholders and shareholders in jurisdictions outside Denmark may be unable to exercise their pre-emptive subscription rights.

Delaware. Under the Delaware General Corporation Law, stockholders have no pre-emptive rights to subscribe for additional issues of stock or to any security convertible into such stock unless, and to the extent that, such rights are expressly provided for in the certificate of incorporation.

Dividends

Denmark. Under Danish law, the distribution of ordinary and extraordinary dividends requires the approval of a company's shareholders at a company's general meeting. Under the Danish Companies Act the general meeting may authorise the board of directors to resolve to distribute extraordinary dividends after presentation of a company's first financial statements. The authorisation may be subject to financial and time restrictions. The shareholders may not distribute dividends in excess of the recommendation from the board of directors and may only pay out dividends from our distributable reserves, which are defined as results from operations carried forward and reserves that are not bound by law after deduction of loss carried forward. The decision to pay out extraordinary dividends shall be accompanied by a balance sheet, and the board of directors determine whether it will be sufficient to use the balance sheet from the annual report or if an interim balance sheet for the period from the annual report period until the extraordinary dividend payment shall be prepared.

If a resolution to distribute extraordinary dividends is passed more than six months after the balance sheet date as set out in the company's latest approved annual report an interim balance sheet showing that sufficient funds are available for distribution must always be prepared.

Delaware. Under the Delaware General Corporation Law, a Delaware corporation may pay dividends out of its surplus (the excess of net assets over capital), or in case there is no surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year (provided that the amount of the capital of the corporation is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets). In determining the amount of surplus of a Delaware corporation, the assets of the corporation, including stock of subsidiaries owned by the corporation, must be valued at their fair market value as determined by the board of directors, without regard to their historical book value. Dividends may be paid in the form of shares, property or cash.

Shareholder Vote on Certain Reorganizations

Denmark. Under Danish law, all amendments to the articles of association shall be approved by the general meeting of shareholders with a minimum of two-thirds of the votes cast and two-thirds of the represented share capital. The same applies to solvent liquidations, mergers with the company as the discontinuing entity, mergers with the company as the continuing entity if shares are issued in connection therewith, demergers with the company as the transferor company and demergers with the company as the existing transferee if amendment of the articles of association for any purpose other than the adoption of the transferor company's name or secondary name as the transferee company's secondary name is required to be made. Under Danish law, it is debatable whether the shareholders must approve a decision to sell all or virtually all of the company's business/assets.

Delaware. Under the Delaware General Corporation Law, the vote of a majority of the outstanding shares of capital stock entitled to vote thereon generally is necessary to approve a merger or consolidation or the sale of all or substantially all of the assets of a corporation.

The Delaware General Corporation Law permits a corporation to include in its certificate of incorporation a provision requiring for any corporate action the vote of a larger portion of the stock or of any class or series of stock than would otherwise be required.

However, under the Delaware General Corporation Law, no vote of the stockholders of a surviving corporation to a merger is needed, unless required by the certificate of incorporation, if (1) the agreement of merger does not amend in any respect the certificate of incorporation of the surviving corporation, (2) the shares of stock of the surviving corporation are not changed in the merger and (3) the number of shares of common stock of the surviving corporation into which any other shares, securities or obligations to be issued in the merger may be converted does not exceed 20% of the surviving corporation's common stock outstanding immediately prior to the effective date of the merger. In addition, stockholders may not be entitled to vote in certain mergers with other corporations that own 90% or more of the outstanding shares of each class of stock of such corporation, but the stockholders will be entitled to appraisal rights.

Amendments to Governing Documents

Denmark. All resolutions made by the general meeting may be adopted by a simple majority of the votes, subject only to the mandatory provisions of the Danish Companies Act and the articles of association. Resolutions concerning all amendments to the articles of association must be passed by two-thirds of the votes cast as well as two-thirds of the share capital represented at the general meeting. Certain resolutions, which limit a shareholder's ownership or voting rights, are subject to approval by a nine-tenth majority of the votes cast and the share capital represented at the general meeting. Decisions to impose any or increase any obligations of the shareholders towards the company require unanimity.

Delaware. Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote (subject to limited exceptions), and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors.

C. Material Contracts

Except as otherwise disclosed in this annual report (including the Exhibits), we are not currently party to any material contract, other than contracts entered into in the ordinary course of business.

D. Exchange Controls

The Danish Act on Foreign Investment Screening sets out rules on screening of certain foreign direct investments etc. in Denmark ("Danish FDI Rules"). Pursuant to the Danish FDI Rules, a screening mechanism applies to foreign direct investments in certain sensitive sectors where a foreign investor obtains at least 10% ownership or voting rights or equivalent control by other means. The purpose of the Danish FDI Rules is to prevent foreign direct investments and special economic agreements from posing a threat to national security or public order in Denmark, through screening and possible interventions against such investments and agreements. Among the sensitive sectors defined in the Danish FDI rules are companies and entities that are critical infrastructure in Denmark in relation to the production, registration, distribution, and monitoring of prescription drugs.

If a contemplated foreign direct investment in Ascendis Pharma A/S is considered to fall within the scope of the mandatory screening mechanism, the foreign investor is required to apply for prior authorization with the Danish Business Authority. FDI filings, notifications, or approvals may under certain circumstances also be required in non-Danish jurisdictions.

If a foreign investor fails to comply with the Danish FDI Rules, the Danish Business Authority may impose restrictions, including ordering to reverse the investment to suspend the foreign investor's voting rights.

International trade and financial sanctions are continually evolving. If applicable, such international trade and financial sanctions may under certain circumstances prevent the possibility of export and import of capital, and affect the remittance of dividends, interest and other payments to non-resident holders of shares or ADSs.

In addition, international trade and financial sanctions may restrict the right of non-resident or foreign owners to acquire, transfer, hold or vote the shares and ADSs. Failure to comply with international trade and financial sanctions can lead to criminal and civil liability.

E. Taxation

Danish Tax Considerations

The following discussion describes the material Danish tax consequences under present law of an investment in the ADSs (representing our ordinary shares). The summary is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to an investment in the ADSs. The summary is based solely on the tax laws of Denmark in effect on the date of this annual report. Danish tax laws may be subject to change, possibly with retroactive effect.

The summary does not cover investors to whom special tax rules apply, and, therefore, may not be relevant, for example, to investors subject to the Danish Tax on Pension Yields Act (*i.e.*, pension savings), professional investors, certain institutional investors, insurance companies, pension companies, banks, stockbrokers and investors with tax liability on return on pension investments. The summary does not cover taxation of individuals and companies who carry on a business of purchasing and selling shares. The summary only sets out the tax position of the direct owners of the ADSs and further assumes that the direct investors are the beneficial owners of the ADSs and any dividends thereon. Sales are assumed to be sales to a third party.

Potential investors in the ADSs are advised to consult their tax advisors regarding the applicable tax consequences of acquiring, holding and disposing of the ADSs based on their particular circumstances.

Investors who may be affected by the tax laws of other jurisdictions should consult their tax advisors with respect to the tax consequences applicable to their particular circumstances as such consequences may differ significantly from those described herein.

Tax Characterization of the ADSs

Under Danish tax law, ADSs may be qualified as shares or financial instruments depending on the specific terms of the ADS.

We obtained a tax ruling on June 21, 2022, from the Danish Tax Council which confirmed that ADSs issued by us are shares for Danish tax purposes. Based on an analysis of the terms of the Deposit Agreement between 1) the holders of ADSs, 2) Ascendis Pharma A/S and 3) Bank of New York Mellon, the Danish Tax Council found that the voting and economic rights attached to the underlying shares had effectively been transferred to the ADS holders and therefore, the ADSs qualified as shares for Danish tax purposes. The ruling is binding on the Danish tax authorities for 5 years as long as the facts remain as described in the ruling for the duration of the 5-year period and in the absence of a change of law. The ruling further confirmed that the ADSs are to be considered listed shares, as the ADSs are listed on Nasdaq. Accordingly, the remainder of this Danish tax discussion assumes that the ADSs will be treated as listed shares for Danish tax purposes.

Taxation of Danish Tax Resident Holders of the ADSs

Sale of the ADSs (Individuals)

For individual investors in 2025, gains from the sale of shares are included in the computation of the annual share income subject to 27% tax on the first DKK 63,300 (for cohabiting spouses, a total of DKK 126,600) and at a rate of 42% on share income exceeding DKK 63,300 (for cohabiting spouses over DKK 126,600). Such amounts are subject to annual adjustment and include all share income (*i.e.*, all capital gains and dividends derived by the individual or cohabiting spouses, respectively). The realization principle applies; *i.e.* the gains or losses are included in the income in the year of disposal.

Gains and losses on the sale of shares are calculated as the difference between the purchase price and the sales price. The purchase price is generally determined using the average method (in Danish “gennemsnitsmetoden”) as a proportionate part of the aggregate purchase price for all the shareholder’s shares in the company.

As the ADSs, for the purpose of this tax description, are considered listed shares for Danish tax purposes, losses may be offset against received dividends and capital gains on listed shares. Unused losses will automatically be offset against a cohabiting spouse’s dividends and capital gains on listed shares. Any unused losses can be carried forward. It is a requirement for offsetting of losses, that the ADS holder (or the ADS holder’s custodian bank) has declared the acquisition of the shares in the tax return for the year of acquisition. Such declaration must specify the identity of the ADS, the number of ADS acquired, the acquisition sum and the date of acquisition.

Sale of the ADSs (Companies)

For the purpose of taxation of sales of shares made by corporate shareholders, a distinction is made between Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares and Taxable Portfolio Shares (note that the ownership threshold described below is applied on the basis of the number of all shares issued by the company, and not on the basis of the number of the ADSs issued):

“*Subsidiary Shares*” are generally defined as shares owned by a shareholder holding at least 10% of the nominal share capital of the issuing company.

“*Group Shares*” are generally defined as shares in a company in which the shareholder of the company and the issuing company are subject to Danish joint taxation or fulfill the requirements for international joint taxation under Danish law (i.e., the company is controlled by the shareholder).

“*Tax-Exempt Portfolio Shares*” are defined as shares not admitted to trading on a regulated market owned by a shareholder holding less than 10% of the nominal share capital of the issuing company.

“*Taxable Portfolio Shares*” are defined as shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares.

Gains or losses on disposal of Subsidiary Shares and Group Shares and Tax-Exempt Portfolio Shares are not included in the taxable income of the shareholder.

Special rules apply with respect to Subsidiary Shares and Group Shares to prevent exemption through certain holding company structures just as other anti-avoidance rules may apply. These rules will not be described in further detail.

Capital gains from the sale of Taxable Portfolio Shares are taxable at a rate of 22% irrespective of ownership period. Losses on such shares are generally deductible. Gains and losses on Taxable Portfolio Shares are generally taxable according to the mark-to-market principle (in Danish “lagerprincippet”).

According to the mark-to-market principle, each year’s taxable gain or loss on Taxable Portfolio Shares is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized.

If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the value of the Taxable Portfolio Shares at realization. If the Taxable Portfolio Shares are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

A change of status from Subsidiary Shares/Group Shares/Tax-Exempt Portfolio Shares to Taxable Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

Dividends (Individuals)

Dividends on listed shares are taxed as share income, as described above. All share income must be included when calculating whether the amounts described above are exceeded. Dividends paid to individuals are generally subject to 27% withholding tax.

Dividends (Companies)

For corporate investors, dividends paid on Subsidiary Shares and Group Shares are tax-exempt irrespective of ownership period.

Dividends paid on Tax-Exempt Portfolio Shares are partly taxable as 70% of the dividends received are included in the taxable income, which is equivalent to an effective taxation of 15.4% (70% of 22%) irrespective of ownership period.

Dividends paid on Taxable Portfolio Shares are subject to the standard corporation tax rate of 22% irrespective of ownership period.

The actual withholding tax rate is as a starting point 27%, while it can be reduced (0%, 15.4%, 22%) if certain requirements are met. A claim for repayment can be made within the calendar year in which the dividend distribution was approved or the excess tax will offset the corporation income tax for the year. The statute of limitations is three years.

Taxation of Shareholders Residing Outside Denmark

Holders of ADSs issued by Ascendis Pharma A/S are treated as holding listed ordinary shares in the company for Danish tax purposes.

Sale of the ADSs (Individuals and Companies)

Holders of the ADSs not resident in Denmark are normally not subject to Danish taxation on any gains realized on the sale of ADSs, irrespective of the ownership period, subject to certain anti-avoidance rules seeking to prevent that taxable dividend payments are converted to tax exempt capital gains.

No Danish share transfer tax or stamp duties are payable on transfer of ADSs.

If an investor holds the ADSs in connection with a trade or business conducted from a permanent establishment in Denmark, gains on shares may be included in the taxable income of such activities pursuant to the rules applying to Danish tax residents as described above.

Dividends (Individuals)

Dividends are generally subject to 27% Danish withholding tax. Individuals residing in certain black-listed countries and holding 25% or more of the share capital in the company are subject to 44% withholding tax.

Non-residents of Denmark are not subject to additional Danish income tax with respect to dividends received on shares.

Holders of ADSs are entitled to apply for a full or partial refund of Danish withholding tax on dividends withheld by the company, in the situations described below:

If the holders of the ADSs are considered beneficial owners of the dividends according to the applicable double tax treaty between Denmark and the tax residence country of the ADS holder, the withholding tax rate under such double tax treaty may apply to the extent the tax residency of the ADS holder can be documented.

For holders of ADSs (as beneficial owners of the dividends on the ordinary shares), if the withholding tax rate applied is higher than the applicable final tax rate (as reduced according to Danish law or an applicable double tax treaty) for the holder of ADSs, a request for a refund of Danish tax in excess hereof can be made in the following situations:

Reduction According to a Tax Treaty

In the event that the ADS holder is a resident of a state with which Denmark has entered into a tax treaty, the holder may generally, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15%. Denmark has entered into tax treaties with approximately 80 countries, including the United States, Switzerland and almost all members of the European Union. The tax treaty between Denmark and the United States generally provides for a 15% tax rate.

Individuals residing in certain black-listed countries and holding 25% or more of the share capital in the company are not eligible for refund of dividend withholding taxes.

Reduction According to Danish Tax Law

If the ADS holder holds less than 10% of the nominal share capital (in the form of ordinary shares in the company and not on the basis of the number of the ADSs issued) of the company and the ADS holder is tax resident in a state which has a tax treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the ADS holder is obligated to exchange information with Denmark, dividends are subject to tax at a rate of 15%. If the ADS holder is tax resident outside the European Union, it is an additional requirement for eligibility for the 15% tax rate that the ADS holder together with related ADS holders holds less than 10% of the nominal share capital of the company.

Note that the reduced tax rate does not affect the withholding rate, which is why the holder must claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident of Denmark holds shares which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applying to Danish tax residents described above.

Individuals residing in certain black-listed countries and holding 25% or more of the share capital in the company are not eligible for refund of dividend withholding taxes.

Dividends (Companies)

Dividends paid to companies are generally subject to 27% withholding tax.

Companies residing in certain black-listed countries and holding Subsidiary Shares or Group Shares are subject to 44% withholding tax, unless it can be proved that the beneficial owner of the dividend is a resident of the European Union or the EEA or a state with which Denmark has entered into a tax treaty. Furthermore, such companies are not eligible for refund of dividend withholding taxes.

Non-residents of Denmark are not subject to additional Danish income tax with respect to dividends received on shares. Holders of ADSs are entitled to apply for a refund of Danish withholding tax on dividends paid by the company as set out below.

If the holder of the ADSs is considered the beneficial owner of the dividends according to the applicable double tax treaty between Denmark and the tax residence country of the ADS holder, the withholding tax rate under such double tax treaty may apply to the extent the tax residency of the ADS holder can be documented.

Dividends from Subsidiary Shares are tax exempt provided that the taxation of the dividends is to be waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EEC) or in accordance with a tax treaty with the jurisdiction in which the company investor is resident. If Denmark is to reduce taxation of dividends to a foreign company under a tax treaty, Denmark will not—as a matter of domestic law—exercise such right and will in general not impose any tax at all. Further, dividends from Group Shares—not also being Subsidiary Shares—are exempt from Danish tax provided the company investor is a resident of the European Union or the EEA and provided the taxation of dividends should have been waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EEC) or in accordance with a tax treaty with the country in which the company investor is resident had the shares been Subsidiary Shares.

Dividends paid on both Tax-Exempt and Taxable Portfolio Shares are generally subject to tax at a rate of 22% irrespective of ownership period. While the actual withholding tax rate is as a starting point 27%, it can be reduced if certain requirements are met. If the withholding tax rate applied is higher than the applicable final tax rate for the ADS holder, a request for a refund of Danish tax in excess hereof can be made by the ADS holder in the following situations:

Reduction According to a Tax Treaty

In the event that the ADS holder is a resident of a state with which Denmark has entered into a tax treaty, the holder may generally, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15%. Denmark has entered into tax treaties with approximately 80 countries, including the United States and almost all members of the European Union. The tax treaty between Denmark and the United States generally provides for a 15% rate.

Companies residing in certain black-listed countries and holding Subsidiary Shares or Group Shares are not eligible for refund of dividend withholding taxes.

Reduction According to Danish Tax Law

If the ADS holder holds less than 10% of the nominal share capital (in the form of ordinary shares in the company and not on the basis of the number of the ADSs issued) in the company and the ADS holder is resident in a jurisdiction which has a tax treaty or an international agreement, convention or other administrative agreement on assistance in tax according to which the competent authority in the state of the ADS holder is obligated to exchange information with Denmark, dividends are generally subject to a tax rate of 15%. If the ADS holder is tax resident outside the European Union, it is an additional requirement for eligibility for the 15% tax rate that the ADS holder together with related ADS holders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate, hence, in this situation the ADS holder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident company of Denmark holds ADSs which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applying to Danish tax residents described above.

Companies residing in certain black-listed countries and holding Subsidiary Shares or Group Shares are not eligible for refund of dividend withholding taxes.

Share Transfer Tax and Stamp Duties

No Danish share transfer tax or stamp duties are payable on transfer of the shares.

Material U.S. Federal Income Tax Consequences to U.S. Holders

The following discussion describes the material U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of an investment in the ADSs. The effects of any applicable state or local laws, or other U.S. federal tax laws such as estate and gift tax laws, any alternative minimum taxes, or the Medicare contribution tax on net investment income, are not discussed. This summary applies only to U.S. Holders that hold the ADSs as capital assets (generally, property held for investment) and who have the U.S. dollar as their functional currency for U.S. federal income tax purposes. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, U.S. Treasury regulations promulgated thereunder, or the Treasury Regulations, judicial decisions, published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, and the income tax treaty between the United States and Denmark, or the Treaty, all as in effect as of the date of this annual report. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not address all U.S. federal income tax consequences relevant to a U.S. Holder's particular circumstances or to U.S. Holders subject to particular rules, including:

- U.S. expatriates and certain former citizens or long-term residents of the United States;
- persons whose functional currency is not the U.S. dollar;
- persons holding the ADSs as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- real estate investment trusts or regulated investment companies;
- brokers, dealers or traders in securities, commodities or currencies;
- partnerships, S corporations or other entities or arrangements treated as partnerships or pass-through entities for U.S. federal income tax purposes, and persons that hold ADSs through such entities or arrangements;
- tax-exempt organizations, "individual retirement accounts" or "Roth IRAs";
- governmental organizations;
- persons who acquired the ADSs pursuant to the exercise of any employee share option or otherwise as compensation;
- persons that own or are deemed to own 10% or more of the company's equity by vote or value;
- persons that hold their ADSs through a permanent establishment or fixed base outside the United States; and
- persons deemed to sell the ADSs under the constructive sale provisions of the Code.

U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE U.S. FEDERAL GIFT AND ESTATE AND U.S. STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE ADSs.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of the ADSs that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized under the laws of the United States, any state thereof or the District of Columbia;

- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code) or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes.

If you are a partner in a partnership (or other entity or arrangement taxable as a partnership for U.S. federal income tax purposes) that holds the ADSs, your tax treatment generally will depend on your status and the activities of the partnership. Partnerships holding the ADSs and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences applicable to them.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. Generally, a holder of an ADS should be treated for the U.S. federal income tax purposes as holding the ordinary shares represented by the ADS. Accordingly, no gain or loss will be recognized upon an exchange of ADSs for ordinary shares. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security. Accordingly, the creditability of foreign taxes, if any, as described below, could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and our company if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of underlying ordinary shares.

Taxation of Dividends and Other Distributions on the ADSs

Subject to the passive foreign investment company, or PFIC, rules discussed below, the gross amount of any distribution to you with respect to the ADSs will be included in your gross income as dividend income when actually or constructively received to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent the amount of the distribution exceeds our current and accumulated earnings and profits, it will be treated first as a return of your tax basis in the ADSs, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. However, we do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect a distribution will generally be reported as ordinary dividend income for such purposes. Any dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

If we are eligible for benefits under the Treaty, or if the ADSs are readily tradable on an established securities market in the United States, dividends a U.S. Holder receives from us generally will be “qualified dividend income.” If certain holding period and other requirements, including a requirement that we are not a PFIC in the year of the dividend or the immediately preceding year, are met, qualified dividend income of an individual or other non-corporate U.S. Holder generally will be subject to preferential tax rates. ADSs representing ordinary shares generally are considered for these purposes to be readily tradable on an established securities market in the United States if they are listed on The Nasdaq Global Select Market, as our ADSs currently are. You should consult your tax advisor regarding the availability of these preferential tax rates under your particular circumstances.

As discussed above in “Taxation—Danish Tax Considerations,” payments of dividends by us may be subject to Danish withholding tax. The rate of withholding tax applicable to U.S. Holders that are eligible for benefits under the Treaty is reduced to a maximum of 15%.

For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of withheld Danish taxes, and as then having paid over the withheld taxes to the Danish taxing authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from us with respect to the payment.

Dividends will generally constitute foreign-source income for foreign tax credit limitation purposes. Subject to the discussion of the PFIC rules below, any tax withheld with respect to distributions on the ADSs at the rate applicable to a U.S. Holder may, subject to a number of complex limitations, be claimed as a foreign tax credit against such U.S. Holder's U.S. federal income tax liability or may be claimed as a deduction for U.S. federal income tax purposes. Any amount withheld in excess of the tax rate applicable to a U.S. Holder generally is not eligible to be claimed as a foreign tax credit, regardless of whether such amount is actually refunded or reclaimed. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to the ADSs generally will constitute "passive category income." Certain Treasury Regulations may restrict the availability of a foreign tax credit based on the nature of the tax imposed by the foreign jurisdiction. However, under current IRS guidance, taxpayers generally may elect to determine the creditability of foreign taxes without regard to such restrictions for taxable years ending prior to the year further guidance is issued. The rules with respect to the foreign tax credit are complex and involve the application of rules that depend upon a U.S. Holder's particular circumstances. You are urged to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

Taxation of Disposition of the ADSs

Subject to the PFIC rules discussed below, you will recognize gain or loss on any sale, exchange or other taxable disposition of an ADS equal to the difference between the amount realized (in U.S. dollars) on the disposition of the ADS and your tax basis (in U.S. dollars) in the ADS. Any such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if you have held the ADS for more than one year at the time of sale, exchange or other taxable disposition. Otherwise, such gain or loss will be short-term capital gain or loss. Long-term capital gains recognized by certain non-corporate U.S. Holders, including individuals, generally will be taxable at a reduced rate. The deductibility of capital losses is subject to limitations. Any such gain or loss you recognize generally will be treated as U.S.-source income or loss for foreign tax credit limitation purposes. You should consult your tax advisor regarding the proper treatment of gain or loss in your particular circumstances.

Passive Foreign Investment Company

Under the Code and Treasury Regulations, the determination of PFIC status is fact-specific and cannot be made until after the close of the taxable year in question. Based on our market capitalization and the composition of our income, assets and operations, we do not believe we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2024. However, this is a factual determination, and the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you we will not be a PFIC for any taxable year. A non-U.S. corporation will be considered a PFIC for any taxable year if either:

- at least 75% of its gross income for such taxable year is passive income (as defined in the relevant provisions of the Code), or
- at least 50% of the value of its assets (generally based on an average of the quarterly values of the assets during such taxable year) is attributable to assets that produce or are held for the production of passive income.

For purposes of the above calculations, if a non-U.S. corporation owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, it will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. Passive income generally includes dividends, interest, rents, royalties and capital gains, but generally excludes rents and royalties which are derived in the active conduct of a trade or business and which are received from a person other than a related person.

A separate determination must be made each taxable year as to whether we are a PFIC (after the close of each such taxable year). Because the value of our assets, including unbooked goodwill, for purposes of the asset test will generally be determined by reference to the market price of the ADSs, our PFIC status will depend in large part on the market price of the ADSs, which may fluctuate significantly. In addition, changes in the composition of our income or assets may cause us to become a PFIC. For these reasons, we cannot assure you we will not be a PFIC for any taxable year.

If we are a PFIC for any year during which you hold the ADSs, we generally will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold the ADSs, regardless of whether we continue to meet the income or asset tests described above, unless we cease to be a PFIC and you make a “deemed sale” election with respect to the ADSs you hold. If such election is made, you will be deemed to have sold the ADSs you hold at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain from such deemed sale would be subject to the consequences described below. After the deemed sale election, the ADSs with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

For each taxable year we are treated as a PFIC with respect to you, you will be subject to special tax rules with respect to any “excess distribution” (as defined below) you receive and any gain you realize from a sale or other disposition (including a pledge) of the ADSs, unless you make a “mark-to-market” election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs will be treated as an “excess distribution.” Under these special tax rules, if you receive any “excess distribution” or realize any gain from a sale or other disposition of the ADSs:

- the “excess distribution” or gain will be allocated ratably over your holding period for the ADSs,
- the amount allocated to the current taxable year, and any taxable year before the first taxable year in your holding period in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to the highest income tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

Gains (but not losses) realized on the sale of the ADSs cannot be treated as capital gains, even if you hold the ADSs as capital assets.

If we are treated as a PFIC with respect to you for any taxable year, to the extent we own directly or indirectly equity in any non-U.S. corporations that are also PFICs, you will be deemed to own your proportionate share of any such lower-tier PFIC, and you may be subject to the rules described in the preceding two paragraphs with respect to the shares of such lower-tier PFICs you would be deemed to own. As a result, you may incur liability for any “excess distribution” described above if we receive a distribution from such lower-tier PFICs or if any shares in such lower-tier PFICs are disposed of (or deemed disposed of). You should consult your tax advisor regarding the application of the PFIC rules to any lower-tier PFICs.

Alternatively, a U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a “mark-to-market” election for such stock to elect out of the general tax treatment for PFICs discussed above. If you make a “mark-to-market” election for the ADSs, you will include in income for each year we are a PFIC an amount equal to the excess, if any, of the fair market value of the ADSs as of the close of your taxable year over your adjusted basis in such ADSs. You are allowed a deduction for the excess, if any, of the adjusted basis of the ADSs over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net “mark-to-market” gains on the ADSs included in your income for prior taxable years. Amounts included in your income under a “mark-to-market” election, as well as gain on the actual sale or other disposition of the ADSs, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any “mark-to-market” loss on the ADSs, as well as to any loss realized on the actual sale or disposition of the ADSs to the extent the amount of such loss does not exceed the net “mark-to-market” gains previously included for the ADSs. Your basis in the ADSs will be adjusted to reflect any such income or loss amounts. If you make a valid “mark-to-market” election, the tax rules that apply to distributions by corporations that are not PFICs would apply to distributions by us, except the lower applicable tax rate for qualified dividend income would not apply. If we cease to be a PFIC when you have a “mark-to-market” election in effect, gain or loss realized by you on the sale of the ADSs will be a capital gain or loss and taxed in the manner described above under “Taxation of Disposition of the ADSs.”

The “mark-to-market” election is available only for “marketable stock,” which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter, or regularly traded, on a qualified exchange or other market, as defined in applicable Treasury Regulations. Any trades that have as their principal purpose meeting this requirement will be disregarded. The ADSs are listed on The Nasdaq Global Select Market and, accordingly, provided the ADSs are regularly traded, if you are a holder of ADSs, the “mark-to-market” election would be available to you if we are a PFIC. Once made, the election cannot be revoked without the consent of the IRS unless the ADSs cease to be “marketable stock.” If we are a PFIC for any year in which the U.S. Holder owns ADSs but before a “mark-to-market” election is made, the interest charge rules described above will apply to any “mark-to-market” gain recognized in the year the election is made. The “mark-to-market” election may not be available with respect to the shares of lower-tier PFICs that are treated as owned by you. Consequently, you could be subject to the PFIC rules with respect to income of the lower-tier PFICs the value of which already had been taken into account indirectly via “mark-to-market” adjustments. A U.S. Holder should consult its tax advisors as to the availability and desirability of a “mark-to-market” election, as well as the impact of such election on interests in any lower-tier PFICs.

In certain circumstances, a U.S. Holder of stock in a PFIC can make a “qualified electing fund election” to mitigate some of the adverse tax consequences of holding stock in a PFIC by including in income its share of the corporation’s income on a current basis. However, we do not currently intend to prepare or provide the information that would enable you to make a “qualified electing fund election.”

Unless otherwise provided by the U.S. Treasury, each U.S. shareholder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. A U.S. Holder’s failure to file the annual report will cause the statute of limitations for such U.S. Holder’s U.S. federal income tax return to remain open with regard to the items required to be included in such report until three years after the U.S. Holder files the annual report, and, unless such failure is due to reasonable cause and not willful neglect, the statute of limitations for the U.S. Holder’s entire U.S. federal income tax return will remain open during such period. U.S. Holders should consult their tax advisors regarding the requirements of filing such information returns under these rules, taking into account the uncertainty as to whether we are currently treated as or may become a PFIC.

YOU ARE STRONGLY URGED TO CONSULT YOUR TAX ADVISOR REGARDING THE APPLICATION OF THE PFIC RULES TO YOUR INVESTMENT IN THE ADSs.

Information Reporting and Backup Withholding

Distributions with respect to the ADSs and proceeds from the sale, exchange or other disposition of the ADSs may be subject to information reporting to the IRS and U.S. backup withholding. Certain U.S. Holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and such holder:

- fails to furnish the holder’s taxpayer identification number, which for an individual is ordinarily his or her social security number;
- furnishes an incorrect taxpayer identification number;
- is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the U.S. Holder’s U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Additional Reporting Requirements

Tax return disclosure obligations (and related penalties for failure to disclose) apply to certain U.S. Holders who hold certain specified foreign financial assets in excess of certain thresholds. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also may include the ADSs. U.S. Holders should consult their tax advisors regarding the possible implications of these tax return disclosure obligations.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

We are subject to the periodic reporting and other informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F no later than four months after the close of each fiscal year, which is December 31. The SEC maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and major shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

The Company intends to submit any annual report provided to security holders in electronic format as an exhibit to a report on Form 6-K.

Item 11 Quantitative and Qualitative Disclosures About Market Risk

Our activities expose us to market risks related to changes in foreign currency exchange rates and interest rates. We do not enter into derivative financial instruments to manage our exposure to such risks. Further, we are exposed to credit risk, liquidity risk and inflation risk. For a description of our exposure to market risks, credit risk and liquidity risk, refer to Note 16, "Financial Assets and Liabilities." Inflation affects us as our vendors may pass on any increased costs to us and accordingly increase our R&D costs, SG&A expenses and cost of manufacturing. We do not believe that inflation had a material impact on our results of operation for the years ended December 31, 2024 and 2023.

Item 12 Description of Securities Other than Equity Securities**A. Debt Securities.**

Not applicable.

B. Warrants and Rights.

Not applicable.

C. Other Securities.

Not applicable.

D. American Depositary Shares.

The Bank of New York Mellon, as depositary, registers and delivers American Depositary Shares, also referred to as ADSs. Each ADS represents one ordinary share (or a right to receive one ordinary share) deposited with The Bank of New York Mellon, London Branch, or any successor, as custodian for the depositary. Each ADS also represents any other securities, cash or other property which may be held by the depositary in respect of the depositary facility. The depositary's corporate trust office at which the ADSs are administered and its principal executive office is located at 240 Greenwich Street, New York, New York 10286.

A deposit agreement among us, the depositary and you the ADS holders sets out ADS holder rights as well as the rights and obligations of the depositary. A copy of the deposit agreement is incorporated by reference as an exhibit to this annual report.

Fees and Expenses

Pursuant to the terms of the deposit agreement, the holders of ADSs will be required to pay the following fees:

Persons depositing or withdrawing ordinary shares or ADSs must pay:

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

\$0.05 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and the shares had been deposited for issue of ADSs

\$0.05 (or less) per ADS per calendar year

Registration or transfer fees

Expenses of the depositary

Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, share transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depositary or its agents for servicing the deposited securities

For:

- Issue of ADSs, including issues resulting from a distribution of ordinary shares or rights or other property
- Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
- Any cash distribution to you
- Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to you
- Depositary services
- Transfer and registration of ordinary shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
- Cable, (including SWIFT), telex and facsimile transmissions (when expressly provided in the deposit agreement)
- Converting foreign currency to U.S. dollars
- As necessary
- As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide for-fee services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse or share revenue from the fees collected from ADS holders, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the ADS program. In performing its duties under the deposit agreement, the depositary may use brokers, dealers or other service providers that are affiliates of the depositary and that may earn or share fees or commissions.

PART II

Item 13 Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14 Material Modification to the Rights of Security Holders and Use of Proceeds

A. Material Modifications to the Rights of Securities Holders

Not applicable.

B. Use of Proceeds

Not applicable.

Item 15 Controls and Procedures

A. Disclosure Controls and Procedures

Our chief executive officer and principal financial and accounting officers, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of December 31, 2024, have concluded that based on the evaluation of these controls and procedures required by Rule 13a-15(b) of the Exchange Act, our disclosure controls and procedures were effective.

B. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting.

Internal control over financial reporting is defined in rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the audited consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect material misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. This assessment was performed under the directions and supervision of our Chief Executive Officer and our principal financial and accounting officers and based on the criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

A material weakness is a control deficiency, or a combination of control deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected. These control deficiencies could result in a misstatement of the financial statement accounts or related disclosures that would result in a material misstatement in the annual or interim consolidated financial statements that would not be prevented or detected on a timely basis. Based on management’s assessment of those criteria, management has concluded that the design and operating effectiveness of our internal control over financial reporting was effective as of December 31, 2024.

C. Attestation Report of the Registered Public Accounting Firm

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by Deloitte Statsautoriseret Revisionspartnerselskab, an independent registered public accounting firm, as stated in their report, which appears in Item 18 below.

D. Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Item 16A Audit Committee Financial Expert

Mr. Lars Holtug, an independent director under Nasdaq Rule 5605(a)(2) and Rule 10A-3 of the Exchange Act and a member of the Audit Committee, qualifies as an “audit committee financial expert,” as defined in Item 16A(b) of Form 20-F and as determined by our board of directors.

Item 16B Code of Ethics

We have adopted a code of business conduct and ethics that applies to all of our employees, members of our senior management and members of our board of directors, including those members of our senior management responsible for financial reporting. Our code of ethics is posted on our Company website at: <http://www.ascendispharma.com>. We will disclose any substantive amendments to the code of business conduct and ethics, or any waiver of its provisions, on our website. The reference to our website does not constitute incorporation by reference of the information contained at or available through our website.

Item 16C Principal Accountant Fees and Services

The following table sets forth, for each of the years indicated, the fees billed by our independent public accountants and the percentage of each of the fees out of the total amount billed by the accountants.

	Year ended December 31, 2024		Year ended December 31, 2023	
	(EUR'000)	%	(EUR'000)	%
Audit fees	811	77	739	86
Audit-related fees	147	14	—	—
Tax fees	91	9	122	14
Total	1,049	100	861	100

Audit Fees are defined as the standard audit work that needs to be performed each year to issue opinions on our consolidated financial statements and to issue reports on our local statutory financial statements. Also included are services that can only be provided by our auditor, such as reviews of quarterly financial results, consents and comfort letters and any other audit services required for SEC or other regulatory filings.

Audit Related Fees include those other assurance services provided by the independent auditor but not restricted to those that can only be provided by the auditor signing the audit report.

Tax Fees relate to the aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning.

All Other Fees are any additional amounts billed for products and services provided by the principal accountant.

Pre-Approval Policies and Procedures for Non-Audit Services

Our Audit Committee has adopted a policy pursuant to which we will not engage our auditors to perform any non-audit services unless the audit committee pre-approves the service.

Item 16D Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F Change in Registrant's Certifying Accountant

None.

Item 16G Corporate Governance

The Sarbanes-Oxley Act of 2002, as well as related rules subsequently implemented by the SEC, requires foreign private issuers, including our Company, to comply with various corporate governance practices. In addition, Nasdaq rules provide that foreign private issuers may follow home country practice in lieu of the Nasdaq corporate governance standards, subject to certain exceptions and except to the extent that such exemptions would be contrary to U.S. federal securities laws. In addition to the home country practices described under "Item 6 C. Directors, Senior Management and Employees—Board Practices", the home country practices followed by our Company in lieu of Nasdaq rules are described below:

- We do not intend to follow Nasdaq's quorum requirements applicable to meetings of shareholders. In accordance with Danish corporate law and generally accepted business practice, our articles of association do not provide quorum requirements generally applicable to general meetings of shareholders.
- We do not intend to follow Nasdaq's requirements regarding the provision of proxy statements for general meetings of shareholders. Danish corporate law does not have a regulatory regime for the solicitation of proxies and the solicitation of proxies is not a generally accepted business practice in Denmark. We intend to provide shareholders with an agenda and other relevant documents for the general meeting of shareholders.
- We do not intend to follow Nasdaq's requirements regarding shareholder approval for certain issuances of securities under Nasdaq Rule 5635. Pursuant to Danish corporate law, our shareholders have authorized our board of directors to issue securities including in connection with certain events such as the acquisition of shares or assets of another company, the establishment of or amendments to equity-based compensation plans for employees, a change of control of us, rights issues at or below market price, certain private placements and issuance of convertible notes. We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act of 2002, the rules adopted by the SEC and Nasdaq's listing standards. As a Danish company not listed on a regulated market within the EU/EEA, we do not need to comply with the Danish corporate governance principles nor do we need to explain any deviation from these provisions in our Danish statutory annual report.

- We do not intend to follow Nasdaq’s requirements regarding shareholder approval for all equity compensation plans. Generally, Nasdaq Rule 5635(c) requires each issuer to obtain shareholder approval of all equity compensation plans (including warrant incentive plans) and material amendments to such plans. However, pursuant to Nasdaq Rule 5615(a)(3), we have elected to follow our home country’s practices (in this case, being Danish practices) in lieu of the requirements of Nasdaq Rule 5635(c). Our home country practices do not require us to obtain shareholders’ approval for amendments to our existing warrant incentive program.

Because we are a foreign private issuer, our members of our board of directors, executive board members and senior management are not subject to short-swing profit and insider trading reporting obligations under section 16 of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. They will, however, be subject to the obligations to report changes in share ownership under section 13 of the Exchange Act and related SEC rules.

Item 16H Mine Safety Disclosure

Not applicable.

Item 16I Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J Insider Trading Policies

We have adopted an insider trading policy governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees. A copy of the insider trading policy is filed as an exhibit to this annual report.

Item 16K Cybersecurity

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to safeguard the confidentiality and integrity of the information we collect and process, prevent unauthorized access to our information technology (“IT”) systems and data, and ensure availability of our IT systems and data according to defined business requirements. Our cybersecurity risk management program includes a cybersecurity incident response plan.

Our Information Security Policy for Global IT outlines the organizational responsibilities for maintaining a strong security posture for our IT systems and sets forth the IT security measures and controls that are required to be in place. This policy covers all IT systems that process Company information. Our Security Management team is responsible for ensuring internal security compliance and for managing IT vendors.

We have designed our security program around the International Organization for Standardization/International Electrotechnical Commission (“ISO/IEC”) 27001 standard on a strategic and tactical level, while our operational program is maintained in accordance with the Center for Internet Security (“CIS”) Critical Security Controls framework. This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the ISO/IEC and CIS Controls standards as guides to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes; (2) our security controls; and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- a defined process for registration, classification and escalation of any incidents to a named IT Incident Manager and incident response team, which includes relevant members of the IT management team, the compliance team, business process owners and potentially external vendors;
- security awareness campaigns for Company employees via various channels (intranet, direct mail, screen savers, etc.); and
- secure access control measures applied to critical IT systems, equipment and devices, designed to prevent unauthorized users, processes, and devices from accessing IT systems and data.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition.

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated the oversight of cybersecurity and other information technology risks to the executive board. The executive board oversees the Security Management team's implementation of our cybersecurity risk management program.

The executive board receives regular updates from the Security Management team on our cybersecurity risks. In addition, the Security Management team updates the executive board, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.

The executive board reports to the full Board regarding its activities, including those related to cybersecurity. The full Board also receives briefings from management on our cyber risk management program. Board members receive presentations on cybersecurity topics from our Security Management team, internal security staff and external experts as part of the Board's continuing education on topics that impact public companies.

Our Security Management team is chaired by the Chief Information Officer and includes the Head of IT Compliance, IT Operations/Infrastructure and Cyber Security, and is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our Security Management team's background includes experience in regulatory compliance, cloud computing and infrastructure, and cyber incident response.

Our Security Management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel, threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us, as well as alerts and reports produced by security tools deployed in our IT environment.

Our executive management that is part of the Corporate Management Group signs off on the overall strategic direction for IT security and ensures alignment with our overall business strategy.

We have also established a Security Organization Unit to ensure alignment across key security functions in our organization. The Security Organization Unit is chaired by the Chief Information Officer and includes representatives from Foundational Technology and IT Compliance.

It is the responsibility of the Security Organization Unit to approve the Company's IT security roadmap, ensure allocation and prioritization of resources, and to act as the escalation point for IT security matters.

A named IT manager is assigned the responsibility of maintaining IT security across our global organization. This responsibility includes defining and driving IT security roadmap initiatives, defining and implementing activities needed to drive an IT security awareness program, supporting the assessment of new IT systems and vendors, and acting as the leader and point person in the event of a major security incident.

Operational responsibility resides with the related product teams. The product teams are responsible for ensuring effective and updated security technologies are used in the day-to-day operational procedures, and for maintaining, operating and implementing applications and technologies securely across business areas within the Company.

PART III

Item 17 Financial Statements

See “Item 18 Financial Statements.”

Item 18 Financial Statements

ASCENDIS PHARMA A/S

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	F-2
<u>Consolidated Statements of Profit or (Loss) and Other Comprehensive Income or (Loss) for the Years Ended December 31, 2024, 2023 and 2022</u>	F-5
<u>Consolidated Statements of Financial Position at December 31, 2024 and 2023</u>	F-6
<u>Consolidated Statements of Changes in Equity at December 31, 2024, 2023 and 2022</u>	F-7
<u>Consolidated Cash Flow Statements for the Years Ended December 31, 2024, 2023 and 2022</u>	F-8
<u>Notes to the Consolidated Financial Statements</u>	F-9



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Ascendis Pharma A/S

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Ascendis Pharma A/S and subsidiaries (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of profit or (loss) and other comprehensive income or (loss), the consolidated statements of changes in equity, and the consolidated cash flow statements for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

Basis for Opinions

The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue and provisions – US commercial sales deductions – Refer to Notes 2 and 3 to the financial statements

Critical Audit Matter Description

In the United States (US), the Company has entered into pricing agreements that include sales deductions such as prompt pay discounts, shelf stock adjustments and applicable sales rebates attributable to various commercial arrangements, managed healthcare organizations, government programs, and co-pay arrangements. As such, revenue recognition includes variable consideration in the form of sales deductions related to these agreements. Provisions are recognized for the unsettled parts and are a source of significant estimation uncertainty which could have a material impact on reported revenue.

We identified US commercial sales deductions as a critical audit matter due to the significant measurement uncertainty involved in developing the estimates used for these provisions for unsettled sales deductions, as the provisions are based on payer channel mix, current contract prices under eligible programs and current inventory levels in the distribution channels. In addition, significant judgments are involved in determining whether a significant reversal in the amount of revenue recognized will not occur due to commercial arrangements generally being settled within 180 days of the transaction date. This led to significant auditor judgment, effort and subjectivity in applying procedures relating to the Company's estimate of these provisions.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to US commercial sales deductions included the following, among others:

- We tested the effectiveness of controls over US commercial sales deductions, including controls over the assumptions and data used to estimate these deductions;
- We evaluated whether the accounting treatment of US commercial sales deductions is consistent with the relevant accounting standards and the appropriateness of the Company's methodology to develop the estimates used for their sales deductions provisions based on payer channel mix, current contract prices under eligible programs and current inventory levels in the distribution channels;

- We selected a sample of US commercial sales deductions claims processed by the Company, and evaluated those claims for consistency with the conditions and terms of the Company's commercial and governmental pricing agreements;
- We tested the overall reasonableness of the US commercial sales deductions provisions recorded at period-end by developing an independent expectation and comparing our expectation to the amount recorded by management; and
- We evaluated the Company's ability to estimate US commercial sales deductions accurately by considering the historical accuracy of the Company's estimates in the prior year compared to the actual claims information received in the current year.

/s/ Deloitte Statsautoriseret Revisionspartnerselskab

Copenhagen, Denmark

February 12, 2025

We have served as the Company's auditor since 2007.

**Consolidated Statements of Profit or (Loss) and Other Comprehensive Income or (Loss) for the
Years Ended December 31**

	Notes	2024	2023	2022
		(EUR'000)		
Consolidated Statement of Profit or (Loss)				
Revenue	4	363,641	266,718	51,174
Cost of sales	6, 11	44,258	44,395	12,137
Gross profit		319,383	222,323	39,037
Research and development costs	6, 11	307,004	413,454	379,624
Selling, general, and administrative expenses	6, 11	291,142	264,410	221,227
Operating profit/(loss)		(278,763)	(455,541)	(561,814)
Share of profit/(loss) of associates	12	(20,060)	(18,395)	(17,697)
Finance income	16	25,609	43,857	52,181
Finance expenses	16	100,027	44,065	50,487
Profit/(loss) before tax		(373,241)	(474,144)	(577,817)
Income taxes (expenses)	9	(4,843)	(7,303)	(5,377)
Net profit/(loss) for the year		(378,084)	(481,447)	(583,194)
Attributable to owners of the Company		(378,084)	(481,447)	(583,194)
Basic and diluted earnings/(loss) per share		€ (6.53)	€ (8.55)	€ (10.40)
Number of shares used for calculation (basic and diluted) ⁽¹⁾		57,891,570	56,287,060	56,071,793
(EUR'000)				
Consolidated Statement of Comprehensive Income or (Loss)				
Net profit/(loss) for the year		(378,084)	(481,447)	(583,194)
Other comprehensive income/(loss)				
<i>Items that may be reclassified subsequently to profit or (loss):</i>				
Exchange differences on translating foreign operations		1,062	(2,731)	(327)
Other comprehensive income/(loss) for the year, net of tax		1,062	(2,731)	(327)
Total comprehensive income/(loss) for the year, net of tax		(377,022)	(484,178)	(583,521)
Attributable to owners of the Company		(377,022)	(484,178)	(583,521)

(1) As of December 31, 2024, 2023 and 2022, a total of 6,204,122, 6,523,784 and 6,864,011 warrants outstanding, respectively, each carrying the right to subscribe for one ordinary share, and 575,000 convertible senior notes which can potentially be converted into 3,456,785 ordinary shares, can potentially dilute earnings per share in the future but have not been included in the calculation of diluted earnings per share because they are antidilutive for the years presented.

Consolidated Statements of Financial Position as of

	<u>Notes</u>	<u>December 31, 2024</u>	<u>December 31, 2023 (Restated)⁽¹⁾</u>	<u>January 1, 2023 (Restated)⁽¹⁾</u>
(EUR'000)				
Assets				
Non-current assets				
Intangible assets	5, 10	4,028	4,419	4,828
Property, plant and equipment	5, 11	98,714	110,634	129,095
Investments in associates	12	13,575	5,686	22,932
Other receivables	16	2,317	2,127	1,920
Marketable securities	16, 17	—	—	7,492
		<u>118,634</u>	<u>122,866</u>	<u>166,267</u>
Current assets				
Inventories	13	295,609	208,931	130,673
Trade receivables	16	166,280	35,874	11,910
Income tax receivables		1,775	802	883
Other receivables	16	9,385	19,097	12,833
Prepayments		28,269	38,578	31,717
Marketable securities	16, 17	—	7,275	290,688
Cash and cash equivalents	16, 17	559,543	392,164	444,767
		<u>1,060,861</u>	<u>702,721</u>	<u>923,471</u>
Total assets		<u>1,179,495</u>	<u>825,587</u>	<u>1,089,738</u>
Equity and liabilities				
Equity				
Share capital	17	8,149	7,749	7,675
Distributable equity		(113,855)	(153,446)	255,673
Total equity		<u>(105,706)</u>	<u>(145,697)</u>	<u>263,348</u>
Non-current liabilities				
Borrowings	16, 17	365,080	222,996	95,400
Contract liabilities	14	5,000	5,949	14,213
Deferred tax liabilities	9	7,258	5,830	—
		<u>377,338</u>	<u>234,775</u>	<u>109,613</u>
Current liabilities				
<i>Convertible notes, matures in April 2028</i>				
Borrowings	16, 17	458,207	407,095	399,186
Derivative liabilities	16, 17	150,670	143,296	157,950
		<u>608,877</u>	<u>550,391</u>	<u>557,136</u>
Other current liabilities				
Borrowings	16, 17	33,329	14,174	13,791
Contract liabilities	14	936	1,184	—
Trade payables and accrued expenses	16, 17	96,394	94,566	101,032
Other liabilities		67,956	41,176	31,989
Income tax payables		1,222	2,299	5,490
Provisions	15	99,149	32,719	7,339
		<u>298,986</u>	<u>186,118</u>	<u>159,641</u>
		<u>907,863</u>	<u>736,509</u>	<u>716,777</u>
Total liabilities		<u>1,285,201</u>	<u>971,284</u>	<u>826,390</u>
Total equity and liabilities		<u>1,179,495</u>	<u>825,587</u>	<u>1,089,738</u>

(1) Restatement relates to adoption of amendments to IAS 1, "Presentation of Financial Statements." Refer to Note 2 for further details.

Consolidated Statements of Changes in Equity

	Distributable Equity					Total
	Share Capital	Share Premium	Treasury shares	Foreign Currency Translation Reserve	Accumulated Deficit	
	(EUR '000)					
Equity at January 1, 2022	7,646	2,107,739	(21)	3,779	(1,235,508)	883,635
Net profit/(loss) for the year	—	—	—	—	(583,194)	(583,194)
Other comprehensive income/(loss), net of tax	—	—	—	(327)	—	(327)
Total comprehensive income/(loss)	—	—	—	(327)	(583,194)	(583,521)
Transactions with Owners						
Share-based payment (Note 7)	—	—	—	—	64,180	64,180
Acquisition of treasury shares	—	—	(134)	—	(105,965)	(106,099)
Transfer under stock incentive programs	—	—	6	—	(6)	—
Capital increase	29	5,124	—	—	—	5,153
Equity at December 31, 2022	7,675	2,112,863	(149)	3,452	(1,860,493)	263,348
Net profit/(loss) for the year	—	—	—	—	(481,447)	(481,447)
Other comprehensive income/(loss), net of tax	—	—	—	(2,731)	—	(2,731)
Total comprehensive income/(loss)	—	—	—	(2,731)	(481,447)	(484,178)
Transactions with Owners						
Share-based payment (Note 7)	—	—	—	—	66,660	66,660
Transfer under stock incentive programs	—	—	3	—	(3)	—
Net settlement under stock incentive programs	—	—	—	—	(1,812)	(1,812)
Capital increase	74	10,211	—	—	—	10,285
Equity at December 31, 2023	7,749	2,123,074	(146)	721	(2,277,095)	(145,697)
Net profit/(loss) for the year	—	—	—	—	(378,084)	(378,084)
Other comprehensive income/(loss), net of tax	—	—	—	1,062	—	1,062
Total comprehensive income/(loss)	—	—	—	1,062	(378,084)	(377,022)
Transactions with Owners						
Share-based payment (Note 7)	—	—	—	—	95,512	95,512
Transfer under stock incentive programs	—	—	33	—	(33)	—
Capital increase (Note 17)	400	340,392	—	—	—	340,792
Cost of capital increase	—	(19,291)	—	—	—	(19,291)
Equity at December 31, 2024	8,149	2,444,175	(113)	1,783	(2,559,700)	(105,706)

Consolidated Cash Flow Statements for the Years Ended December 31

	Notes	2024	2023 (EUR'000)	2022
Operating activities				
Net profit/(loss) for the year		(378,084)	(481,447)	(583,194)
Reversal of finance income		(25,609)	(43,857)	(52,181)
Reversal of finance expenses		100,027	44,065	50,487
Reversal of (gain)/loss on disposal of property, plant and equipment		(91)	5	22
Reversal of income taxes (expenses)		4,843	7,303	5,377
Adjustments for non-cash items:				
Non-cash consideration relating to revenue		(27,069)	(2,354)	(2,547)
Share of (profit)/loss of associates		20,060	18,395	17,697
Share-based payment		95,512	66,660	64,180
Depreciation		17,247	18,428	17,514
Impairment of property, plant and equipment		—	7,834	—
Amortization		467	483	444
Changes in working capital:				
Inventories		(86,678)	(78,258)	(55,268)
Receivables		(118,607)	(32,773)	(11,531)
Prepayments		10,392	(11,413)	(6,409)
Contract liabilities		(1,197)	(7,080)	8,648
Trade payables, accrued expenses and other liabilities		26,965	3,551	45,943
Increase/(decrease) in provisions		61,968	26,187	6,145
Cash flows generated from/(used in) operations		(299,854)	(464,271)	(494,673)
Finance income received		14,374	17,048	8,271
Finance expenses paid		(15,205)	(15,672)	(9,294)
Income taxes received/(paid)		(5,512)	(4,466)	(3)
Cash flows from/(used in) operating activities		(306,197)	(467,361)	(495,699)
Investing activities				
Proceeds from disposal of property, plant and equipment		950	51	—
Acquisition of intangible assets and property, plant and equipment		(1,427)	(2,442)	(14,489)
Reimbursement for acquisition of property, plant and equipment		—	—	9,535
Purchase of marketable securities		—	—	(213,842)
Settlement of marketable securities		7,353	288,865	280,528
Cash flows from/(used in) investing activities		6,876	286,474	61,732
Financing activities				
Repayment of borrowings		(11,365)	(10,438)	(6,356)
Net proceeds from borrowings	16	134,158	136,256	503,281
Proceeds from exercise of warrants		30,514	10,286	5,153
Proceeds from follow-on public offering		309,913	—	—
Costs of follow-on public offering		(19,291)	—	—
Acquisitions of treasury shares, net of transactions costs		—	—	(105,305)
Payment of withholding taxes under stock incentive programs		—	(1,812)	—
Cash flows from/(used in) financing activities		443,929	134,292	396,773
Increase/(decrease) in cash and cash equivalents		144,608	(46,595)	(37,194)
Cash and cash equivalents at January 1		392,164	444,767	446,267
Effect of exchange rate changes on balances held in foreign currencies		22,771	(6,008)	35,694
Cash and cash equivalents at December 31		559,543	392,164	444,767
Cash and cash equivalents include:				
Bank deposits		559,543	392,164	427,810
Short-term marketable securities		—	—	16,957
Cash and cash equivalents at December 31		559,543	392,164	444,767

Notes to the Consolidated Financial Statements

Note 1—General Information

Ascendis Pharma A/S, together with its subsidiaries, is a global biopharmaceutical company focused on applying its innovative TransCon technology platform to make a meaningful difference for patients. Ascendis Pharma A/S was incorporated in 2006 and is headquartered in Hellerup, Denmark. Unless the context otherwise requires, references to the “Company,” “we,” “us,” and “our,” refer to Ascendis Pharma A/S and its subsidiaries.

The address of the Company’s registered office is Tuborg Boulevard 12, DK-2900 Hellerup, Denmark. The Company’s registration number in Denmark is 29918791.

On February 2, 2015, the Company completed an initial public offering which resulted in the listing of American Depositary Shares (“ADSs”), representing the Company’s ordinary shares, under the symbol “ASND” in the United States on The Nasdaq Global Select Market.

The Company’s Board of Directors (or “Board”) approved these consolidated financial statements on February 12, 2025.

Note 2—Summary of Material Accounting Policies

Basis of Preparation

The consolidated financial statements are prepared in accordance with the IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and as adopted by the European Union (the “EU”).

The accounting policies applied when preparing the consolidated financial statements are described in detail below and are applied for all group entities. Significant accounting judgements and sources of estimation uncertainties used when exercising the accounting policies are described in Note 3, “Significant Accounting Judgements and Estimates.”

These consolidated financial statements have been prepared under the historical cost convention, apart from certain financial instruments that are measured at fair value at initial recognition.

New and Amended IFRS Accounting Standards and Interpretations

The Company has applied amendments to paragraphs 69 to 76 of IAS 1, “Presentation of Financial Statements,” which was effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively. The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The convertible senior notes (“convertible notes”) include an embedded equity conversion option which is not deemed closely related to the financial liability and was initially recognized and measured separately at fair value as derivative liabilities based on the stated terms upon issuance of the convertible notes. The conversion option is classified as a foreign currency conversion option and thus not convertible into a fixed number of shares for a fixed amount of cash. Accordingly, the conversion option is subsequently recognized and measured as a derivative liability at fair value through profit or loss, with any subsequent remeasurement gains or losses recognized as part of finance income or expenses.

Since the embedded derivative is not an equity instrument under IFRS, the amendments require the convertible notes (presented as part of borrowings in the statement of financial position) and derivative liabilities, presented as non-current liabilities as of December 31, 2023, to be presented as current liabilities. The amendments require presentation of the convertible notes as current liabilities even though: the initial conversion price of \$166.34 per ADS is not met; the conversion would not require cash settlement; and, the convertible notes do not mature until April 1, 2028. Further details, including (cash) maturity analysis are provided in Note 16, “Financial Assets and Liabilities.” On December 31, 2023, the carrying amount of convertible notes and derivative liabilities were €407.1 million and €143.3 million, respectively. Comparative amounts have been reclassified to reflect the change to presentation, including a third statement of financial position as of the beginning of the preceding period i.e. January 1, 2023.

On December 31, 2023, lease liabilities were presented separately in the consolidated statements of financial position. As of December 31, 2023, carrying amount of lease liabilities was €84.6 million and €14.2 million, for non-current liabilities and current liabilities, respectively. Since March 31, 2024, lease liabilities are presented as part of borrowings in the consolidated statements of financial position. Comparative amounts have been reclassified to reflect the change in presentation.

Accordingly, since March 31, 2024, borrowings comprise convertible notes, royalty funding liabilities, and lease liabilities, where convertible notes are presented separately as “Current liabilities - Convertible notes, matures in 2028.” The change to presentation had no other impact on the consolidated financial statements. Refer to Note 16, “Financial Assets and Liabilities” for a specification of borrowings.

The applied amendments had no other impact on the consolidated financial statements.

Other IFRS Accounting Standards and Interpretations

Other amendments apply for the first time in 2024, but do not have an impact on the consolidated financial statements.

Going Concern

The Company’s Board of Directors has at the time of approving the consolidated financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements include the parent company, Ascendis Pharma A/S, and all enterprises over which the parent company has control. Control of an enterprise exists when the Company has exposure, or rights to, variable returns from its involvement with the enterprise and has the ability to control those returns through its power over the enterprise. Accordingly, the consolidated financial statements include Ascendis Pharma A/S and the subsidiaries listed in Note 20, “Investments in Group Enterprises”.

Consolidation Principles

Subsidiaries, which are enterprises the Company controls, are fully consolidated from the date upon which control is transferred to the Company. They are deconsolidated from the date control ceases.

Control over an enterprise is reassessed if facts and circumstances indicate that there are changes to one or more of the three elements of control, respectively:

- the contractual arrangement(s) with the other vote holders of the enterprise;
- the Company's voting rights and potential voting rights; and
- rights arising from other contractual arrangements.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between group enterprises are eliminated in full on consolidation.

Subsidiaries apply accounting policies in line with the Company's accounting policies. When necessary, adjustments are made to bring the entities' accounting policies in line with those of the Company.

Investments in Associates

An associate is an entity over which the Company has significant influence over financial and operational decisions but without having control or joint control. The Company's associates are accounted for using the equity method and initially recognized at cost. Thereafter, the carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associates since the acquisition or establishment date.

The consolidated statements of profit or loss include the Company's share of result after tax of the associates after any adjustments made to bring the associates accounting policies in line with those of the Company. Transactions between the associates and the Company are eliminated proportionally according to the Company's interest in the associates. Unrealized gains and losses resulting from transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates.

On each reporting date, the Company determines whether there are indications that the investment is impaired. If there is such evidence, the amount of impairment is calculated as the difference between the recoverable amount of the associate and its carrying amount. Any impairment loss is recognized in the consolidated statements of profit or loss.

Foreign Currency

Functional and Presentation Currency

Items included in the consolidated financial statements are measured using the functional currency of each group entity. Functional currency is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Euros (or "EUR"), which is also the functional currency of the parent company.

Translation of Transactions and Balances

On initial recognition, transactions in currencies other than the individual entity's functional currency are translated applying the exchange rate in effect at the date of the transaction. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the reporting date are translated using the exchange rate in effect at the reporting date. Monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange rate differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the reporting date, are recognized in profit or loss as finance income or finance expenses. Property, plant and equipment, intangible assets and other non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

Currency Translation of Group Enterprises

When subsidiaries or associates present their financial statements in a functional currency other than EUR, their statements of profit or loss are translated at average exchange rates. Balance sheet items are translated using the exchange rates at the reporting date. Exchange rate differences arising from translation of foreign entities' balance sheet items at the beginning of the year to the reporting date exchange rates as well as from translation of statements of profit or loss from average rates to the exchange rates at the reporting date are recognized in other comprehensive income. Similarly, exchange rate differences arising from changes that have been made directly in a foreign subsidiary's equity are recognized in other comprehensive income.

Revenue

Revenue from Commercial Products

Revenue is recognized when the customer has obtained control of the goods and it is probable that the Company will collect the consideration to which it is entitled for transferring the goods. Control is transferred upon delivery.

Revenue is measured at the contractual sales price, reflecting the consideration received or receivable from customers, net of value added taxes, and provisions for a variety of sales deductions such as prompt pay discounts, shelf stock adjustments and applicable sales deductions attributable to various commercial arrangements, managed healthcare organizations, government programs, and co-pay arrangements. In addition, goods are principally sold on a "sale-or-return" basis, where customers may return products in line with the Company's return policy. Sales deductions and product returns are considered variable consideration and are estimated at the time of sale using the expected value method. The amount of variable consideration that is included in the transaction price may be constrained and is included in the net contractual price only to the extent that it is probable that a significant reversal will not occur.

Unsettled sales deductions and product returns are recognized as provisions when timing or amount is uncertain. Payable amounts that are absolute are recognized as other liabilities. Sales discounts and deductions that are payable to customers are offset in trade receivables.

Other Revenue

Other revenue relates to collaboration and license agreements. When contracts with customers are entered into, the goods and/or services promised in the contract are assessed to identify distinct performance obligations. A promise in the agreement is considered a distinct performance obligation if both of the following criteria are met:

- the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct); and
- the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract).

For collaboration and license agreements that contain multiple promises to the customer, the promises are identified and accounted for as separate performance obligations if these are distinct. If promises are not distinct, those goods or services are combined with other promised goods or services until a bundle of goods or services that is distinct is identified.

The transaction price in the contract is measured at fair value and reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Under license agreements, the transaction price may include up-front payments, royalty and milestone payments.

Sales-based royalty and sales-based milestone income promised in exchange for a license of intellectual property is recognized as revenue at the later of the occurrence of subsequent sale or satisfaction of the performance obligation to which some or all of the royalty or milestone has been allocated. Milestone income related to regulatory activities is included in the transaction price at the point in time that it is highly probable that the applicable milestone criteria is met.

The transaction price is allocated to each performance obligation according to their stand-alone selling prices and is recognized when control of the goods or services is transferred to the customer, either over time or at a point in time, depending on the specific terms and conditions in the contracts. License agreements, which transfer rights to the Company's intellectual property ("IP"), are classified as "right-to-access", with revenue recognized over time, or as "right-to-use" with revenue recognized at a point in time.

Sale of clinical trial supply is recognized as revenue when the customer has obtained control of the goods and it is probable that the Company will collect the consideration to which it is entitled for transferring the goods. Control is transferred upon delivery. Rendering of services is recognized as revenue over the service period as stipulated under the applicable agreement.

Research and Development Costs

Research and development costs consist primarily of manufacturing costs, preclinical and clinical study costs and costs for process optimizations and improvements performed by Clinical Research Organizations ("CROs") and Contract Manufacturing Organizations ("CMOs"), salaries and other personnel costs including pension and share-based payment, the cost of facilities, professional fees, cost of obtaining and maintaining the Company's intellectual property portfolio, and depreciation of non-current assets related to research and development activities.

Research costs are incurred at the early stages of the drug development cycle from the initial drug discovery and include a variety of preclinical research activities in order to assess potential drug candidates in non-human subjects, prior to filing an Investigational New Drug Application ("IND"), or equivalent. Research costs are recognized in the consolidated statement of profit or loss when incurred.

Development activities relate to activities following an IND, or equivalent, and typically involve a single product candidate undergoing a series of studies to illustrate its safety profile and effect on human beings, prior to obtaining the necessary approval from the appropriate authorities. Development activities comprise drug candidates undergoing clinical trials starting in phase I (first time drug is administered in a small group of humans), and further into Phase II and III, which include administration of drugs in larger patient groups. Following, and depending on clinical trial results, a Biologic License Application ("BLA") or New Drug Application ("NDA") may be submitted to the authorities, to apply for marketing approval, which, with a positive outcome will permit the Company to market and sell the products. Long-term extension trials may be ongoing following submission of a BLA or NDA.

Development costs also include product development and pre-commercial manufacturing costs related to development product candidates, and write-downs of inventories manufactured for late-stage development product candidates prior to marketing approval being obtained (pre-launch inventories).

Due to the risk related to the development of pharmaceutical products, the Company cannot estimate the future economic benefits associated with individual development activities with sufficient certainty until the development activities have been finalized and the necessary market approval of the final product has been obtained. As a consequence, all development costs are recognized in the consolidated statement of profit or loss when incurred.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses comprise salaries and other personnel costs including pension and share-based payment, office supplies, cost of facilities, professional fees, and depreciation of non-current assets related to selling, general and administrative activities, including pre-commercial and commercial activities. Selling, general, and administrative expenses are recognized in the consolidated statement of profit or loss when incurred.

Share-based Incentive Programs

Share-based incentive programs comprise warrant programs, Restricted Stock Unit programs ("RSU-programs") and Performance Stock Unit Programs ("PSU-programs") which are classified as equity-settled share-based payment transactions.

The cost of equity-settled transactions is determined by the fair value at the date of grant. For warrant programs, the fair value of each warrant granted is determined using the Black-Scholes option-pricing model. For RSU-programs and PSU-programs, the fair value of each RSU or PSU granted is equal to the closing share price on the date of grant of the underlying ADS. Any social security contributions payable in connection with the grant or exercise of the warrants are recognized as expenses when incurred. The assumptions used for estimating the fair value of share-based payment transactions are disclosed in Note 7, "Share-based Payment."

The cost is recognized together with a corresponding increase in equity over the period in which the performance and/or service conditions are fulfilled (i.e., the vesting period). The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period for each tranche, based on the best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for grants that do not ultimately vest.

Where an equity-settled grant is cancelled other than upon forfeiture when vesting conditions are not satisfied, the grant is treated as if it vested on the date of the cancellation, and any expense not yet recognized for the grant is recognized immediately.

Where the terms and conditions for an equity-settled grant are modified, the services measured at the grant date fair value over the vesting period are recognized, subject to performance and/or service conditions that were specified at the initial grant date(s). Additionally, at the date of modification, unvested grants are re-measured and any increase in the total fair value is recognized over the vesting period. If a new grant is substituted for the cancelled grant and designated as a replacement grant on the date that it is granted, the cancelled and new grants are treated as if they were a modification of the original grant.

Finance Income and Expenses

Finance income and expenses comprise interest income and expenses, realized and unrealized exchange rate gains and losses on transactions denominated in foreign currencies, fair value remeasurement gains and losses on derivative liabilities, and remeasurement gains and losses on royalty funding liabilities.

Interest income and interest expenses are stated on an accrual basis using the principal and the effective interest rate. The effective interest rate is the discount rate that is used to discount expected future cash payments or receipts through the expected life of the financial asset or financial liability to the amortized cost (the carrying amount) of such asset or liability.

Income Taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the consolidated statement of profit or loss by the portion attributable to the profit or loss for the year and recognized directly in equity or other comprehensive income by the portion attributable to entries directly in equity and in other comprehensive income. The current tax payable or receivable is recognized in the consolidated statement of financial position, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

When computing the current tax for the year, the tax rates and tax rules enacted or substantially enacted at the reporting date are used. Current tax payable is based on taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss as reported in the consolidated statements of profit or loss because it excludes items of income or expense that are taxable or deductible in prior or future years. In addition, taxable profit or loss excludes items that are never taxable or deductible.

Deferred tax is recognized according to the balance sheet liability method of all temporary differences between carrying amounts and tax-based values of assets and liabilities, apart from deferred tax on all temporary differences occurring on initial recognition of goodwill or on initial recognition of a transaction which is not a business combination, and for which the temporary difference found at the time of initial recognition neither affects profit or loss nor taxable income.

Deferred tax liabilities are recognized on all temporary differences related to investments in subsidiaries and/or associates, unless the Company is able to control when the deferred tax is realized, and it is probable that the deferred tax will not become due and payable as current tax in the foreseeable future.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the statement of financial position at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets for offset against future positive taxable income. Deferred tax assets are only offset against deferred tax liabilities if the entity has a legally enforceable right to offset, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax jurisdiction. Deferred tax is calculated based on the planned use of each asset and the settlement of each liability, respectively.

Deferred tax is measured using the tax rates and tax rules in the relevant countries that, based on acts in force or acts in reality in force at the reporting date are expected to apply when the deferred tax is expected to crystallize as current tax. Changes in deferred tax resulting from changed tax rates or tax rules are recognized in the consolidated statement of profit or loss unless the deferred tax is attributable to transactions previously recognized directly in equity or other comprehensive income. In the latter case, such changes are also recognized in equity or other comprehensive income. On every reporting date, it is assessed whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be utilized.

Intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but is subject to impairment testing at least on a yearly basis. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or group of cash-generating units, that are expected to benefit from the synergies of the combination. Each cash-generating unit or group of cash-generating units to which goodwill is allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Software

Software assets comprise administrative applications and serve general purposes to support the Company's operations.

Development costs that are directly attributable to the design, customization, implementation, and testing of identifiable and unique software assets controlled by the Company are recognized as intangible assets from the time that; (1) the software asset is clearly defined and identifiable; (2) technological feasibility, adequate resources to complete, and an internal use of the software asset can be demonstrated; (3) the expenditure attributable to the software asset can be measured reliably; and (4) the Company has the intention to use the software asset internally. The Company does not capitalize software with no alternative use, or where economic benefit depends on marketing approvals of drug candidates and where marketing approvals have not been obtained.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when the development is complete, and the asset is available for use.

Software assets are amortized over the period of expected future benefits. Amortization is recognized in research and development costs, and selling, general and administrative expenses, as appropriate. Expenditures that do not meet the criteria above are recognized as an expense as incurred.

Property, Plant and Equipment

Property, plant and equipment primarily comprises leasehold improvements, office facilities, and process equipment and tools which are located at CMOs. Property, plant and equipment also includes right-of-use assets. Refer to the separate section “Leases.”

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be used in operation. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the assets will flow to the Company and costs of the items can be measured reliably. All repair and maintenance costs are charged to the consolidated statement of profit or loss during the financial periods in which they are incurred.

Plant and equipment acquired for research and development activities with alternative use, which is expected to be used for more than one year, is capitalized and depreciated over the estimated useful life as research and development costs. Plant and equipment acquired for research and development activities, which has no alternative use, is recognized as research and development costs when incurred.

If the acquisition or use of the asset involves an obligation to incur costs of decommissioning or restoration of the asset, the estimated related costs are recognized as a provision and as part of the relevant asset’s cost, respectively.

The basis for depreciation is cost less estimated residual value. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs, assuming that the asset is of an age and a condition that is expected after the end of its useful life. Cost of a combined asset is divided into smaller components, with such significant components depreciated individually if their useful lives vary. Depreciation commences when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in the manner intended.

Depreciation is calculated on a straight-line basis, based on an asset’s expected useful life, being within the following ranges:

Process plant and machinery	5 - 10 years
Other equipment	3 - 5 years
Leasehold improvements	3 - 11 years
Right-of-use assets	2 - 11 years

Depreciation methods, useful lives and residual amounts are reassessed at least annually.

Property, plant and equipment is written down to the lower of recoverable amount and carrying amount, as described in the “Impairment” section below. Depreciation and impairment losses of property, plant and equipment is recognized in the consolidated statement of profit or loss as cost of sales, research and development costs or as selling, general, and administrative expenses, as appropriate.

Gains and losses on disposal of property, plant and equipment are recognized in the consolidated statement of profit or loss at its net proceeds, as either research and development costs or as selling, general, and administrative expenses, as appropriate.

Impairment of Non-current Assets

The recoverable amount of goodwill is estimated annually irrespective of any recorded indications of impairment. Property, plant and equipment and finite-lived intangible assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows, or cash-generating units, which for goodwill represent the lowest level within the enterprise at which the goodwill is monitored for internal management purposes. Prior impairments of non-current assets, other than goodwill, are reviewed for possible reversal at each reporting date.

Inventories

Inventories comprise raw materials, work in progress and finished goods. The cost of work in progress and finished goods comprise service expenses incurred at CMOs, raw materials consumed, incremental storage and transportation, other direct materials, and a proportion of manufacturing overheads based on normal operation capacity.

Inventories are measured at the lower of cost incurred in bringing it to its present location and condition, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost is measured using the first-in, first-out method. Work in progress and finished goods are measured under a standard cost method that takes into account normal levels of consumption, yields, labor, efficiency and capacity utilization. Production processes are complex, where actual yields and consumptions are sensitive to a wide variety of manufacturing conditions. Standard cost variances are reviewed regularly and adjusted to ensure inventories approximate actual cost of production.

If net realizable value is lower than cost, a write-down is recognized as the excess amount by which cost exceeds net realizable value, as part of cost of sales, or selling, general, and administrative expenses, as appropriate. The amount of reversal of write-down of inventories arising from an increase in net realizable value is recognized as a reduction in cost of sales in the period in which the reversal occurs.

Manufacturing of pre-launch inventories is initiated for late-stage product candidates where manufacturing costs are recognized as inventories. However, since pre-launch inventories are not realizable prior to obtaining marketing approval, pre-launch inventories are immediately written down to zero through research and development costs. If marketing approval is obtained, prior write-downs of pre-launch inventories are reversed through research and development costs.

Cost of inventories is recognized as part of cost of sales in the period in which the related revenue is recognized.

Receivables

Receivables comprise trade receivables, income tax receivables and other receivables.

Trade receivables are classified as financial assets at amortized cost, as these are held to collect contractual cash flows and thus give rise to cash flows representing solely payments of principal and interest. Trade receivables are initially recognized at their transaction price and subsequently measured at amortized cost. Income tax receivables, and other receivables related to deposits, VAT and other indirect taxes are measured at cost less impairment. Carrying amounts of receivables usually equals their nominal value less provision for impairments.

Prepayments

Prepayments comprise advance payments relating to a future financial year. Prepayments are measured at cost.

Marketable Securities

Marketable securities may comprise government bonds, treasury bills, commercial papers, and other securities traded on established markets.

At initial recognition (trade-date), contractual terms of individual securities are analyzed to determine whether these give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding (“SPPI-test”). All marketable securities held at the reporting date have passed the SPPI-test.

Marketable securities are initially recognized at fair value at trade-date, and subsequently measured at amortized cost under the effective interest method. Interest income is recognized as finance income in the consolidated statement of profit or loss. Marketable securities are subject to an impairment test to accommodate expected credit loss. Gains and losses are recognized as finance income or expenses in the consolidated statement of profit or loss when the specific security or portfolio of securities is derecognized, modified or impaired.

Marketable securities, having maturity profiles of three months or less after the date of acquisition are presented as cash equivalents in the consolidated statements of financial position, where securities having maturities of more than three months after the date of acquisition are presented separately as marketable securities as current (i.e., those maturing within twelve months after the reporting date) or non-current assets, as appropriate.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash and on-demand deposits with financial institutions, and highly liquid marketable securities with a maturity of three months or less after the date of acquisition (trade-date). Cash and cash equivalents are measured at amortized cost.

Allowance for Expected Credit Losses on Financial Assets

Financial assets comprise receivables (excluding receivables relating to VAT, other indirect tax and income tax), marketable securities, and cash and cash equivalents. Impairment of financial assets is determined on the basis of a forward-looking Expected Credit Loss (“ECL”) model. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows expected to be received, discounted by an approximation of the original effective interest rate.

For receivables, a simplified approach in calculating ECLs is applied. Therefore, changes in credit risks are not tracked, but instead, a loss allowance based on lifetime ECL is assessed at each reporting date. Lifetime ECLs are assessed on historical credit loss experience, adjusted for forward-looking factors specific to the counterparts and the economic environment.

For cash, cash equivalents and marketable securities, ECLs are assessed for credit losses that result from default events that are possible within the next twelve months (12-month ECL). Credit risk is continuously tracked and monitored in order to identify significant deterioration. For those credit exposures for which there have been a significant increase in credit risk since initial recognition, an allowance is recognized for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

Shareholders’ Equity

The share capital comprises the nominal amount of the parent company’s ordinary shares, each at a nominal value of DKK 1, or approximately €0.13. All shares are fully paid.

Share premium comprises the amounts received, attributable to shareholders’ equity, in excess of the nominal amount of the shares issued at the parent company’s capital increases, reduced by any expenses directly attributable to the capital increases. Under Danish legislation, share premium is an unrestricted reserve that is available to be distributed as dividends to a company’s shareholders. Also, under Danish legislation, the share premium reserve can be used to offset accumulated deficits.

Treasury shares reserve comprise nominal amounts of holding of own equity instruments. No gain or loss is recognized in profit or loss on the purchase, sale, transfer or cancellation of the Company’s own equity instruments. The treasury shares reserve is part of unrestricted reserves and accordingly, reduce the amount available to be distributed as dividends to the Company’s shareholders.

Foreign currency translation reserve includes exchange rate adjustments relating to the translation of the results and net assets of foreign operations from their functional currencies to the presentation currency.

The accumulated reserve of a foreign operation is reclassified to the consolidated statement of profit or loss at the time the Company loses control, and thus cease to consolidate such foreign operation. The foreign currency translation reserve is an unrestricted reserve that is available to be distributed as dividends to the Company's shareholders.

Retained earnings/(accumulated deficit) represents the accumulated profits or losses from the Company's operations, including corresponding entries to share-based payments recognized in the consolidated statement of profit or loss. In addition, premiums from acquisition and sale of treasury shares are recognized as part of this reserve. A positive reserve is available to be distributed as dividends to the Company's shareholders.

Convertible Senior Notes and Embedded Derivative Liabilities

Convertible senior notes ("convertible notes") are separated into a financial liability and an embedded derivative component based on the terms and conditions of the contract. The embedded derivative component is accounted for separately if it is not deemed closely related to the financial liability.

The convertible notes include an embedded equity conversion option which is not deemed closely related to the financial liability, and initially recognized and measured separately at fair value as derivative liabilities based on the stated terms upon issuance of the convertible notes. The conversion option is classified as a foreign currency conversion option and thus not convertible into a fixed number of shares for a fixed amount of cash. Accordingly, the conversion option is subsequently recognized and measured as a derivative liability at fair value through profit or loss, with any subsequent remeasurement gains or losses recognized as part of finance income or expenses.

In addition, the convertible notes include a redemption option, which entitle the Company to redeem the notes at a cash amount equal to the principal amount of the convertible notes, plus accrued and unpaid interest. The redemption option is closely related to the financial liability, and not separately accounted for. The initial carrying amount of the financial liability component including the redemption option is the residual amount of the proceeds, net of transaction costs, after separating the derivative component.

Transaction costs are apportioned between the financial liability and derivative component based on the allocation of proceeds when the instrument is initially recognized. Transaction costs apportioned to the financial liability component form part of the effective interest and are amortized over the expected lifetime of the liability. Transaction costs allocated to the derivative component are expensed as incurred.

The financial liability is subsequently measured at amortized cost until it is extinguished on conversion, upon optional redemption or repayment at maturity. Convertible notes are presented as borrowings, together with the derivative liabilities on the statement of financial position, separately under current liabilities as "Convertible notes, matures in April 2028."

Royalty Funding Liabilities

Royalty funding liabilities relate to the Company's contractual obligations to pay a predetermined percentage of future revenue from sale of commercial products until reaching a predetermined multiple of proceeds received, pursuant to the detailed provisions of the capped synthetic royalty funding agreements.

Where relevant, royalty funding liabilities are separated into a financial liability and embedded derivative components based on the terms and conditions of the applicable royalty funding agreement. Embedded derivative components are accounted for separately, unless these are deemed closely related to the financial liability. The royalty funding agreements include a buy-out option where the value is dependent on non-financial variables that are specific to the Company. Accordingly, the buy-out option is not accounted for separately as a derivative.

The financial liability is recognized when the Company becomes party to the contractual provisions of the royalty funding agreement and measured at amortized cost until it is extinguished upon exercising a buy-out option or upon achieving the predetermined multiple of proceeds received.

The effective interest rate is estimated at initial recognition and takes into account incremental transaction costs and anticipated amount and timing of future cash flows, which further depends on future commercial revenue forecasts and the probability of exercising the buy-out option. The amortized cost is remeasured prospectively when there is a material change in expectations to amount and timing of future cash flows, which will increase or decrease future interest expenses. Remeasurement gain or losses are recognized through the profit or loss as finance income or expenses, respectively.

Royalty funding liabilities that are classified as a financial liability are presented as part of borrowings in the statement of financial position.

Leases

Right-of-use Assets

Right-of-use assets are recognized at the lease commencement date, defined as the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any incentives received. In addition, right-of-use assets also include an estimate of costs to be incurred by the Company in dismantling or restoring the underlying asset to the condition if required by the terms and condition of the lease, if any.

Right-of-use assets are presented as part of property, plant and equipment, and depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the lease commencement date, lease liabilities are recognized and measured at the present value of fixed lease payments and variable lease payments that depend on an index or a rate, whereas variable lease payments and payments related to non-lease components are excluded. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the consolidated statement of profit or loss when incurred.

When interest rates implicit in the lease contracts are not readily available, the present value of lease payments are calculated by applying the incremental borrowing rate of the relevant entity holding the lease. Following the commencement date, the incremental borrowing rate is not changed unless the lease term is modified, or if the lease payments are modified and this modification results from a change in floating interest rates. From the lease commencement date and over the lease term, the carrying amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, or a change in lease payments, including changes to future payments resulting from a change in an index used to determine such lease payments.

Lease liabilities are presented as part of borrowings in the statement of financial position.

Provisions

Provisions comprise unsettled sales deductions and product returns regarding revenue from sale of commercial products where amount or timing of payment is uncertain.

Provisions for sales deductions attributed to various commercial arrangements, managed healthcare organizations, government programs, and co-pay arrangements are recognized when the related sales takes place and measured using the expected value method. Payable amounts for managed healthcare organizations and government programs are generally settled within 180 days from the transaction date.

Provisions for estimated product returns are measured according to the contractual sales price based on expected product returns.

Trade Payables and Accrued Expenses

Trade payables and accrued expenses are measured at amortized cost.

Other Liabilities

Other liabilities comprise payables to public authorities, short-term employee benefits, and sales deductions. Other liabilities are measured at their net-realizable values.

Contract Liabilities

Contract liabilities comprise deferred income from collaboration and license agreements, where consideration received does not match the individual deliverables with respect to amount and satisfied performance obligations.

Contract liabilities are measured at the fair value of the consideration received and is recognized as revenue in the consolidated statement of profit or loss when the relevant performance obligation, to which the deferred income relates, is satisfied.

Cash Flow Statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the profit or loss adjusted for non-cash items, working capital changes as well as finance income, finance expenses and income taxes paid.

Cash flows from investing activities include payments in connection with acquisition, development, improvement and sale, etc., of property, plant and equipment, investments in associates and marketable securities.

Cash flows from financing activities comprise payments related to the capital structure of the Company, including changes in the share capital and treasury shares, and issuance and repayments under the Company's borrowing activities.

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is presented separately from cash flows from operating, investing and financing activities. Cash flows in currencies other than the functional currency are recognized in the cash flow statement, using the average exchange rates.

Cash and cash equivalents comprise cash and on-demand bank deposits with financial institutions and highly liquid marketable securities with a maturity of three months or less after the date of acquisition.

Basic Earnings per Share

Basic Earnings per Share ("EPS") is calculated as the consolidated net income or loss from continuing operations for the period divided by the weighted average number of ordinary shares outstanding. The weighted average number of shares takes into account the weighted average number of treasury shares during the year.

Diluted Earnings per Share

Diluted EPS is calculated as the consolidated net income or loss from continuing operations for the period divided by the weighted average number of ordinary shares outstanding adjusted for the weighted average effect of changes in treasury shares during the year, and the dilutive effect of outstanding warrants and convertible notes. If the consolidated statement of profit or loss shows a net loss, no adjustment is made for the dilutive effect, as such effect would be anti-dilutive.

New IFRS Accounting Standards Not Yet Effective

The IASB has issued a number of new or amended standards, which have not yet become effective or have not yet been adopted by the EU. Therefore, these new standards have not been incorporated in these consolidated financial statements.

IFRS 18, “Presentation and Disclosure in Financial Statements”

In April 2024, the IASB issued IFRS 18, “Presentation and Disclosure in Financial Statements” (“IFRS 18”), which replaces IAS 1, “Presentation in Financial Statements.” IFRS 18 introduces new categories and subtotals in the statement of profit or loss, into:

- Operating activities;
- Investing activities;
- Financing activities;
- Income taxes; and
- Discontinued operations.

In addition, IFRS 18 includes new requirements for the location, aggregation and disaggregation of financial information, and disclosure of management-defined performance measures, as defined, if any. IFRS 18 does not include any measurement changes.

If approved by the EU, the amendments will be effective for annual reporting periods beginning on or after January 1, 2027, and must be applied retrospectively, with early adoption permitted. While IFRS 18 will change the structure and subtotal in the statement of profit or loss, the full impact from implementing IFRS 18 is currently being analyzed by the Company.

The consolidated financial statements are not expected to be affected by other new or amended standards.

Note 3 – Significant Accounting Judgements and Estimates

In the application of the Company’s accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Judgements, estimates and assumptions applied are based on historical experience and other factors that are relevant, and which are available at the reporting date. Uncertainty concerning estimates and assumptions could result in outcomes that require a material adjustment to assets and liabilities in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. While the application of critical accounting estimates is subject to material estimation uncertainties, management’s ongoing revisions of critical accounting estimates and underlying assumptions have not revealed any material impact in any of the years presented in these consolidated financial statements.

There have been no changes to the application of significant accounting judgements, or estimation uncertainties regarding accounting estimates compared to December 31, 2023.

Significant Accounting Judgements

Significant accounting judgements which have a material impact on the consolidated financial statements are described in the following sections.

Internally Generated Intangible Assets

Development of Drug Candidates

IAS 38, “Intangible Assets” prescribes that intangible assets arising from development projects must be recognized in the consolidated statements of financial position if the criteria for capitalization are met. That means (1) that the development project is clearly defined and identifiable; (2) that technological feasibility, adequate resources to complete and a market for the product or an internal use of the project can be documented; (3) that the expenditure attributable to the development project can be measured reliably; and (4) that the Company has the intent to produce and market the product. Such an intangible asset shall be recognized if it can be demonstrated that the future income from the development project will exceed the aggregate cost of development, production, sale and administration of the product.

Due to the risk associated with drug development, future income from development projects related to drug candidates cannot be determined with sufficient certainty until the development activities have been completed and the necessary marketing approvals have been obtained. Accordingly, the Company does not recognize internally generated intangible assets at this time.

Significant Estimation Uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Revenue and Provisions

Provisions for Sales Deductions and Product Returns

Sales deductions and product returns are considered variable consideration and constrained to the extent that a significant reversal in the amount of recognized revenue will not occur when the uncertainties associated with the rebate or chargeback item are subsequently resolved, or for product returns, when the products are distributed to patients.

Provisions for unsettled sales deductions and product returns are estimated on the basis of a percentage of sales as defined by individual agreements and contracts, and for government rebates by individual state- and plan agreements. Further inputs to the calculations are based on payer channel mix, current contract prices under eligible programs and current inventory levels in the distribution channels. Inputs to the calculations are subject to estimation and assumptions and are based on historical experience and other factors that are relevant, and which are available at the reporting date. Provisions are adjusted to absolute amounts and recognized as other liabilities when estimated sales deductions are processed.

As of December 31, 2024, provisions for sales deductions and product returns were €99.1 million compared to €32.7 million, as of December 31, 2023. The development in total provisions is disclosed in Note 15, “Provisions.” Due to the nature of these provisions, it is not practicable to give meaningful sensitivity estimates due to the large volume of variables that contribute to the overall rebates, chargebacks, product returns and other sales deductions. Provisions are reviewed and adjusted regularly considering contractual terms, regulatory obligations, payer trends, historical experiences and market projections.

Share-based Payment

Warrant Compensation Costs

IFRS 2, “Share-Based Payment” requires an entity to reflect in its consolidated statement of profit or loss and financial position, the effects of share-based payment transactions. Warrant compensation costs are recognized as cost of sales, research and development costs or selling, general and administrative expenses, as appropriate, over the vesting period, based on management’s best estimate of the number of warrants that will ultimately vest, which is subject to uncertainty.

Warrant compensation costs are measured according to the grant date fair value of the warrants granted. Estimating fair values requires the Company to apply generally accepted valuation models and apply these models consistently according to the terms and conditions of the specific warrant program. Under all warrant programs, the Black-Scholes option-pricing model has been applied to determine the fair value of warrants granted. Subjective judgements and assumptions, which are subject to estimation uncertainties, need to be exercised in determining the appropriate input to the valuation model. These inputs include expected volatility of the Company's share price for a historic period equaling the expected lifetime of the warrants, reflecting the assumption that the historical volatility over a period similar to the life of the warrants is indicative of future trends, expected forfeitures and expected lifetime of warrants.

Warrant compensation cost recognized in the consolidated statement of profit or loss was €19.7 million, €28.8 million and €55.2 million for the years ended December 31, 2024, 2023 and 2022, respectively. Changes to inputs applied to the Black-Scholes option-pricing model could affect the warrant compensation cost. Refer to Note 7, "Share-based Payment," for additional details.

Valuation of Embedded Derivatives

Foreign currency conversion options embedded in the convertible notes are accounted for separately as derivative liabilities at fair value through profit or loss.

Fair value cannot be measured based on quoted prices in active markets, or other observable input, and accordingly, derivative liabilities are measured by use of valuation techniques in the form of the Black-Scholes option-pricing model. Subjective judgements and assumptions, which are subject to estimation uncertainties, need to be exercised in determining the appropriate unobservable input to the valuation model (Level 3 in the fair value hierarchy). This includes volatility of the Company's share price for a historic period, reflecting the assumption that the historical volatility is indicative of a period similar to the expected lifetime of the options.

As of December 31, 2024, the valuation of the derivative liabilities was €150.7 million compared to €143.3 million as of December 31, 2023. Changes in assumptions relating to these factors could affect the reported fair value of derivative liabilities. Refer to Note 16, "Financial Assets and Liabilities," for additional details.

Measurement of Royalty Funding Liabilities

The carrying amount of royalty funding liabilities is measured according to anticipated future cash flows, which further depends on the amount and timing of future revenue from sale of commercial products. Assumptions that impact the amount and timing of future sale of commercial products are subject to estimation uncertainties, and are subject to a number of factors which are not within the Company's control.

As of December 31, 2024, the carrying amount of the royalty funding liabilities was €305.4 million compared to €138.4 million as of December 31, 2023. As of December 31, 2024, royalty funding liabilities comprised two agreements compared with one agreement as of December 31, 2023. The Company will periodically revisit the anticipated amount and timing of future sale of commercial products and to the extent such amount or timing is materially different from the previous estimates, a remeasurement gain or loss is recognized through the profit or loss as finance income or expenses, as appropriate, which would further increase or decrease future interest expenses. Refer to Note 16, "Financial Assets and Liabilities" for additional details.

Note 4—Revenue

Revenue has been recognized in the consolidated statements of profit or loss with the following amounts:

	2024	2023 (EUR'000)	2022
Revenue			
Commercial products	225,728	178,663	35,659
Rendering of services	11,794	21,659	4,434
Clinical supply	3,776	319	8,534
Licenses	122,343	66,077	2,547
Total revenue	363,641	266,718	51,174
Attributable to			
Commercial customers	225,728	178,663	35,659
Collaboration partners and license agreements	137,913	88,055	15,515
Total revenue	363,641	266,718	51,174
Specified by timing of recognition			
Recognized over time	11,794	21,659	4,434
Recognized at a point in time	351,847	245,059	46,740
Total revenue	363,641	266,718	51,174
Specified per geographical area			
Europe ⁽¹⁾	123,336	869	552
North America	233,220	191,677	44,156
Rest of world	7,085	74,172	6,466
Total revenue	363,641	266,718	51,174

(1) For the year ended December 31, 2024, Denmark, the country of domicile, contributed with €95.4 million of revenue.

Commercial Customers

Revenue attributable to commercial customers by product were as follows:

	2024	2023 (EUR'000)	2022
Revenue from commercial products			
SKYTROFA®	197,001	178,663	35,659
YORVIPATH®	28,727	—	—
Total revenue from commercial products	225,728	178,663	35,659

Revenue from sales of SKYTROFA® is primarily sold to specialty pharmacies and specialty distributors in the U.S. market, and to wholesalers and pharmacies in Germany. Revenue from sale of SKYTROFA for the year ended December 31, 2024, was negatively impacted by an adjustment to estimates and assumptions for sales deductions of €4.7 million, which was related to periods prior to January 1, 2024. The adjustment was primarily attributable to a different payer and rebate mix than anticipated, and on which provisions for prior years were based.

In November 2023, TransCon PTH received marketing approval in the EU and European Economic Area countries and is marketed as YORVIPATH®. In August 2024, TransCon PTH received marketing approval in the U.S. and is marketed in the U.S. as YORVIPATH. The Company began selling YORVIPATH, primarily to pharmacies in Europe in the first quarter of 2024, and to specialty pharmacies in the U.S. in December 2024. In addition, the Company began selling YORVIPATH to distributors in the second quarter of 2024.

For the years ended December 31, 2024 and 2023, four commercial customers represented more than 10% of sales to commercial customers.

Collaboration Partners and License Agreements

Revenue attributable to collaboration partners and license agreements relates to Novo Nordisk A/S (“Novo Nordisk”), Eyconis, Inc. (“Eyconis”), Teijin Limited (“Teijin”) and VISEN Pharmaceuticals (“VISEN”). Under the collaboration agreements, the Company also provides various research and development services which are invoiced to collaboration partners. Revenue for these activities is presented as part of “Rendering of services.” Employment costs related to these activities are presented as Research and Development Costs in the consolidated statement of profit or loss.

Novo Nordisk

In November 2024, the Company entered into a research and development collaboration and license agreement (the “Novo Nordisk Agreement”) with Novo Nordisk pursuant to which the Company granted Novo Nordisk an exclusive worldwide license to the TransCon technology platform to develop, manufacture and commercialize Novo Nordisk proprietary products (including Semaglutide) in metabolic diseases (including obesity and type 2 diabetes) and a product-by-product exclusive license in cardiovascular diseases (the “IP”).

The Novo Nordisk Agreement includes provisions requiring at least one TransCon Semaglutide product and at least one other TransCon technology-based product to be identified, developed and commercialized in metabolic diseases to maintain certain exclusivities in the field, with additional provisions for cardiovascular diseases. Under the terms of the Novo Nordisk Agreement, Novo Nordisk also receives exclusive rights to expand any resulting metabolic disease products into other therapeutic areas. The lead program in the collaboration is a once-monthly TransCon Semaglutide product candidate that will initially target obesity and type 2 diabetes.

Under the Novo Nordisk Agreement, the Company has the potential to receive total payments of up to \$285 million in upfront, development and regulatory milestone payments for the lead program. In addition, the Company has the potential to receive sales-based milestone payments and tiered royalties on global net sales. The \$285 million includes an upfront fee of \$100 million for the exclusive license. For each additional metabolic or cardiovascular disease product candidate, the Company will be eligible to receive payments of up to \$77.5 million in development and regulatory milestone payments. In addition, the Company has the potential to receive sales-based milestone payments and tiered royalties on global net sales. Novo Nordisk agreed to pay royalties for each potential licensed product developed under the agreement that are an escalating tiered, mid-single digit percentage of the annual net sales of such licensed product and are subject to reduction due to patent valid claim expiration, biosimilar product market share, payment made under certain licenses for third party intellectual property and Inflation Reduction Act price negotiations.

Under the Novo Nordisk Agreement, the Company agreed to conduct certain pre-agreed early research and development of TransCon product candidates under the collaboration and is eligible to receive cost reimbursement from Novo Nordisk for its performance of such research and development activities under the Novo Nordisk Agreement with respect to such TransCon product candidates. Novo Nordisk is responsible for any other non-clinical and clinical development, regulatory, commercial manufacturing, and commercialization of such TransCon product candidates, and all costs associated with such activities.

Subject to the terms of the Novo Nordisk Agreement, the Company granted Novo Nordisk an exclusive, worldwide, royalty-bearing license, with the right to grant sublicenses, to use its proprietary TransCon technology platform to develop, manufacture and commercialize Novo Nordisk proprietary products in metabolic diseases (including obesity and type 2 diabetes) and a product-by-product exclusive license in cardiovascular diseases. Additionally, the Company granted Novo Nordisk an exclusive, worldwide, royalty-bearing license, with the right to grant sublicenses, to use its proprietary TransCon technology platform to develop, manufacture and commercialize GLP-1 receptor products using the TransCon technology for all indications, except for (i) certain pre-agreed rare endocrine indications, (ii) all indications in respect of the eye and adnexa and (iii) all indications in respect of oncology.

Unless earlier terminated, the Novo Nordisk Agreement has a royalty term that continues, on a per licensed product and per country basis, until the later of (i) the expiration of the last valid patent claim for any of our patents, joint improvement patents, licensed product patents as well as any improvements made by Novo Nordisk covering the licensed product’s dosage regimen or target product profile, or (ii) 11 years after the first commercial sale of such licensed product in such country.

The IP comprises the patent protected TransCon technology platform, where future activities do not affect its existing stand-alone functionalities. Accordingly, the IP is classified as “right-to-use” licenses, with revenue recognized at a point in time, where the licensee is granted access to the IP.

For the year ended December 31, 2024, “Licenses” includes revenue of €95.3 million related to the upfront payment, which is allocated to transfer of the Company’s intellectual property.

Eyconis

In January 2024, the Company announced the formation and launch with Frazier Life Sciences of Eyconis, a separate company created to develop, manufacture, and commercialize TransCon ophthalmology assets globally, together with a \$150 million commitment from an investor syndicate that includes Frazier, RA Capital Management, venBio, and HealthQuest Capital.

The Company has granted Eyconis exclusive rights to develop and commercialize TransCon ophthalmology products globally (the “Eyconis Agreement”) and received, as consideration, an equity position in the newly formed company. In addition, the Company is eligible to receive development, regulatory, and sales milestone payments, plus single digit royalties on global net sales of commercialized products, if any.

The Company is expected to provide various research and development services, which are subject to separate remuneration, and which will be recognized as revenue over time as rendering of services or reimbursement revenue, as applicable.

For the year ended December 31, 2024, “Licenses” includes revenue of €27.1 million related to the non-cash upfront payment through an equity position in Eyconis, adjusted for internal profit, which is allocated to transfer of the Company’s intellectual property (the “IP”). The internal profit relates to the Company’s share of the non-cash upfront payment which is recognized as part of “Investments in associates” and recognized as revenue from “Licenses” as the IP is amortized in the associate.

No revenue from royalties or milestones has been recognized under the Eyconis agreement.

Teijin

In November 2023, the Company entered into an exclusive license agreement (the “Teijin Agreement”) with Teijin for the further development and commercialization of TransCon hGH, TransCon PTH, and TransCon CNP for endocrinology rare disease (the “Licensed Products”) in Japan. Under the terms of the Teijin Agreement, the Company received an upfront payment of \$70 million, with additional development and regulatory milestones of up to \$175 million and commercial milestones. In addition, the Company is eligible to receive royalties on net sales of the Licensed Products in Japan, of up to mid-20’s percent.

Further, the Company will provide clinical and commercial supply, and development services for joint activities, which are subject to separate remuneration, and which will be recognized as revenue over time as rendering of services or reimbursement revenue, as applicable.

At December 31, 2024, none of the Licensed Products have received marketing authorization in Japan. The Licensed Products (the “IP”) are patent protected, where future activities do not affect their existing stand-alone functionalities. Accordingly, all three licenses are classified as “right-to-use” licenses, with revenue recognized at a point in time, where the licensee is granted access to the IP.

For the year ended December 31, 2023, “Licenses” includes revenue of €63.7 million related to the upfront payment, which is allocated to transfer of the Company’s IP.

No revenue from royalties or milestones has been recognized under the Teijin Agreement.

VISEN

In November 2018, the Company entered into three exclusive license agreements with VISEN. Revenue from collaboration partners and license agreements also includes license income, rendering of services and sale of clinical supply under the VISEN Agreements.

Note 5—Segment Information

The Company is managed and operated as one business unit. Accordingly, no additional information on business segments or geographical areas is disclosed apart from revenue on geographical areas as disclosed in Note 4, “Revenue.” Revenue is specified on geographical areas according to the location of the customer.

The Company’s intangible assets and property, plant and equipment located by region are specified below:

	2024	2023
	(EUR'000)	
Intangible assets and property, plant and equipment		
Europe ⁽¹⁾	39,640	46,464
North America	63,102	68,589
Total intangible assets and property, plant and equipment	102,742	115,053

- (2) As of December 31, 2024 and December 31, 2023, intangible assets and property, plant and equipment of €27.9 million and €32.9 million, respectively, is located in Denmark, the country of domicile.

Note 6—Employee costs

	2024	2023	2022
	(EUR'000)		
Employee costs			
Wages and salaries	173,474	170,278	140,420
Share-based payment	95,512	66,660	64,180
Pensions (defined contribution plans)	4,485	4,403	4,163
Social security costs	15,003	12,877	10,627
Other employee costs	4,061	4,238	4,411
Total employee costs	292,535	258,456	223,801
Included in the profit or loss			
Cost of sales ⁽¹⁾	16,487	15,748	7,239
Research and development costs	131,867	127,002	122,581
Selling, general and administrative expenses	144,181	115,706	93,981
Total employee costs	292,535	258,456	223,801
Average number of employees	892	851	719

- (3) Includes employee costs capitalized as part of inventories.

Key Management Personnel comprises the Board of Directors, the Executive Board and Non-executive Senior Management. Compensation to Key Management Personnel comprises salaries, participation in annual bonus schemes, pensions (defined contributions plans), and share-based compensation. Share-based compensation is elaborated in further details in Note 7, “Share-based Payment.”

Compensation to Key Management Personnel included in total employee costs is summarized below:

	Board of Directors ⁽¹⁾			Executive Board ⁽²⁾			Non-executive Senior Management		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	(EUR '000)								
Compensation									
Wages and salaries	482	543	403	4,148	4,375	3,809	3,286	4,673	6,087
Share-based payment	2,169	1,276	1,273	18,334	13,243	11,392	10,266	9,529	8,872
Pensions (defined contribution plans)	—	—	—	57	54	46	98	122	118
Social security costs	—	—	—	118	103	55	52	45	89
Other employee cost	—	—	—	20	20	20	25	40	45
Total compensation	2,651	1,819	1,676	22,677	17,795	15,322	13,727	14,409	15,211

(1) The Board of Directors comprised six persons in 2024 and six to seven persons in 2023 and 2022.

(2) The Executive Board comprised four persons in 2024, 2023 and 2022.

Note 7—Share-based Payment

As an incentive to the senior management, other employees, members of the Board and select consultants, Ascendis Pharma A/S has established warrant programs, a RSU program (adopted in December 2021), and a PSU program (adopted in February 2023), which are all classified as equity-settled share-based payment transactions.

Restricted Stock Unit Program

RSUs are granted by the Board in accordance with authorizations given to it by the shareholders of Ascendis Pharma A/S to members of senior management, certain other employees and certain members of the Board (“RSU-holders”) in accordance with the Company’s RSU Program adopted in December 2021. Further, RSUs may be granted to select consultants. One RSU represents a right for the RSU-holder to receive one ADS of Ascendis Pharma A/S upon vesting if the vesting conditions are met or waived by the Board at its discretion.

Performance Stock Unit Program

PSUs are granted by the Board in accordance with authorizations given to it by the shareholders of Ascendis Pharma A/S to certain members of senior management (the “PSU-holders”). In addition, PSUs may be granted to other employees, select consultants and members of the Board. PSUs were granted for the first time in March 2023. One PSU represents a right for the PSU-holder to receive one ADS of Ascendis Pharma A/S upon vesting if the vesting conditions are met or waived by the Board at its discretion.

Vesting Conditions

RSUs granted vest over a predetermined service period, and accordingly require RSU-holders to be employed, or provide a specified period of service (“service conditions”). RSUs vest over three years with 1/3 of the RSUs vesting on each anniversary date from the date of grant. RSUs generally cease to vest from the date of termination of employment, or for the Board, termination of board membership, whereas unvested RSUs will lapse.

One PSU represents a right for the PSU-holder to receive one ADS representing ordinary shares of Ascendis Pharma A/S upon vesting. PSUs vest in a manner similar to the service conditions of the RSUs. For the March 2023 PSU grant, in addition to service conditions, vesting is also contingent upon achievement of performance-based targets as determined by the Board, provided that no more than 10% of each tranche may be directly attributable to accomplishment of financial results achieved in the financial year prior to the vesting date. For the March 2024 PSU grant, in addition to service conditions, vesting is also contingent upon achievement of long-term strategic goals as evaluated by the Board no later than two weeks prior to each vesting date. Exceeding performance targets will not result in vesting of more PSUs than 100%, nor will it result in additional grants.

RSUs and PSUs generally cease to vest from the date of termination of employment or board membership, as applicable, whereas unvested RSUs or PSUs will be forfeited. The Board may at its discretion and on an individual basis decide to deviate from the vesting conditions, including deciding to accelerate vesting in the event of termination of employment or board membership, as applicable.

Settlement Options

All RSUs and PSUs are settled at the time of vesting by transfer of treasury shares that are ADSs repurchased in the market. In jurisdictions where the Company is required to withhold and settle tax with the tax authority on behalf of the RSU/PSU-holders, the Company withholds the number of RSUs or PSUs that are equal to the estimated monetary value of the RSU/PSU-holders tax obligation from the total number of RSUs or PSUs that otherwise would have been transferred to the RSU/PSU holder upon vesting. These settlements are presented as “Net settlement under stock incentive programs” in the consolidated statement of equity. The Company may at its sole discretion choose to make a cash settlement instead of delivering ADSs.

Adjustments

RSU-holders and PSU-holders are entitled to an adjustment of the number of RSUs or PSUs granted, in the event of certain corporate changes, including among other events, increases or decreases to the share capital at a price below or above market value, the issuance of bonus shares, and changes in the nominal value of each share. In addition, the RSU and PSU Programs contain provisions to accelerate vesting, or compensate with grant of new equity instruments, in the event of restructuring events including change in control events.

RSU and PSU Activity

The following table specifies the number of RSUs and PSUs granted and outstanding:

	Restricted Stock Units	Performance Stock Units	Total
		(Number)	
Outstanding at January 1, 2022	148,148	—	148,148
Transferred during the year	(41,685)	—	(41,685)
Forfeited during the year	(23,971)	—	(23,971)
Outstanding at December 31, 2022	82,492	—	82,492
Granted during the year ⁽¹⁾	609,860	112,268	722,128
Settled during the year	(18,132)	—	(18,132)
Transferred during the year	(20,098)	—	(20,098)
Forfeited during the year	(77,497)	(7,245)	(84,742)
Outstanding at December 31, 2023	576,625	105,023	681,648
Granted during the year ⁽¹⁾	717,980	92,655	810,635
Transferred during the year	(212,160)	(35,007)	(247,167)
Forfeited during the year	(88,638)	(6,004)	(94,642)
Outstanding at December 31, 2024	993,807	156,667	1,150,474
Specified by vesting date			
2025	384,098	62,304	446,402
2026	384,438	63,478	447,916
2027	225,271	30,885	256,156
Outstanding at December 31, 2024	993,807	156,667	1,150,474

(1) The fair value of RSUs and PSUs is determined on the basis of the closing ADS price on the grant date. The fair value of one RSU and one PSU at the date of grant was €141.01 and €105.96 for the years ended December 31, 2024 and December 31, 2023, respectively.

Warrant Program

Warrants are granted by the Board in accordance with authorizations given to it by the shareholders of Ascendis Pharma A/S to all employees, members of the Board and select consultants (“warrant-holders”). Each warrant carries the right to subscribe for one ordinary share of a nominal value of DKK 1. The exercise price is equal to the fair market value of the Company’s ordinary shares at the time of grant as determined by the Board. Apart from exercise prices, exercise periods and vesting conditions for board members, the programs are similar.

Vesting Conditions

Warrants granted vest over a predetermined service period and require warrant-holders provide a specified period of service. Warrants generally cease to vest from the date of termination. For warrants granted until November 2021, special vesting conditions apply in the event of termination. In relation to board members, the vesting shall cease on the termination date of the board membership regardless of the reason. In relation to consultants, the vesting shall cease on the termination date of the consultancy relationship. The warrant-holder will, however, be entitled to exercise vested warrants in the exercise periods after termination.

In the event that the employment contract is terminated, and the employee has not given the Company good reason to do so, the warrant-holder may keep the right to continued vesting and exercise of warrants as if the employment was still in effect. In such case, any expense not yet recognized for the outstanding warrants is recognized immediately.

Warrants Granted Until November 2021

Warrants granted from 2012 until November 2021, generally vest over 48 months with 1/48 of the warrants vesting per month from the date of grant. However, effective from January 2015, certain warrants granted to board members vest over 24 months with 1/24 of the warrants vesting per month from the date of grant.

Warrants Granted From December 2021

For warrants granted to employees and consultants, 25% of the warrants vest one year after the date of grant, and the remaining 75% of the warrants granted vest over 36 months, with 1/36 of the warrants vesting per month, from one year after the date of grant.

For warrants granted to board members upon the board members accession, 25% of the warrants granted vest one year after the date of grant, and the remaining 75% of the warrants granted shall vest over 36 months, with 1/36 per month from one year after the date of grant. Regarding subsequent grants of warrants to board members, 50% of the warrants vest one year after the date of grant, and the remaining 50% of the warrants vest over 12 months, with 1/12 per month from one year after the date of grant.

Exercise Periods

Vested warrants may be exercised during certain exercise periods each year, within certain periods after publication of earnings data of a fiscal quarter, interim and annual reports, as per each program’s terms and conditions.

Warrants expire ten years after the grant date. Warrants not exercised by the warrant-holder during the last exercise period shall become null and void without further notice or compensation or payment of any kind to the warrant-holder. If the warrant-holder is a consultant, advisor or board member, the exercise of warrants is conditional upon the warrant-holder’s continued service to the Company at the time the warrants are exercised. If the consultant’s, advisor’s or board member’s relationship with the Company should cease without this being attributable to the warrant-holder’s actions or omissions, the warrant-holder shall be entitled to exercise vested warrants in the pre-defined exercise periods.

Adjustments

Warrant-holders are entitled to an adjustment of the number of warrants issued and/or the exercise price applicable in the event of certain corporate changes.

Events giving rise to an adjustment include, among other things, increases or decreases to the share capital at a price below or above market value, the issuance of bonus shares, changes in the nominal value of each share, and payment of dividends in excess of 10% of the Company's equity.

Warrant Activity

The following table specifies the number and weighted average exercise prices of, and movements, in warrants:

	Warrants (number)	Weighted Average Exercise Price (EUR)
Outstanding at January 1, 2022	7,085,073	80.30
Granted during the year	357,092	100.40
Exercised during the year ⁽¹⁾	(214,613)	21.83
Forfeited during the year	(363,541)	123.62
Outstanding at December 31, 2022	6,864,011	81.30
Vested at the reporting date	4,972,026	66.34
Granted during the year	395,275	91.07
Exercised during the year ⁽¹⁾	(555,144)	17.76
Forfeited during the year	(180,358)	115.79
Outstanding at December 31, 2023	6,523,784	86.38
Vested at the reporting date	5,273,056	80.02
Granted during the year	504,105	122.48
Exercised during the year ⁽¹⁾	(682,048)	43.35
Forfeited during the year	(141,719)	107.85
Outstanding at December 31, 2024	6,204,122	93.25
Vested at the reporting date	5,226,643	89.33

(1) The weighted average share price (listed in \$) at the date of exercise was €135.86, €98.10 and €113.60 for the years ended December 31, 2024, 2023 and 2022, respectively.

At December 31, 2024, the Board was authorized to grant up to 2,060,116 additional warrants to employees, board members and select consultants without preemptive subscription rights for the shareholders of Ascendis Pharma A/S.

The following table specifies the weighted average exercise prices and weighted average remaining contractual life for outstanding warrants at December 31, 2024 per grant year.

	Outstanding Warrants (number)	Weighted Average Exercise Price (EUR)	Weighted Average Remaining Life (months)
Granted before January 1, 2022	5,185,556	89.67	57
Granted in 2022	235,408	100.71	90
Granted in 2023	292,648	90.66	101
Granted in 2024	490,510	122.34	114
Outstanding at December 31, 2024	6,204,122	93.25	65

At December 31, 2024, the exercise prices of outstanding warrants under the Company's warrant programs range from €11.98 to €145.50 depending on the grant dates.

The range of exercise prices for outstanding warrants was €11.98 to €145.50 and €6.48 to €145.50 for the years ended December 31, 2023 and 2022, respectively. The weighted average remaining life for outstanding warrants was 71 months and 77 months, for the years ended December 31, 2023 and 2022, respectively.

Warrant Compensation Costs

Warrant compensation costs are recognized in the consolidated statements of profit or loss over the vesting period of the warrants granted.

Warrant compensation costs are determined with basis in the grant date fair value of the warrants granted and recognized over the vesting period. Fair value of the warrants is calculated at the grant dates by use of the Black-Scholes option-pricing model with the following assumptions: (1) an exercise price equal to the estimated market price of the Company's shares at the date of grant; (2) an expected lifetime of the warrants determined as a weighted average of the time from grant date to date of becoming exercisable and from grant date to expiry of the warrants; (3) a risk-free interest rate equaling the effective interest rate on a Danish government bond with the same lifetime as the warrants; (4) no payment of dividends; and (5) an expected volatility using the Company's own share price (from 2021).

The following table summarizes the input to the Black-Scholes option-pricing model and the calculated fair values for warrant grants in 2024, 2023 and 2022:

	2024		2023		2022	
Expected volatility		50 %		49-51 %		48-49 %
Risk-free interest rate		1.71 - 2.57 %		2.40 - 2.97 %		(0.08) - 2.54 %
Expected life of warrants (years)		6.0		6.0		6.0
Weighted average exercise price	€	122.48	€	91.07	€	100.40
Fair value of warrants granted in the year	€	50.86 - 70.39	€	37.34 - 52.03	€	36.55 - 60.85

Note 8— Principal Accountant Fees and Services

The following table sets forth, for each of the years indicated, the fees billed by the Company's independent public accountants and the proportion of each of the fees out of the total amount billed by the accountants.

	2024	2023	2022
		(EUR'000)	
Principal accountant fees and services			
Audit fees	811	739	814
Audit-related fees	147	—	—
Tax fees	91	122	138
Total principal accountant fees and services	1,049	861	952

Note 9—Tax on Profit/(Loss) for the Year and Deferred Tax

	2024	2023	2022
	(EUR'000)		
Tax on profit/(loss) for the year			
Current tax (expense)/income	(3,289)	(5,377)	(3,723)
Current tax, adjustments to prior years	(126)	3,904	(1,654)
Deferred tax, movement for the year	(2,035)	(1,044)	—
Deferred tax, adjustments to prior years	607	(4,786)	—
	<u>(4,843)</u>	<u>(7,303)</u>	<u>(5,377)</u>
Tax for the year can be explained as follows			
Profit/(loss) before tax	(373,241)	(474,144)	(577,817)
Tax at the Danish corporation tax rate of 22%	82,113	104,312	127,120
Tax effect of:			
Non-deductible costs	(9,740)	(8,494)	(17,094)
Additional tax deductions	3,161	9,077	13,720
Impact from associates	(4,413)	(4,047)	(3,893)
Prior year adjustments	481	(1,294)	—
Other effects including effect of different tax rates	182	(882)	(2,716)
Deferred tax asset, not recognized	(76,627)	(105,975)	(122,514)
Tax on profit/(loss) for the year	<u>(4,843)</u>	<u>(7,303)</u>	<u>(5,377)</u>
Effective tax rate	1.30 %	1.54 %	0.93 %
	2024	2023	2022
	(EUR'000)		
Specification of deferred tax assets/(liabilities)			
Tax deductible losses	434,997	521,697	433,174
Other temporary differences, assets	164,479	16,256	19,961
Deferred tax asset, not recognized	(599,476)	(537,953)	(453,135)
Other temporary differences, liabilities	(7,258)	(5,830)	—
Total deferred tax assets/(liabilities) at December 31	<u>(7,258)</u>	<u>(5,830)</u>	<u>—</u>

At December 31, 2024, a deferred tax liability has been recognized in relation to taxable temporary differences in one jurisdiction, as we do not believe we will have any deductible temporary differences nor tax losses to deduct the taxable difference in, when they are expected to reverse.

Deferred tax assets have not been recognized in the consolidated statements of financial position as of December 31, 2024 due to uncertainty relating to future utilization. The deferred tax asset can be carried forward without timing limitations.

The Company had tax losses carried forward of €1,946.2 million and €2,371.3 million at December 31, 2024 and 2023, respectively. Tax losses can be carried forward infinitely, where certain limitations exist for amounts to be utilized each year. Under Danish tax legislation, tax losses may be partly refunded by the tax authorities to the extent such tax losses arise from research and development activities. The jointly taxed Danish entities had a negative taxable income, and accordingly were entitled to a tax refund of approximately €0.7 million for each of the years ended December 31, 2024, 2023 and 2022.

The tax losses carried forward at December 31, 2023 (€2,371.3 million) has been reduced with €456.8 million. The reduction is as a consequence of two changes of tax principles made in the Danish tax returns for the taxable year 2023 (filed in June 2024). The changes are related to R&D costs (depreciations) and inventory write-down (cost price). This reduction in tax losses is still available as deferred tax assets, that can be recognized for future utilization; only not as a “Tax deductible losses,” but as “Other temporary differences, assets.”

The Company is entitled to additional tax deductions related to share based payments (Warrants, RSUs and PSUs). Tax deductions can be taken when the warrants/RSUs/PSUs are exercised/transferred. For the year ended December 31, 2024, the Company was entitled to additional tax deductions with a tax value of €21.7 million, compared to €10.6 million and €5.2 million for the years ended December 31, 2023 and 2022, respectively. These future tax deductions depend on the timing and amounts of warrants/RSUs/PSUs exercises/transfers, and accordingly, future additional tax deductions are subject to uncertainties. Refer to Note 7, “Share-based Payment,” regarding a description of warrant and RSU/PSU programs.

The Company is entitled to additional tax deductions for which deferred tax asset cannot be recognized due the initial recognition exception in IAS 12, “Income Taxes.” For the year ended December 31, 2024, the Company is entitled to additional future tax deduction with a tax value of €11.0 million, compared to €0.3 million for each of the years ended December 31, 2023 and 2022. In addition, the Company is entitled to additional tax deductions related to tax credits. Tax credits can be taken in future taxes. For the year ended December 31, 2024, the Company was entitled to additional tax deduction with a tax value of €13.8 million, compared to €8.4 million for each of the years ended December 31, 2023 and 2022.

On May 23, 2023, the IASB issued International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements Qualified Domestic Minimum Top-up Taxes. The Company has adopted these amendments; however, they are not applicable for the year ended December 31, 2024, as the Company’s consolidated revenue is currently below the threshold of €750 million.

The Parent Company, Ascendis Pharma A/S, is jointly taxed with its Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses). The jointly taxed companies are included in the on-account tax scheme.

Note 10—Intangible Assets

	<u>Goodwill</u>	<u>Software</u> (EUR'000)	<u>Total</u>
Cost			
January 1, 2023	3,495	2,222	5,717
Additions	—	53	53
Transferred	—	21	21
December 31, 2023	3,495	2,296	5,791
Additions	—	76	76
December 31, 2024	3,495	2,372	5,867
Amortization and impairment			
January 1, 2023	—	(889)	(889)
Amortization charge	—	(483)	(483)
December 31, 2023	—	(1,372)	(1,372)
Amortization charge	—	(467)	(467)
December 31, 2024	—	(1,839)	(1,839)
Carrying amount			
December 31, 2023	3,495	924	4,419
December 31, 2024	3,495	533	4,028

At the reporting date, no internally generated intangible assets from development of pharmaceutical drug candidates have been recognized. Thus, all related research and development costs incurred for the years ended December 31, 2024, 2023 and 2022, were recognized in the consolidated statements of profit or loss.

Goodwill relates to the acquisition of Complex Biosystems GmbH (now Ascendis Pharma GmbH) in 2007. Goodwill was calculated as the excess amount of the purchase price to the fair value of identifiable assets acquired, and liabilities assumed at the acquisition date. Ascendis Pharma GmbH was initially a separate technology platform company but is now an integral part of the Company's research and development activities. Accordingly, it is not possible to look separately at Ascendis Pharma GmbH when considering the recoverable amount of the goodwill. Goodwill is monitored and tested for impairment on a consolidated level as the Company is considered to represent one cash-generating unit.

The recoverable amount of the cash-generating unit is determined based on an estimation of the Company's fair value less costs of disposal. The fair value of goodwill has been determined after taking into account the market value of the Company's ADSs as of the reporting date. The computation of the market value including an estimation of selling costs, significantly exceeded the carrying amount of the net assets, leaving sufficient value to cover the carrying amount of goodwill. Considering the excess value, no further assumptions are deemed relevant to be applied in determining whether goodwill is impaired.

Note 11—Property, Plant and Equipment

	Plant and Machinery	Other Equipment	Leasehold Improvements (EUR'000)	Right-of-Use Assets	Total
Cost					
January 1, 2023	24,944	11,203	20,130	119,466	175,743
Additions	2,580	503	228	7,547	10,858
Disposals	(383)	(57)	—	—	(440)
Transferred	504	(21)	(504)	—	(21)
Foreign exchange translation	(209)	(208)	(479)	(3,093)	(3,989)
December 31, 2023	27,436	11,420	19,375	123,920	182,151
Additions	299	951	76	861	2,187
Disposals	(5,995)	(1,635)	—	(89)	(7,719)
Transferred	66	(66)	—	—	—
Foreign exchange translation	127	306	847	5,462	6,742
December 31, 2024	21,933	10,976	20,298	130,154	183,361
Depreciation and impairment					
January 1, 2023	(7,584)	(5,023)	(4,497)	(29,544)	(46,648)
Depreciation charge	(2,569)	(1,899)	(2,085)	(11,875)	(18,428)
Impairment charge	(2,869)	(405)	(4,560)	—	(7,834)
Disposals	146	54	—	—	200
Foreign exchange translation	92	98	196	807	1,193
December 31, 2023	(12,784)	(7,175)	(10,946)	(40,612)	(71,517)
Depreciation charge	(2,330)	(1,322)	(1,283)	(12,312)	(17,247)
Disposals	5,296	1,501	—	88	6,885
Foreign exchange translation	(112)	(194)	(556)	(1,906)	(2,768)
December 31, 2024	(9,930)	(7,190)	(12,785)	(54,742)	(84,647)
Carrying amount					
December 31, 2023	14,652	4,245	8,429	83,308	110,634
December 31, 2024	12,003	3,786	7,513	75,412	98,714

The impairment charge for the year ended December 31, 2023, relates to change in activities at one of our R&D sites and is determined according to its estimated value in use. The R&D site is subleased and is recognized as a right-of-use asset with a carrying amount of €11.2 million and €12.5 million as of December 31, 2024 and 2023, respectively.

Depreciation charges are specified below:

	2024	2023 (EUR'000)	2022
Depreciation charges			
Cost of sales ⁽¹⁾	3,197	2,509	1,245
Research and development costs	7,453	10,296	10,892
Selling, general, and administrative expenses	6,597	5,623	5,377
Total depreciation charges	17,247	18,428	17,514

(1) Includes depreciation charges capitalized as part of inventories.

Note 12—Investments in Associates

The Company's associates relate to investments in Eyconis (principal place of business; U.S.), and VISEN (principal place of business; China). The Company's investments in Eyconis and VISEN are accounted for using the equity method in the consolidated financial statements as the Company has determined that it has significant influence over the investments.

In January 2024, the Company announced the formation and launch with Frazier Life Sciences of Eyconis, a separate company created to develop, manufacture, and commercialize TransCon ophthalmology assets globally, together with a \$150 million commitment from an investor syndicate that includes Frazier, RA Capital Management, venBio, and HealthQuest Capital. As of December 31, 2024, the Company's present ownership in Eyconis was 41.6%.

In November 2018, the Company entered into three exclusive license agreements with VISEN for the further development and commercialization of TransCon hGH, TransCon PTH and TransCon CNP in Greater China, and as consideration for the granting of such rights has received a 50.0% ownership of VISEN's issued and outstanding shares. As of December 31, 2024, the Company's present ownership in VISEN was 43.9%.

The aggregated profit or loss, total comprehensive income, transactions and outstanding balances with associates as of December 31, 2024 and 2023 were as follows.

	2024	2023
	(EUR'000)	
Statement of profit or (loss)		
Profit/(loss) for the year from continuing operations	(59,235)	(41,873)
Total comprehensive income	(59,218)	(41,859)
Transactions and outstanding balances as of December 31		
Invoicing of goods and services to associates	18,225	15,026
Trade receivables from associates	1,759	991
Contract liabilities	5,936	7,133

Note 13—Inventories

Inventories are specified below:

	2024	2023
	(EUR'000)	
Inventories		
Raw materials and consumables	17,596	18,566
Work in progress	235,688	171,030
Finished goods	42,325	19,335
Total inventories	295,609	208,931

Due to production lead time, work in progress includes inventories that are not sellable before more than twelve months after the reporting date.

Inventories were reduced by write-downs of €15.7 million and €22.9 million for the years ended December 31, 2024 and 2023 respectively, which include write-downs on pre-launch inventories.

Note 14—Contract Liabilities

At December 31, 2024, contract liabilities comprise unsatisfied performance obligations related to delivery of commercial supply under one of the Company's license agreements. Non-current contract liabilities are expected to be recognized as revenue within 1-2 years.

Revenue recognized from contract liabilities were €1.4 million, €13.3 million and €10.5 million for the years ended December 31, 2024, 2023 and 2022, respectively, and primarily related to delivery of clinical supply and research and development services.

Note 15—Provisions

Development in provisions is specified below:

	2024
	(EUR'000)
Provisions	
January 1	32,719
Additions related to prior years	4,684
Net additions for the year	57,284
Foreign exchange translation	4,462
December 31	99,149

Note 16—Financial Assets and Liabilities

Financial assets and liabilities comprise the following:

	2024	2023
	(EUR'000)	
Financial assets by category		
Trade receivables	166,280	35,874
Other receivables (excluding indirect tax receivables)	3,964	3,909
Marketable securities	—	7,275
Cash and cash equivalents	559,543	392,164
Financial assets measured at amortized cost	729,787	439,222
Total financial assets	729,787	439,222
Classified in the statement of financial position		
Non-current assets	2,317	2,127
Current assets	727,470	437,095
Total financial assets	729,787	439,222
Financial liabilities by category		
Borrowings		
Convertible senior notes	458,207	407,095
Royalty funding liabilities	305,379	138,377
Lease liabilities	93,030	98,793
Trade payables and accrued expenses	96,394	94,566
Other liabilities (excluding indirect tax and employee related payables)	311	—
Financial liabilities measured at amortized cost	953,321	738,831
Derivative liabilities	150,670	143,296
Financial liabilities measured at fair value through profit or loss	150,670	143,296
Total financial liabilities	1,103,991	882,127
Classified in the statement of financial position		
Non-current liabilities	365,080	222,996
Current liabilities	738,911	659,131
Total financial liabilities	1,103,991	882,127

Finance income and expenses are specified below:

	2024	2023	2022
	(EUR'000)		
Finance income			
Interest income	14,361	16,857	7,426
Remeasurement gain of financial liabilities	11,248	14,654	—
Foreign exchange translation (net)	—	12,346	44,755
Total finance income	25,609	43,857	52,181
Finance expenses			
Interest expenses	65,504	44,065	30,682
Remeasurement loss of financial liabilities	7,374	—	15,483
Foreign exchange translation (net)	27,149	—	4,322
Total finance expenses	100,027	44,065	50,487

Interest income and interest expenses relate to financial assets and liabilities measured at amortized cost. Net exchange rate gains and losses primarily relate to U.S. Dollar/Euro fluctuations pertaining to the Company's cash, cash equivalents, marketable securities and borrowings.

Borrowings

Convertible Senior Notes

In March 2022, the Company issued an aggregate principal amount of \$575.0 million of fixed rate 2.25% convertible notes. The net proceeds from the offering of the convertible notes were \$557.9 million (€503.3 million), after deducting the initial purchasers' discounts and commissions, and transaction costs. The convertible notes rank equally in right of payment with all future senior unsecured indebtedness. Unless earlier converted or redeemed, the convertible notes will mature on April 1, 2028.

The convertible notes accrue interest at a rate of 2.25% per annum, payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2022. At any time before the close of business on the second scheduled trading day immediately before the maturity date, noteholders may convert their convertible notes at their option into the Company's ordinary shares represented by ADSs, together, if applicable, with cash in lieu of any fractional ADS, at the then-applicable conversion rate. The initial conversion rate is 6.0118 ADSs per \$1,000 principal amount of convertible notes, which represents an initial conversion price of \$166.34 per ADS. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events.

The convertible notes will be optionally redeemable, in whole or in part (subject to certain limitations), at the Company's option at any time, and from time to time, on or after April 7, 2025, but only if the last reported sale price per ADS exceeds 130% of the conversion price on each of (i) at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related optional redemption notice; and (ii) the trading day immediately before the date the Company sends such notice.

Royalty Funding Liabilities

The Company has entered into capped synthetic royalty funding agreements with Royalty Pharma (the "Purchaser"), which is presented as royalty funding liabilities, and represents the Company's contractual obligations to pay a predetermined percentage of future commercial revenue until reaching a predetermined multiple of proceeds received, according to the detailed provisions of the synthetic royalty funding agreements.

YORVIPATH Agreement

In September 2024, the Company entered into a \$150.0 million capped synthetic royalty funding agreement (the "Royalty Pharma Yorvipath Agreement") with the Purchaser. The net proceeds were \$148.2 million (€134.2 million) after deducting offering expenses.

Under the terms of the Royalty Pharma Yorvipath Agreement, the Company received an upfront payment of \$150.0 million (the "Yorvipath Purchase Price") in exchange for a 3% royalty on net revenue from sales of YORVIPATH in the U.S. (the "Yorvipath Revenue Payments"). The Yorvipath Revenue Payments to the Purchaser will cease upon reaching a multiple of the Yorvipath Purchase Price of 2.0 times, or 1.65 times if the Purchaser receives Yorvipath Revenue Payments in that amount by December 31, 2029.

The Royalty Pharma Yorvipath Agreement includes a buy-out option, which provides the Company with the right to settle all outstanding liabilities at any time by paying a buy-out amount equal to 2.0 times the Yorvipath Purchase Price minus the Yorvipath Revenue Payments paid to the Purchaser as of the effective date of the buy-out notice. However, if the buy-out notice is provided on or prior to September 30, 2028, and the Company has paid the Purchaser, Yorvipath Revenue Payments equal to the Yorvipath Purchase Price as of the date of the buy-out notice, then the buy-out amount is equal to 1.65 times the Yorvipath Purchase Price minus the Yorvipath Revenue Payments paid to the Purchaser as of the effective date of the buy-out notice.

SKYTROFA Agreement

In September 2023, the Company entered into a \$150.0 million capped synthetic royalty funding agreement (the "Royalty Pharma Skytrofa Agreement") with the Purchaser. The net proceeds were \$146.3 million (€136.3 million) after deducting offering expenses.

Under the terms of the Royalty Pharma Skytrofa Agreement, the Company received an upfront payment of \$150.0 million (the “Skytrofa Purchase Price”) in exchange for a 9.15% royalty on net revenue from sales of SKYTROFA in the U.S., beginning on January 1, 2025 (the “Skytrofa Revenue Payments”). The Skytrofa Revenue Payments to the Purchaser will cease upon reaching a multiple of the Skytrofa Purchase Price of 1.925 times, or 1.65 times if the Purchaser receives Skytrofa Revenue Payments in that amount by December 31, 2031.

The Royalty Pharma Skytrofa Agreement includes a buy-out option, which provides the Company with the right to settle all outstanding liabilities at any time by paying a buy-out amount equal to 1.925 times the Skytrofa Purchase Price minus the Skytrofa Revenue Payments paid to the Purchaser as of the effective date of the buy-out notice. However, if the buy-out notice is provided on or prior to December 31, 2028, and the Company has paid the Purchaser, Skytrofa Revenue Payments equal to the Skytrofa Purchase Price as of the date of the buy-out notice, then the buy-out amount is equal to 1.65 times the Skytrofa Purchase Price minus the Skytrofa Revenue Payments paid to the Purchaser as of the effective date of the buy-out notice.

Leases

The Company primarily leases office and laboratory facilities. Lease arrangements contain a range of different terms and conditions and are typically entered into for fixed periods. In order to improve flexibility to the Company’s operations, lease arrangements may provide the Company with option to extend the lease or terminate the lease within the enforceable lease term. In the Company’s current lease portfolio, extension and termination options are up to five years, in addition to the non-cancellable periods.

The following expenses related to lease activities were recognized in the consolidated statements of profit or loss:

	<u>2024</u>	<u>2023</u> (EUR'000)	<u>2022</u>
Lease expenses			
Depreciation	12,312	11,875	11,740
Short term leases and leases of low value assets	285	353	280
Lease interest	3,303	3,581	3,842
Total lease expenses	<u>15,900</u>	<u>15,809</u>	<u>15,862</u>

In February 2022, the Company entered into a facility lease in Germany with an enforceable lease term of 15 years, and comprises total lease cash-outflows of €81.1 million. In addition, in December 2024, the Company entered into additional leases in Denmark with enforceable lease terms of 12 years with option to terminate earlier and comprise total lease cash-outflows of €16.2 million if not terminated earlier. The leases are expected to commence in 2025.

Financing Activities

The development in borrowings related to financing activities is specified below:

	Cash payments			Non-cash items			End of year	
	Beginning of year	Repayments	Net proceeds	Additions/(disposals)	Remeasurements	Accretion of interest		Foreign exchange translation
(EUR'000)								
Financing activities								
December 31, 2024								
Borrowings (excluding lease liabilities)	545,472	(11,819)	134,158	—	(11,248)	62,116	44,907	763,586
Lease liabilities	98,793	(14,677)	—	861	—	3,303	4,750	93,030
Total financing activities	644,265	(26,496)	134,158	861	(11,248)	65,419	49,657	856,616

Financing activities								
December 31, 2023								
Borrowings (excluding lease liabilities)	399,186	(12,054)	136,256	—	—	40,386	(18,302)	545,472
Lease liabilities	109,191	(14,006)	—	2,973	—	3,581	(2,946)	98,793
Total financing activities	508,377	(26,060)	136,256	2,973	—	43,967	(21,248)	644,265

Derivative Liabilities

Derivative liabilities relate to the foreign currency conversion option embedded in the convertible notes.

Fair value cannot be measured based on quoted prices in active markets or other observable inputs and accordingly, derivative liabilities are measured by using the Black-Scholes option-pricing model. Fair value of the option is calculated, applying the following assumptions: (1) conversion price; (2) the Company's share price; (3) maturity of the option; (4) a risk-free interest rate equaling the effective interest rate on a U.S. government bond with the same lifetime as the maturity of the option; (5) no payment of dividends; and (6) an expected volatility using the Company's share price (49.6% and 50.5% as of December 31, 2024 and December 31, 2023, respectively).

For additional description of fair values, refer to the following section "Fair Value Measurement."

Sensitivity Analysis

On December 31, 2024, all other inputs and assumptions held constant, a 10% relative increase in volatility, will increase the fair value of derivative liabilities by approximately €15.0 million and indicates a decrease in profit or loss and equity before tax. Similarly, a 10% relative decrease in volatility indicates the opposite impact.

Similarly, on December 31, 2024, all other inputs and assumptions held constant, a 10% increase in the share price, will increase the fair value of derivative liabilities by approximately €30.8 million and indicates a decrease in profit or loss and equity before tax. Similarly, a 10% decrease in the share price indicates the opposite impact.

Fair Value Measurement

Because of the short-term maturity for cash and cash equivalents, receivables and trade payables, their fair value approximate carrying amount. Fair value compared to carrying amount of marketable securities, convertible notes, royalty funding liabilities and derivatives, and their level in the fair value hierarchy is summarized in following table, where;

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

	2024		2023		Fair value level (1-3)
	Carrying amount	Fair value	Carrying amount	Fair value	
	(EUR'000)				
Financial assets					
Marketable securities	—	—	7,275	7,266	1
Financial assets measured at amortized cost	—	—	7,275	7,266	
Financial liabilities					
Convertible senior notes	458,207	438,288	407,095	385,410	3
Royalty funding liabilities	305,379	305,673	138,377	143,975	3
Financial liabilities measured at amortized cost	763,586	743,961	545,472	529,385	
Derivative liabilities	150,670	150,670	143,296	143,296	3
Financial liabilities measured at fair value through profit or loss	150,670	150,670	143,296	143,296	

The following table specifies movements in level 3 fair value measurements:

	2024	2023	2022
	(EUR'000)		
Derivative liabilities			
January 1	143,296	157,950	—
Additions	—	—	142,467
Remeasurement recognized in financial income or expense	7,374	(14,654)	15,483
December 31	150,670	143,296	157,950

Note 17 – Financial Risk Management

The Company manages capital to ensure that all group enterprises will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances.

Capital Structure

The Company's capital structure consists of equity and external debt obtained through issuance of convertible notes and royalty funding liabilities. The Company is not subject to any contractually imposed capital requirements or financial covenants. The capital structure is reviewed on an ongoing basis for the adequacy of the Company's capital compared to the resources required for carrying out ordinary activities.

Development in the Company's share capital and treasury shares reserves are described in the following sections. Other equity reserves are described in Note 2, "Summary of Material Accounting Policies."

Share Capital

The share capital of Ascendis Pharma A/S consists of 60,689,487 fully paid shares at a nominal value of DKK 1, all in the same share class, and which includes **845,887** ordinary shares represented by ADSs held by Ascendis Pharma A/S.

The development in outstanding shares of the Company was as follows:

	2024	2023	2022 (Number)	2021	2020
Changes in share capital					
January 1	57,707,439	57,152,295	56,937,682	53,750,386	47,985,837
Increase through cash contributions	2,982,048	555,144	214,613	3,187,296	5,764,549
December 31	60,689,487	57,707,439	57,152,295	56,937,682	53,750,386

Treasury Shares Reserve

The development in holding of treasury shares was as follows:

	Nominal value (EUR'000)	Holding (Number)	Holding in % of total outstanding shares
Treasury shares			
January 1, 2023	149	1,113,152	—
Transferred under stock incentive programs	(3)	(20,098)	—
December 31, 2023	146	1,093,054	1.9 %
Transferred under stock incentive programs	(33)	(247,167)	—
December 31, 2024	113	845,887	1.4 %

Financial Risk Management Objectives

The Company regularly monitors the access to domestic and international financial markets, manages the financial risks relating to its operations, and analyzes exposures to risk, including market risk, such as foreign currency risk and interest rate risk, credit risk and liquidity risk.

The Company's financial risk exposure and risk management policies are described in the following sections.

Market Risk

The Company's activities expose the group enterprises to the financial risks of changes in foreign currency exchange rates and interest rates. Derivative financial instruments are not applied to manage exposure to such risks.

Foreign Currency Risk Management

The Company is exposed to foreign currency exchange risks arising from various currency exposures, primarily with respect to the U.S. Dollar ("USD"). Foreign currency exchange risks to the USD are unchanged to prior year, and primarily relate to sales and purchases in foreign currencies, convertible notes and royalty funding liabilities, countered by cash and cash equivalents. The exposure from foreign currency exchange risks is managed by maintaining cash positions in the currencies in which the majority of future expenses are denominated, and payments are made from those reserves.

Foreign Currency Sensitivity Analysis

The following table details how a strengthening of the USD against the EUR would impact profit or loss, and equity before tax at the reporting date. A similar weakening of the USD would have the opposite effect. A positive number indicates an increase in profit or loss and equity before tax, while a negative number indicates the opposite. The sensitivity analysis is deemed representative of the inherent foreign currency exchange risk associated with the operations.

	Nominal positions (net)	Hypothetical impact on consolidated financial statements		
		Increase in foreign currency exchange rate	Profit/(loss) before tax	Equity before tax
		(EUR '000)		
USD/EUR				
December 31, 2024	(735,064)	10 %	(73,506)	(73,506)
December 31, 2023	(369,091)	10 %	(36,909)	(36,909)

Interest Rate Risk Management

Outstanding convertible notes comprise a 2.25% coupon fixed rate structure. Further, the effective interest rate on royalty funding liabilities is estimated at initial recognition and takes into account anticipated amount and timing of future cash flows, which further depends on future commercial revenue forecasts and the probability of exercising the embedded buy-out option. Material changes to anticipated future cash flows could potentially increase or decrease future interest expense. In addition, the interest rate on lease liabilities is fixed at the lease commencement date.

Future indebtedness, including those related to lease arrangements, if any, may be subject to higher interest rates. In addition, future interest income from interest-bearing bank deposits may fall short of expectations due to changes in interest rates.

Derivative liabilities are measured at fair value through profit or loss. Since the fair value is exposed from the development in interest rates, the profit or loss is exposed to volatility from such development. The effects of interest rate fluctuations are not considered a material risk to the Company's financial position. Accordingly, no interest sensitivity analysis has been presented.

Credit Risk Management

The Company has adopted an investment policy with the primary purpose of preserving capital, fulfilling liquidity needs and diversifying the risks associated with cash, cash equivalents and marketable securities. This investment policy establishes minimum ratings for institutions with which the Company holds cash and cash equivalents, as well as rating and concentration limits for marketable securities held.

The exposure to credit risk primarily relates to cash and cash equivalents. The credit risk on bank deposits is limited because the counterparties, holding significant deposits, are banks with minimum credit-ratings of A3/A- assigned by international credit-rating agencies. The banks are reviewed on a regular basis and deposits may be transferred during the year to mitigate credit risk. In order to mitigate the concentration of credit risks on bank deposits and to preserve capital, a portion of the bank deposits may be placed into investment grade rated marketable securities. The Company's investment policy, approved by the Board, only allows investment in marketable securities having investment grade credit-ratings, assigned by international credit-rating agencies. Accordingly, the risk from probability of default is low. On each reporting date, the risk of expected credit loss on bank deposits and marketable securities, if any, including the hypothetical impact arising from the probability of default, is considered in conjunction with the expected loss caused by default by banks or securities with similar credit-ratings and attributes. In line with previous periods, this assessment did not reveal a material impairment loss, and accordingly no provision for expected credit loss has been recognized.

At the reporting dates, there are no significant overdue trade receivable balances. As a result, write-down to accommodate expected credit-losses is not deemed material.

Liquidity Risk Management

Historically, the risk of insufficient funds has been addressed through proceeds from sale of the Company's securities in private and public offerings, through issuance of convertible notes in 2022, and through royalty funding liabilities in 2024 and 2023.

Liquidity risk is managed by maintaining adequate cash reserves and banking facilities. The risk of shortage of funds is monitored, using a liquidity planning tool, to ensure sufficient funds are available to settle liabilities as they fall due. Besides long term deposits on leases, the Company's financial assets are recoverable within twelve months after the reporting date.

Maturity analysis

The following table summarizes maturity analysis (on an undiscounted basis) for non-derivative financial liabilities recognized in the consolidated statements of financial position:

	<u>< 1 year</u>	<u>1-5 years</u>	<u>>5 years</u>	<u>Total contractual cash-flows</u>	<u>Carrying amount</u>
	(EUR'000)				
Financial liabilities					
December 31, 2024					
Borrowings (excluding lease liabilities)	32,303	1,027,558	13,660	1,073,521	763,586
Lease liabilities	15,482	52,007	39,127	106,616	93,030
Trade payables, accrued expenses and other liabilities	96,705	—	—	96,705	96,705
Total financial liabilities	144,490	1,079,565	52,787	1,276,842	953,321
Financial liabilities					
December 31, 2023					
Borrowings (excluding lease liabilities)	11,708	742,925	42,397	797,030	545,472
Lease liabilities	14,385	51,426	49,056	114,867	98,793
Trade payables, accrued expenses and other liabilities	94,566	—	—	94,566	94,566
Total financial liabilities	120,659	794,351	91,453	1,006,463	738,831

“Borrowings (excluding lease liabilities)” comprise convertible notes and royalty funding liabilities. Further details regarding classification of convertible notes as current liabilities in the consolidated statement of financial position are provided in Note 2, “Summary of Material Accounting Policies,” section “New and Amended IFRS Accounting Standards and Interpretations.” Expected maturity for royalty funding liabilities is based on anticipated amount and timing of future revenue from sale of commercial products. Further details regarding the payment structure of the royalty funding agreements are provided above.

Note 18—Commitments and Contingencies

Contractual commitments for the acquisition of property, plant and equipment were €0.3 million and €1.2 million for the years ended December 31, 2024 and 2023, respectively. Further, with certain suppliers, the Company has agreed minimum commitments related to the manufacturing of product supply, subject to continuous negotiation and adjustments according to the individual contractual terms and conditions. Cost of product supply is recognized when the Company obtains control of the goods. In addition, the Company has commitments related to short-term leases and leases of low value assets, contracts of various lengths in respect of research and development with CROs, and IT and facility related services. Costs relating to those commitments are recognized as services are received.

The Company is not aware of any significant legal claims or disputes.

Note 19—Related Party Transactions

The Board of Directors, the Executive Board and non-executive Senior Management (“Key Management Personnel”) are considered related parties as they have authority and responsibility for planning and directing the Company’s operations. Related parties also include undertakings in which such individuals have a controlling or joint controlling interest. Additionally, all group enterprises and associates are considered related parties.

Neither the Company’s related parties nor major shareholders hold a controlling, joint controlling, or significant interest in the Group.

The Company has entered into employment agreements with and issued warrants, RSUs and PSUs to Key Management Personnel. In addition, the Company pays fees for board tenure and board committee tenure to the independent members of the Board of Directors. For further details, refer to Note 6, “Employee Costs.” Indemnification agreements have been entered with members of the Board of Directors, the Executive Board and Non-executive Senior Management.

Transactions between the parent company and group enterprises comprise management and license fees, research and development services, administration services, and clinical and commercial supplies. These transactions have been eliminated in the consolidated financial statements. Transactions and outstanding balances with the associates are disclosed in Note 12, “Investments in Associates.”

In addition, the parent company Ascendis Pharma A/S is jointly taxed with its Danish subsidiaries, where the current Danish corporation tax is allocated between the jointly taxed Danish companies. For further details, refer to Note 9, “Tax on Profit/(Loss) for the Year and Deferred Tax.”

Except for the information disclosed above, the Company has not undertaken any significant transactions with members of the Key Management Personnel, or undertakings in which the identified related parties have a controlling or joint controlling interest.

Note 20—Investments in Group Enterprises

Ascendis Pharma A/S's (parent company) investments in group enterprises at December 31, 2024 comprise:

Subsidiaries	Domicile	Ownership
Ascendis Pharma GmbH	Germany	100 %
Ascendis Pharma Endocrinology GmbH	Germany	100 %
Ascendis Pharma, Inc.	USA	100 %
Ascendis Pharma Endocrinology, Inc.	USA	100 %
Ascendis Pharma Ophthalmology Division A/S	Denmark	100 %
Ascendis Pharma Endocrinology Division A/S	Denmark	100 %
Ascendis Pharma Bone Diseases A/S	Denmark	100 %
Ascendis Pharma Growth Disorders A/S	Denmark	100 %
Ascendis Pharma Oncology Division A/S	Denmark	100 %
Ascendis Pharma Europe A/S	Denmark	100 %
Ascendis Pharma UK Limited	United Kingdom	100 %
Ascendis Pharma Iberia S.L.	Spain	100 %
Ascendis Pharma France SASU	France	100 %
Ascendis Pharma Italia SRL	Italy	100 %
Ascendis Pharma Sverige AB	Sweden	100 %
Ascendis Pharma Switzerland GmbH	Switzerland	100 %
Associates	Domicile	Ownership
VISEN Pharmaceuticals	Cayman Island	43.9 %
Eyconis Inc.	USA	41.6 %

Note 21—Ownership

The following investors, or groups of affiliated investors, are known by us to beneficially own more than 5% of the Company's outstanding ordinary shares at December 31, 2024:

- Entities affiliated with RA Capital Management, LLC, USA
- Westfield Capital Management Company, L.P., USA
- Entities affiliated with FMR LLC, USA
- Avoro Capital Advisors LLC, USA
- Entities affiliated with Artisan Partners LP, USA
- Entities affiliated with Janus Henderson Group plc, United Kingdom

The Company's American Depository Shares are held through BNY (Nominees) Limited as nominee, of The Bank of New York Mellon, UK (as registered holder of the Company's outstanding ADSs).

Note 22—Subsequent Events

No events have occurred after the reporting date that would influence the evaluation of these consolidated financial statements.

Item 19 Exhibits

The following exhibits are filed as part of this annual report:

Exhibit Number	Exhibit Description	Incorporated by Reference				Provided Herewith
		Form	Date	Number	File Number	
1.1	Articles of Association, currently in effect (English translation).	6-K	2/12/2025	1.1	001-36815	
2.1	Deposit Agreement dated January 27, 2015 among Ascendis Pharma A/S The Bank of New York Mellon and Owners and Holders of American Depositary Shares.	F-3	2/2/2016	4.2	333-209336	
2.2	Form of American Depositary Receipt (included in Exhibit 2.1).					
2.3	Description of Share Capital and American Depositary Shares.					X
4.1(a)	Rental Agreement, between Technologiepark Heidelberg II GmbH & Co. KG and Ascendis Pharma GmbH (English translation).	F-1	12/18/2014	10.3(a)	333-201050	
4.1(b)	Supplement No. 1 to Rental Agreement, between Technologiepark Heidelberg II GmbH & Co. KG and Ascendis Pharma GmbH (English translation).	F-1	12/18/2014	10.3(b)	333-201050	
4.2(a)	Reference is made to Exhibit 1.1.					
4.2(b)	Form of Warrant Certificate for Warrants					X
4.3	Form of Indemnification Agreement for board members and senior management.	F-1	1/16/2015	10.5	333-201050	
4.4	Registration Rights Agreement dated December 11, 2015 by and among Ascendis Pharma A/S, Fidelity Securities Fund: Fidelity Series Small Cap Opportunities Fund—Healthcare Sub and Fidelity Stock Selector Small Cap Fund—Health Care Sub.	6-K	12/14/2015	4.1	001-36815	
4.5	Lease Agreement dated September 7, 2015 between Ascendis Pharma A/S and Dades AS.	F-3	2/2/2016	10.1	001-36815	
4.6†	Manufacturing and Supply Agreement dated December 21, 2017, between Ascendis Pharma A/S and NOF Corporation.	20-F	3/28/2018	4.9	001-36815	
4.7†	Manufacturing and Supply Agreement dated January 12, 2017, between Ascendis Pharma A/S and Medicom Innovation Partner A/S.	20-F	3/28/2018	4.10	001-36815	
4.8*	Supply Agreement dated January 1, 2019, between Ascendis Pharma A/S and Vetter Pharma International GMBH.	20-F	4/3/2019	4.11	001-36815	
4.9*	Manufacturing and Supply Agreement dated October 26, 2018, between Ascendis Pharma A/S and Carbogen Amcis AG.	20-F	4/3/2019	4.12	001-36815	

Exhibit Number	Exhibit Description	Incorporated by Reference				Provided Herewith
		Form	Date	Number	File Number	
4.10*	Exclusive Licence Agreement dated November 7, 2018, between Ascendis Pharma Growth Disorders A/S and VISEN Pharmaceuticals (CNP).	20-F	4/3/2019	4.15	001-36815	
4.11*	Exclusive Licence Agreement dated November 7, 2018, between Ascendis Pharma Endocrinology Division A/S and VISEN Pharmaceuticals (hGH).	20-F	4/3/2019	4.16	001-36815	
4.12*	Exclusive Licence Agreement dated November 7, 2018, between Ascendis Pharma Bone Diseases A/S and VISEN Pharmaceuticals (PTH).	20-F	4/3/2019	4.17	001-36815	
4.13*	Tech Transfer and Manufacturing Services Agreement dated December 12, 2019 between Ascendis Pharma A/S and Lonza Ltd.	20-F	4/2/2020	4.16	001-36815	
4.14*	Packaging and Supply Agreement dated December 1, 2019 between Ascendis Pharma A/S and Sharp Corporation.	20-F	4/2/2020	4.17	001-36815	
4.15*	Manufacturing and Supply Agreement dated December 27, 2020, between Ascendis Pharma A/S and Bachem AG.	20-F	3/2/2022	4.16	001-36815	
4.16*	Manufacturing and Supply Agreement dated May 27, 2021, between Ascendis Pharma A/S and Carbogen Amcis AG.	20-F	3/2/2022	4.17	001-36815	
4.17*	Manufacturing and Supply Agreement dated August 31, 2020 between Ascendis Pharma A/S and NOF Corporation.	20-F	3/2/2022	4.18	001-36815	
4.18*	Amended and Restated Shareholders Agreement dated January 8, 2021, by and among Ascendis Pharma A/S and the parties set forth therein.	20-F	3/10/2021	4.17	001-36815	
4.19*	Amendment Letter to the Exclusive Licence Agreement dated January 4, 2021 between Ascendis Pharma Growth Disorders A/S and VISEN Pharmaceuticals (CNP).	20-F	3/10/2021	4.18	001-36815	
4.20*	Amendment Letter to the Exclusive Licence Agreement dated January 4, 2021 between Ascendis Pharma Endocrinology Division A/S and VISEN Pharmaceuticals (hGH).	20-F	3/10/2021	4.19	001-36815	
4.21*	Amendment Letter to the Exclusive Licence Agreement dated January 4, 2021 between Ascendis Pharma Bone Diseases A/S and VISEN Pharmaceuticals (PTH).	20-F	3/10/2021	4.20	001-36815	
4.22*	Revenue Participation Right Purchase and Sale Agreement dated September 5, 2023 between Ascendis Pharma Endocrinology Division A/S, Ascendis Pharma A/S and Royalty Pharma Development Funding LLC.	20-F	2/7/2024	4.22	001-36815	
4.23*	Revenue Participation Right Purchase and Sale Agreement dated September 3, 2024 between					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Provided Herewith
		Form	Date	Number	File Number	
	Ascendis Pharma Bone Diseases A/S, Ascendis Pharma A/S and Royalty Pharma Development Funding LLC.					
4.24*	Supply Agreement dated October 1, 2022 between Ascendis Pharma A/S and Vetter Pharma International GmbH.					X
4.25*	Amendment Number 1 to Supply Agreement dated April 8, 2024 between Ascendis Pharma A/S and Vetter Pharma International GmbH					X
4.26	Ascendis Pharma A/S Restricted Stock Unit Program.	S-8	2/28/2023	99.2	333-270088	
4.27	Ascendis Pharma A/S Performance Stock Unit Program.	S-8	2/29/2024	99.2	333-277519	
8.1	List of Subsidiaries.					X
11.1	Insider Trading Compliance Policy.					X
12.1	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
12.2	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
13.1	Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
13.2	Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
15.1	Consent of Independent Registered Public Accounting Firm.					X
97.1	Ascendis Pharma A/S Policy for Recovery of Erroneously Awarded Compensation.	20-F	2/7/2024	97.1	001-36815	
EX-101.INS	Inline XBRL Instance Document.					X
EX-101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.					X
104	Cover page interactive data file (formatted as Inline XBRL and included in Exhibit 101).					X

† Confidential treatment has been granted for certain information contained in this Exhibit. Such information has been omitted and filed separately with the SEC.

* Portions of this exhibit, marked by asterisks, have been omitted pursuant to Instruction 4(a) to Exhibits to Form 20-F because they are both (i) not material, and (ii) include information of the type that we treat as private or confidential.

Signatures

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Ascendis Pharma A/S

/s/ Jan Møller Mikkelsen

By:

Jan Møller Mikkelsen
*President, Chief Executive Officer and Board Member
(Principal Executive Officer)*

Date: February 12, 2025

/s/ Scott T. Smith

By:

Scott T. Smith
*Executive Vice President, Chief Financial Officer
(Principal Financial Officer)*

Date: February 12, 2025

DESCRIPTION OF SHARE CAPITAL

Set forth below is a summary of certain information concerning our share capital as well as a description of certain provisions of our articles of association, the registration rights agreement entered into in December 2015 to which we and certain holders of American Depositary Shares, also referred to as ADSs, are parties or the 2015 Registration Rights Agreement, and relevant provisions of the Danish Companies Act (in Danish: Selskabsloven). Because the following is only a summary, it does not contain all of the information that may be important to you. The summary includes certain references to and descriptions of material provisions of our articles of association, the 2015 Registration Rights Agreement and Danish law in effect as of the date of our Annual Report on Form 20-F. The summary below does not purport to be complete and is qualified in its entirety by reference to applicable Danish Law and our articles of association and the 2015 Registration Rights Agreement, copies of which are incorporated by reference into our Annual Report on Form 20-F. Further, please note that ADS holders are not treated as our shareholders and do not have rights as a shareholder. For more information regarding the rights of ADS holders, see “Description of American Depositary Shares” below.

General

Our company was incorporated on September 21, 2006 as a private limited liability company (in Danish: *Anpartsselskab*, or *ApS*) under Danish law and is registered with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) in Copenhagen, Denmark under registration number 29918791. On December 17, 2007, our company was converted into a public limited liability company (in Danish: *Aktieselskab*, or *A/S*). Our company’s headquarters and registered office is Tuborg Boulevard 12, DK-2900 Hellerup, Denmark.

Authorizations to our board of directors

As of December 31, 2024, our board of directors is authorized to increase the share capital as follows:

- Our board of directors is authorized to increase our share capital by up to 9,000,000 shares with pre-emptive subscription rights for existing shareholders. Capital increases according to this authorization shall be carried out by our board of directors by way of cash contributions. This authorization is valid until May 29, 2029.
 - Our board of directors is authorized to increase our share capital by up to 3,825,000 without pre-emptive subscription rights for existing shareholders. Capital increases according to this authorization can be carried out by our board of directors by way of contributions in kind, conversion of debt and/or cash contributions, and must be carried out at market price as determined in accordance with Danish law. This authorization is valid until May 27, 2026.
 - Our board of directors is authorized to issue 111,992 warrants and to increase our share capital by up to 111,912 shares without pre-emptive subscription rights for existing shareholders in connection with the exercise, if any, of said warrants and to determine the terms and conditions thereof. This authorization is valid until May 28, 2025.
 - Our board of directors is authorized to obtain loans against issuance of convertible bonds which confer the right to subscribe for shares in the Company. The Company’s existing shareholders shall not have pre-emption rights to such shares. Our board of directors is authorized to increase the share capital by up to nominal DKK 9,000,000 by conversion of the convertible bonds. The convertible bonds shall be offered at a subscription price and a conversion price that correspond in aggregate to at least the market price of the shares at the time of the decision of our board of directors to issue the convertible bonds as determined in accordance with Danish law. The loans shall be paid in cash and our board of directors shall determine the terms and conditions for the convertible bonds. This authorization is valid until May 29, 2027.
 - Our board of directors is authorized to issue 948,124 warrants to members of the executive management and employees, advisors and consultants of the Company or our subsidiaries and to increase our share capital by up to 948,124 shares, without pre-emptive subscription rights for existing shareholders in connection with the exercise, if any, of said warrants and to determine the terms and conditions thereof.
-

The exercise price for the warrants shall be determined by the board of directors in consultation with the Company's advisors and shall at least be equal to the market price of the shares at the time of issuance as determined in accordance with Danish law. This authorization is valid until May 29, 2027.

- Our board of directors is authorized to issue 1,000,000 warrants to members of the executive management and employees, advisors and consultants of the Company or our subsidiaries and to increase our share capital by up to 1,000,000 shares, without pre-emptive subscription rights for existing shareholders in connection with the exercise, if any, of said warrants and to determine the terms and conditions thereof. The exercise price for the warrants shall be determined by the board of directors in consultation with the Company's advisors and shall at least be equal to the market price of the shares at the time of issuance as determined in accordance with Danish law. This authorization is valid until May 29, 2029.
- If our board of directors exercises its authorizations in full, and all warrants and convertible debt instruments are exercised fully (not including already issued warrants and already issued convertible debt instruments), then our share capital will amount to 84,574,603 shares consisting of 84,574,603 shares with a nominal value of DKK 1 each.

The ADSs are listed on The Nasdaq Global Select Market under the symbol "ASND."

Our warrants

Our employees, consultants, advisors and board members are eligible to participate in our warrant incentive program. Warrants have been issued by the general meeting or by our board of directors pursuant to valid authorizations in our articles of association and the terms and conditions have, in accordance with the Danish Companies Act, been incorporated in our articles of association as in effect from time to time. Each warrant grants the holder the right to subscribe for one ordinary share against cash payment of the exercise price. The exercise price is determined by our board of directors and historically has not been less than the estimated fair value of our ordinary shares on the date of grant. As of December 31, 2024, our board of directors is authorized to issue 2,060,116 warrants in the period ending May 29, 2029. As of December 31, 2024, there were outstanding 6,204,122 warrants to subscribe for our ordinary shares and such warrants had a weighted-average exercise price of €93.25.

The grant of warrants to any participant is at the discretion of our board of directors and based on the recommendation of our management. The board of directors may determine the terms and conditions of the warrants issued, including exercise periods, subscription price and adjustments caused by changes to our company's situation. Warrant holders are entitled to an adjustment of the number of warrants issued and/or the exercise price applicable in the event of certain corporate changes. Events giving rise to an adjustment include, among other things, increases or decreases to our share capital at a price below or above market value, respectively, the issuance of bonus shares, changes in the nominal value of each share and payment of dividends in excess of 10% of our company's equity. For the purpose of implementing the capital increases necessary in connection with the exercise of warrants, our board of directors has been authorized to increase our share capital by one or more issuances of shares with a total nominal value corresponding to the number of warrants issued upon cash payment of the exercise price without any pre-emptive subscription rights to existing shareholders.

Subject to earlier vesting upon the occurrence of certain exit events, warrants granted under the program from December 2012 until and including November 2021 generally vest 1/48th per month from the date of grant subject to continued service for employees, consultants and grants to board members. However, effective from December 2015, subsequent grants to board members vest 1/24th per month from the date of grant. With respect to employees, in the event that a holder resigns due to our breach of employment terms or we terminate the employment relationship and the holder has not given us good reason to do so, the warrants will continue to vest post-termination in accordance with the same vesting schedule. Otherwise, warrants will cease vesting upon termination of service with respect to employees, board members and consultants.

Subject to earlier vesting, upon the occurrence of certain exit events, for warrants granted under the program as in effect since December 9, 2021, the following vesting applies:

25% of the warrants granted to employees and consultants generally vest one year after the time of grant, and the remaining 75% of the warrants granted generally vest with 1/36 per month from one year after the time of grant. As regards warrants which board members are granted in connection with appointment, 25% of the warrants granted generally vest one year after the time of the grant (the initial grant after the board member's accession), and the remaining 75% of the warrants granted generally vest with 1/36 per month from one year after the time of the grant. Regarding any subsequent grants of warrants to board members ("Subsequent Warrants"), 50% of the Subsequent Warrants generally vest one year after the time of such subsequent grant and the remaining 50% of the Subsequent Warrants shall generally vest with 1/12 per month from one year after the time of such subsequent grant. Warrants will generally cease vesting upon termination of service with respect to employees, consultants and board members.

Vested warrants may be exercised during certain exercise periods each year. For outstanding warrants, there are four annual exercise periods; each exercise period begins two full trading days after the publication of the public release of our earnings data of a fiscal quarter and continues until the end of the second-to-last trading day in which quarter the relevant earnings release is published. The warrants expire ten years after the grant date.

RSU and PSU program

Our board of directors has received authorization from stockholders during the period until May 27, 2026 to purchase up to 2,000,000 shares or ADSs representing a corresponding amount of shares in the company as treasury shares. In addition, our board of directors has received authorization from stockholders during the period until May 29, 2028 to purchase up to additional 1,000,000 shares or ADSs representing a corresponding amount of shares in the company as treasury shares.

Our board of directors has partially exercised this right and the company re-purchased 154,837 ADSs in November 2021 (154,837) and 1,000,000 ADSs in March 2022 (1,000,000), representing a corresponding amount of shares in the company as treasury shares primarily for grants of Restricted Stock Units ("RSUs") and/or Performance Stock Units ("PSUs") in connection with the implementation of a Restricted Stock Units Program ("RSU Program") and a Performance Stock Units program ("PSU Program"). In 2024, 2023, and 2022, 212,160 ADSs, 20,098 ADSs and 41,685 ADSs, respectively, were transferred to holders under the company's RSU Program. Similarly, in 2024, 35,007 ADSs were transferred to holders under the company's PSU Program.

RSU Program

RSUs may be granted to members of the senior management team, non-executive directors, and other employees ("RSU Participants") employed with the company or another company within the company's group. Our board of directors may also, at its sole discretion, decide to grant RSUs to consultants or members of our board of directors who are then also deemed RSU Participants.

One RSU represents a right for the RSU Participant to receive one ADS upon vesting. ADSs underlying RSUs are deemed to be treasury shares that have been repurchased in the market and, upon vesting, the company may at its sole discretion choose to make a cash settlement instead of delivering ADSs.

Our board of directors may, in its sole discretion, at any given point in time, decide to grant RSUs and may at its discretion and on an individual basis decide to deviate from the vesting principles and/or the vesting conditions as set forth in the RSU Program.

RSUs are granted to the RSU Participant free of charge. It is a condition for vesting that the RSU Participant is still either employed or retained as consultant within the company or another company within the company's group or serving as member of the board of directors on the vesting date. Subject to earlier vesting, upon the occurrence of certain exit events, for each award of RSUs, 1/3 of such RSUs will vest on each anniversary of the date of grant, subject to continued service.

In March 2024, our board of directors granted an aggregate of (i) 20,610 RSUs to certain non-employee board members of the company, (ii) 158,875 RSUs to certain members of senior management of the company, and (iii) 538,495 RSUs to certain other employees of the company under the terms of the RSU Program.

PSU Program

PSUs may be granted to members of the senior management team, non-executive directors and other employees (“PSU Participants”) employed with the company or another company within the company’s group. Our board of directors may also at its sole discretion decide to grant PSUs to consultants or members of our board of directors, who are then also deemed PSU Participants.

One PSU represents a right for the PSU Participant to receive one ADS upon vesting. ADSs underlying PSUs are deemed to be treasury shares that have been repurchased in the market and, upon vesting, the company may at its sole discretion choose to make a cash settlement instead of delivering ADSs.

Our board of directors may, in its sole discretion, at any given point in time, decide to grant PSUs and may at its discretion and on an individual basis decide to deviate from the vesting principles and/or the vesting conditions as set forth in the company’s PSU Program.

PSUs are granted to the PSU Participant free of charge. It is a condition for vesting that the PSU Participant is still either employed or retained as consultant within the company or another company within the company’s group or serving as member of the board of directors on the vesting date. Subject to earlier vesting, upon the occurrence of certain exit events, for each award of PSUs 1/3 of such PSUs will vest on each anniversary of the date of grant, subject to continued service and subject to the fulfillment of the performance conditions as determined by our board of directors.

All PSUs and any rights or payments in respect thereto will be subject to recoupment by the company to the extent required to comply with applicable law or any policy of the company providing for the reimbursement of incentive compensation.

In 2024, our board of directors granted an aggregate of 92,655 PSUs to certain members of senior management of the company under the terms of the PSU Program.

Registration rights

Under the 2015 Registration Rights Agreement, we were required to timely register with the Securities and Exchange Commission 1.0 million ordinary shares underlying 1.0 million ADSs (the “Fidelity Shares”), purchased by Fidelity Securities Fund: Fidelity Series Small Cap Opportunities Fund—Healthcare Sub and Fidelity Stock Selector Small Cap Fund—Health Care Sub on December 14, 2015. In addition, the owners of the Fidelity Shares are entitled to registration of the Fidelity Shares on Form F-3. In accordance with our obligations under the 2015 Registration Rights Agreement, we filed a resale registration statement in February 2016 to register for resale the Fidelity Shares.

Unless our ordinary shares are listed on a national securities exchange or trading system and a market for our ordinary shares not held in the form of ADSs exists, any registrable securities sold pursuant to an exercise of the registration rights will be sold in the form of ADSs.

Expenses of registration

Under the 2015 Registration Rights Agreement, we agreed to pay certain registration expenses of the holders of the shares registered pursuant to the registration rights described above, excluding, among other things, the expenses of counsel for Fidelity Securities Fund: Fidelity Series Small Cap Opportunities Fund—Healthcare Sub and Fidelity Stock Selector Small Cap Fund—Health Care Sub.

Expiration of registration rights

Under the 2015 Registration Rights Agreement, the registration rights described above will expire upon the earlier of a change of control event, the disposition of the Fidelity Shares or when the Fidelity Shares can be sold under Rule 144 or Regulation S of the Securities Act during any three-month period.

Owners' register

We are obligated to maintain an owners' register (in Danish: *ejerbog*). The owners' register is maintained by Computershare A/S (Company Registration (CVR) no. 27088899), our Danish share registrar. It is mandatory that the owners' register is maintained within the European Union and that it is available to public authorities. Pursuant to the Danish Companies Act, public and private limited liability companies are required to register with the Danish Business Authority information regarding shareholders who own at least 5% of the share capital or the voting rights. Pursuant to this provision, we file registrations with the Public Owners' Register of the Danish Business Authority. Shareholders that exceed the ownership threshold must notify us and we will subsequently file the information with the Danish Business Authority. Reporting is further required when thresholds of 5%, 10%, 15%, 20%, 25%, 50%, 90% or 100%, or 1/3 or 2/3 are reached or no longer reached.

Articles of association and Danish corporate law

With respect to our articles of association, the following should be emphasized:

Objects clause

Our corporate object, as set out in article 3 of our articles of association, is to develop ideas and preparations for the combating of disease medically, to manufacture and sell such preparations or ideas, to own shares of companies with the same objects and to perform activities in natural connection with these objects.

Summary of provisions regarding the board of directors and the executive board

Pursuant to our articles of association, our board of directors shall be elected by our shareholders at the general meeting and shall be composed of not less than three and no more than 10 members. The members of the board of directors are elected for a term expiring at the first coming annual general meeting following their election. Board members must retire from the board of directors at the annual general meeting following their 75th birthday. Board members are not required to own any shares of our share capital.

The board of directors shall appoint and employ an executive board consisting of one to five members to attend to our day-to-day management, and the board of directors shall determine the terms and conditions of the employment.

Voting rights

Each shareholder is entitled to one vote for each share owned at the time of any general meeting. As compared with Danish citizens, there are no limitations under the articles of association or under Danish law on the rights of foreigners or non-Danish citizens to hold or vote our shares.

Dividend rights

Our shareholders may at general meetings authorize the distribution of ordinary and extraordinary dividends. Our shareholders may not distribute dividends in excess of the recommendation from our board of directors and may only pay out dividends from our distributable reserves, which are defined as results from operations carried forward and reserves that are not bound by law after deduction of loss carried forward.

Our shareholders are eligible to receive any dividends declared and paid out. However, we have not to date declared or paid any dividends and we currently intend to retain all available financial resources and any earnings generated by our operations for use in the business and we do not anticipate paying any dividends in the foreseeable future. The payment of any dividends in the future will depend on a number of factors, including our future earnings, capital requirements, financial condition and future prospects, applicable restrictions on the payment of dividends under Danish law and other factors that our board of directors may consider relevant.

See the section titled “*Item 10 E. Additional Information—Taxation*” in our Annual Report on Form 20-F for a summary of certain tax consequences in respect of dividends or distributions to holders of our ordinary shares or the ADSs.

Pre-emptive subscription rights

Under Danish law, all shareholders have pre-emptive subscription rights in connection with capital increases that are carried out as cash contributions. An increase in share capital can be resolved by the shareholders at a general meeting or by the board of directors pursuant to an authorization given by the shareholders. In connection with an increase of a company’s share capital, the shareholders may, by resolution at a general meeting, approve deviations from the general Danish pre-emptive rights of the shareholders. Under the Danish Companies Act, such resolution must be adopted by the affirmative vote of shareholders holding at least a two-thirds majority of the votes cast and the share capital represented at the general meeting.

The board of directors may resolve to increase our share capital without pre-emptive subscription rights for existing shareholders pursuant to the authorizations set forth above under the caption “Authorizations to our board of directors.”

Unless future issuances of new shares and/or pre-emptive rights are registered under the Securities Act or with any authority outside Denmark, U.S. shareholders and shareholders in jurisdictions outside Denmark may be unable to exercise their pre-emptive subscription rights.

Rights on liquidation

Upon a liquidation or winding-up of our company, shareholders will be entitled to participate, in proportion to their respective shareholdings, in any surplus assets remaining after payment of our creditors.

Limitations on holding of shares

There are no limitations on the right to hold shares under the articles of association or Danish law.

Liability to capital calls by us

Under our articles of association as well as the Danish Companies Act, our shareholders are not obligated to pay further amounts to us. All our shares are fully paid.

Sinking fund provisions

There are no sinking fund provisions or similar obligations relating to our ordinary shares.

Disclosure requirements

Pursuant to Section 55 of the Danish Companies Act, a shareholder is required to notify us when such shareholder’s stake represents 5% or more of the voting rights in our company or the nominal value accounts for 5% or more of the share capital, and when a change of a holding already notified entails that the limits of 5%, 10%, 15%, 20%, 25%, 50%, 90% or 100%, or 1/3 or 2/3 are reached or no longer reached. The notification shall be given within two weeks following the date when the limits are reached or are no longer reached.

The notification must include information on the date of acquisition or disposal of the shares, the number and, if applicable, the share class, the full name, address and civil registration (“CPR”) number of the shareholder or the name, central business register (“CVR”) number and registered office of the enterprise. If the shareholder has no CPR number or CVR number, such notice must be accompanied by other documentation securing unambiguous identification of the shareholder. The notice must also include information on the denomination or nominal value of the shares and the voting rights attaching to the shares.

Pursuant to section 58a, we are obligated to collect and store for a period of at least five years certain information regarding the beneficial owners of shares in the company. A beneficial owner is a physical person who ultimately holds or controls, directly or indirectly, a sufficient part of the ownership interests or voting rights or exercises control by other means, except for owners of companies whose ownership interests are traded on a regulated market or a similar market which is subject to a duty of disclosure in accordance with EU law or similar international standards.

The legal status of the notification obligations is not fully clarified in relation to ADS holders and an ADS holder may be subject to such obligations.

General meetings

The general meeting of shareholders is the highest authority in all matters, subject to the limitations provided by Danish law and the articles of association. The annual general meeting shall be held in the Greater Copenhagen area not later than the end of May in each year.

At the annual general meeting, the audited annual report is submitted for approval, together with the proposed appropriation of profit/treatment of loss, the election of the board of directors and election of our auditors. In addition, the board of directors reports on our activities during the past year.

General meetings are convened by the board of directors with a minimum of two weeks' notice and a maximum of four weeks' notice. A convening notice will be forwarded to shareholders recorded in our owners' register, who have requested such notification and by publication in the Danish Business Authority's computerized information system and on the company's website.

At the latest, two weeks before a general meeting (inclusive of the day of the general meeting), we shall make the following information and documents available on our webpage:

- the convening notice,
- the documents that shall be presented at the general meeting, which will, in the case of the annual general meeting, include the annual report, and
- the agenda and the complete proposals.

Shareholders are entitled to attend general meetings, either in person or by proxy, and they or their proxy may be accompanied by one advisor. A shareholder's right to attend general meetings and to vote at general meetings is determined on the basis of the shares that the shareholder holds on the registration date. The registration date shall be one week before the general meeting is held. The shares which the individual shareholder holds are calculated on the registration date on the basis of the registration of ownership in the owners' register as well as notifications concerning ownership which the company has received with a view to update the ownership in the owners' register. In addition, any shareholder who is entitled to attend a general meeting and who wishes to attend must have requested an admission card from us no later than three days in advance of the general meeting. Any shareholder is entitled to submit proposals to be discussed at the general meetings. However, proposals by the shareholders to be considered at the annual general meeting must be submitted in writing to the board of directors not later than six weeks before the annual general meeting.

Extraordinary general meetings must be held upon resolution of an annual general meeting to hold such a meeting or upon request of the board of directors, our auditors or shareholders representing at least 1/20 of the registered share capital or such lower percentage as our articles of association may provide. Our articles of association do not state such lower percentage.

Holders of ADSs are not entitled to directly receive notices or other materials or to attend or vote at general meetings.

Resolutions in general meetings

Resolutions made by the general meeting generally may be adopted by a simple majority of the votes cast, subject only to the mandatory provisions of the Danish Companies Act and our articles of association. Resolutions concerning all amendments to the articles of association must be passed by two-thirds of the votes cast as well as two-thirds of the share capital represented at the general meeting. Certain resolutions, which limit a shareholder's ownership or voting rights, are subject to approval by a nine-tenth majority of the votes cast and the share capital represented at the general meeting. Decisions to impose or increase any obligations of the shareholders towards the company require unanimity.

Quorum requirements

There are no quorum requirements generally applicable to general meetings of shareholders. To this extent, our practice varies from the requirement of Nasdaq Listing Rule 5620(c), which requires an issuer to provide in its bylaws for a generally applicable quorum, and that such quorum may not be less than one-third of the outstanding voting shares.

Squeeze out

According to Section 70 of the Danish Companies Act, shares in a company may be redeemed by a shareholder holding more than nine-tenths of the shares and the corresponding voting rights in the company. Furthermore, according to Section 73 of the Danish Companies Act, a minority shareholder may require a majority shareholder holding more than nine-tenths of the shares and the corresponding voting rights to redeem the minority shareholder's shares.

Danish rules intended to prevent market abuse

As of July 3, 2016, EU Regulation No 596/2014 on market abuse entered into force and Chapter 10 of the Danish Securities Trading Act was repealed. Pursuant to said Chapter 10, we had adopted an internal code on inside information in respect of the holding of and carrying out of transactions by our board of directors and executive officers and employees in the shares or ADSs or in financial instruments the value of which is determined by the value of the ordinary shares or ADSs, and we had drawn up a list of those persons working for us who could have access to inside information on a regular or incidental basis and had informed such persons of the rules on insider trading and market manipulation, including the sanctions which could be imposed in the event of a violation of those rules. However, said EU Regulation No 596/2014 on market abuse imposes no such requirements on us and we have abandoned our previous practice.

Limitation on liability

Under Danish law, members of the board of directors or senior management may be held liable for damages in the event that loss is caused due to their negligence. They may be held jointly and severally liable for damages to the company, the shareholders and to third parties for acting in violation of the articles of association and Danish law.

The general meeting is allowed to discharge our board members and members of our senior management from liability for any particular financial year based on a resolution relating to the financial statements. This discharge means that the general meeting will discharge such board members and members of our senior management from liability to us; however, the general meeting cannot discharge any claims by individual shareholders or other third parties.

Additionally, we have entered into agreements with our board members and members of our senior management, pursuant to which, subject to limited exceptions, we have agreed to indemnify such board members and members of senior management from civil liability, including (i) any damages or fines payable by them as a result of an act or failure to act in the exercise of their duties currently or previously performed by them; (ii) any reasonable costs of conducting a defense against a claim; and (iii) any reasonable costs of appearing in other legal proceedings in which such individuals are involved as current or former board members or members of senior management.

There is a risk that such agreement will be deemed void under Danish law, either because the agreement is deemed contrary to the rules on discharge of liability in the Danish Companies Act, as set forth above, because the agreement is deemed contrary to sections 19 and 23 of the Danish Act on Damages, which contain mandatory provisions on recourse claims between an employee (including members of our senior management) and us, or because the agreement is deemed contrary to the general provisions of the Danish Contracts Act.

In addition to such indemnification, we provide our board members and senior management with directors' and officers' liability insurance.

Comparison of Danish corporate law and our articles of association and Delaware corporate law

The following comparison between Danish corporate law, which applies to us, and Delaware corporate law, the law under which many publicly traded companies in the United States are incorporated, discusses additional matters not otherwise described in our Annual Report on Form 20-F. This summary is subject to Danish law, including the Danish Companies Act, and Delaware corporate law, including the Delaware General Corporation Law. Further, please note that ADS holders will not be treated as our shareholders and will not have any shareholder rights.

Duties of board members

Denmark. Public limited liability companies in Denmark are usually subject to a two-tier governance structure with the board of directors having the ultimate responsibility for the overall supervision and strategic management of the company in question and with an executive board/management being responsible for the day-to-day operations. Each board member and member of the executive board/management is under a fiduciary duty to act in the interest of the company, but shall also take into account the interests of the creditors and the shareholders. Under Danish law, the members of the board of directors and executive management of a limited liability company are liable for losses caused by negligence whether shareholders, creditors or the company itself suffers such losses. They may also be liable for wrongful information given in the annual financial statements or any other public announcements from the company. An investor suing for damages is required to prove its claim with regard to negligence, loss, and causation. Danish courts, when assessing negligence, have been reluctant to impose liability unless the directors and officers neglected clear and specific duties. This is also the case when it comes to liability with regard to public offerings or liability with regard to any other public information issued by the company.

Delaware. The board of directors bears the ultimate responsibility for managing the business and affairs of a corporation. In discharging this function, directors of a Delaware corporation owe fiduciary duties of care and loyalty to the corporation and to its stockholders. Delaware courts have decided that the directors of a Delaware corporation are required to exercise informed business judgment in the performance of their duties. Informed business judgment means that the directors have informed themselves of all material information reasonably available to them. Delaware courts have also imposed a heightened standard of conduct upon directors of a Delaware corporation who take any action designed to defeat a threatened change in control of the corporation. In addition, under Delaware law, when the board of directors of a Delaware corporation approves the sale or break-up of a corporation, the board of directors may, in certain circumstances, have a duty to obtain the highest value reasonably available to the stockholders.

Terms of the members of our board of directors

Denmark. Under Danish law, the members of the board of directors of a limited liability company are generally appointed for an individual term of one year. There is no limit on the number of consecutive terms the board members may serve. Pursuant to our articles of association, our board members are appointed by the general meeting of shareholders for a term of one year. Election of board members is, according to our articles of association, an item that shall be included on the agenda for the annual general meeting.

At the general meeting, shareholders are entitled at all times to dismiss a board member by a simple majority vote.

It follows from Section 140 of the Danish Companies Act that in limited liability companies that have employed an average of at least 35 employees in the preceding three years, the employees are entitled to elect a minimum of two representatives and alternate members to the company's board of directors up to one half the number of the shareholder elected directors. If the number of representatives to be elected by the employees is not a whole number, such number must be rounded up.

Our company currently employs more than an average of 35 employees and has done so since 2016. Consequently, from 2018, our employees have been entitled to demand representation on our board of directors. The question will, upon request from the employees, be put to a popular vote among the employees. If more than half of the employees (regardless of whether they participate in the vote) vote in favor of having representation, we must organize an election process.

Additionally, Section 141 of the Danish Companies Act allows for group representation on the board of directors of our company, i.e., that employees of our Danish subsidiaries may demand representation on our board. However, our Danish subsidiaries do not currently have employees. The employees of Ascendis Pharma, Inc., Ascendis Pharma Endocrinology, Inc., Ascendis Pharma GmbH, and Ascendis Pharma Endocrinology GmbH may only demand representation on our board of directors provided that our general meeting adopts a resolution to that effect.

Delaware. The Delaware General Corporation Law generally provides for a one-year term for directors, but permits directorships to be divided into up to three classes, of relatively equal size, with up to three-year terms, with the years for each class expiring in different years, if permitted by the certificate of incorporation, an initial bylaw or a bylaw adopted by the stockholders. A director elected to serve a term on a "classified" board may not be removed by stockholders without cause. There is no limit in the number of terms a director may serve.

Board member vacancies

Denmark. Under Danish law, in the event of a vacancy, new board members are elected by the shareholders in a general meeting. Thus, a general meeting will have to be convened to fill a vacancy on the board of directors. However, the board of directors may choose to wait to fill vacancies until the next annual general meeting of the company, provided that the remaining board members can still constitute a quorum. It is only a statutory requirement to convene a general meeting to fill vacancies if the number of remaining members on the board is less than three.

Delaware. The Delaware General Corporation Law provides that vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) unless (1) otherwise provided in the certificate of incorporation or bylaws of the corporation or (2) the certificate of incorporation directs that a particular class of stock is to elect such director, in which case any other directors elected by such class, or a sole remaining director elected by such class, will fill such vacancy.

Conflict-of-interest transactions

Denmark. Under Danish law, board members may not take part in any matter or decision-making that involves a subject or transaction in relation to which the board member has a conflict of interest with us.

Delaware. The Delaware General Corporation Law generally permits transactions involving a Delaware corporation and an interested director of that corporation if:

- the material facts as to the director's relationship or interest are disclosed and a majority of disinterested directors' consent;
- the material facts are disclosed as to the director's relationship or interest and a majority of shares entitled to vote thereon consent; or
- the transaction is fair to the corporation at the time it is authorized by the board of directors, a committee of the board of directors or the stockholders.

Proxy voting by board members

Denmark. In the event that a board member in a Danish limited liability company is unable to participate in a board meeting, the elected alternate, if any, shall be given access to participate in the board meeting. Unless the board of directors has decided otherwise, or as otherwise is set out in the articles of association, the board member in question may in special cases grant a power of attorney to another board member, provided that this is considered safe considering the agenda in question.

Delaware. A director of a Delaware corporation may not issue a proxy representing the director's voting rights as a director.

Shareholder rights

Notice of meeting

Denmark. According to the Danish Companies Act, general meetings in limited liability companies shall be convened by the board of directors with a minimum of two weeks' notice and a maximum of four weeks' notice as set forth in the articles of association. A convening notice shall be forwarded to shareholders recorded in the company's owners' register, who have requested such notification. There are specific requirements as to the information and documentation required to be disclosed in connection with the convening notice.

Delaware. Under Delaware law, unless otherwise provided in the certificate of incorporation or bylaws, written notice of any meeting of the stockholders must be given to each stockholder entitled to vote at the meeting not less than ten nor more than 60 days before the date of the meeting and shall specify the place, date, hour, and purpose or purposes of the meeting.

Voting rights

Denmark. Each ordinary share confers the right to cast one vote at the general meeting of shareholders, unless the articles of association provide otherwise. Each holder of ordinary shares may cast as many votes as it holds shares. Shares that are held by the company or its subsidiaries do not confer the right to vote.

Delaware. Under the Delaware General Corporation Law, each stockholder is entitled to one vote per share of stock, unless the certificate of incorporation provides otherwise. In addition, the certificate of incorporation may provide for cumulative voting at all elections of directors of the corporation, or at elections held under specified circumstances. Either the certificate of incorporation or the bylaws may specify the number of shares and/or the amount of other securities that must be represented at a meeting in order to constitute a quorum, but in no event can a quorum consist of less than one third of the shares entitled to vote at a meeting.

Stockholders as of the record date for the meeting are entitled to vote at the meeting, and the board of directors may fix a record date that is no more than 60 nor less than ten days before the date of the meeting, and if no record date is set then the record date is the close of business on the day next preceding the day on which notice is given, or if notice is waived then the record date is the close of business on the day next preceding the day on which the meeting is held. The determination of the stockholders of record entitled to notice or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, but the board of directors may fix a new record date for the adjourned meeting.

Shareholder proposals

Denmark. According to the Danish Companies Act, extraordinary general meetings of shareholders will be held whenever the board of directors or the appointed auditor requires. In addition, one or more shareholders representing at least 1/20th of the registered share capital of the company may, in writing, require that a general meeting be convened. If such a demand is forwarded, the board of directors shall convene the general meeting within two weeks thereafter.

All shareholders have the right to present proposals for adoption at the annual general meeting, provided that the proposals are made in writing and forwarded at the latest six weeks prior thereto. In the event that the proposal is received at a later date, the board of directors will decide whether the proposal has been forwarded in due time to be included on the agenda.

Delaware. Delaware law does not specifically grant stockholders the right to bring business before an annual or special meeting of stockholders. However, if a Delaware corporation is subject to the SEC's proxy rules, a stockholder who owns at least \$2,000 in market value, or 1% of the corporation's securities entitled to vote, may propose a matter for a vote at an annual or special meeting in accordance with those rules.

Action by written consent

Denmark. Under Danish law, it is permissible for shareholders to take action and pass resolutions by written consent in the event of unanimity; however, this will normally not be the case in listed companies and for a listed company, this method of adopting resolutions is generally not feasible.

Delaware. Although permitted by Delaware law, publicly listed companies do not typically permit stockholders of a corporation to take action by written consent.

Appraisal rights

Denmark. The concept of appraisal rights does not exist under Danish law, except in connection with statutory redemptions rights according to the Danish Companies Act.

According to Section 73 of the Danish Companies Act, a minority shareholder may require a majority shareholder that holds more than 90% of the company's registered share capital and votes to redeem his or her shares. Similarly, a majority shareholder holding more than 90% of the company's share capital and votes may, according to Section 70 of the same act, squeeze out the minority shareholders. In the event that the parties cannot agree to the redemption squeeze out price, this shall be determined by an independent evaluator appointed by the court. Additionally, there are specific regulations in Sections 249, 267, 285 and 305 of the Danish Companies Act that require compensation in the event of national or cross-border mergers and demergers. Moreover, shareholders who vote against a cross-border merger or demerger or cross-border conversion are, according to Sections 286, 306 and 318 m of the Danish Companies Act, entitled to have their shares redeemed.

Delaware. The Delaware General Corporation Law provides for stockholder appraisal rights, or the right to demand payment in cash of the judicially determined fair value of the stockholder's shares, in connection with certain mergers and consolidations.

Shareholder suits

Denmark. Under Danish law, only a company itself can bring a civil action against a third party; an individual shareholder does not have the right to bring an action on behalf of a company. An individual shareholder may, in its own name, have an individual right to take action against such third party in the event that the cause for the liability of that third party also constitutes a negligent act directly against such individual shareholder.

Delaware. Under the Delaware General Corporation Law, a stockholder may bring a derivative action on behalf of the corporation to enforce the rights of the corporation. An individual also may commence a class action suit on behalf of himself and other similarly situated stockholders where the requirements for maintaining a class action under Delaware law have been met. A person may institute and maintain such a suit only if that person was a stockholder at the time of the transaction which is the subject of the suit. In addition, under Delaware case law, the plaintiff normally must be a stockholder at the time of the transaction that is the subject of the suit and throughout the duration of the derivative suit. Delaware law also requires that the derivative plaintiff make a demand on the directors of the corporation to assert the corporate claim before the suit may be prosecuted by the derivative plaintiff in court, unless such a demand would be futile.

Repurchase of shares

Denmark. Danish limited liability companies may not subscribe for newly issued shares in their own capital. Such company may, however, according to the Danish Companies Act Sections 196-201, acquire fully paid shares of its own capital, provided that the board of directors has been authorized thereto by the shareholders acting in a general meeting. Such authorization can only be given for a maximum period of five years and the authorization shall fix (i) the maximum value of the shares and (ii) the minimum and the highest amount that the company may pay for the shares. Shares may generally only be acquired using distributable reserves.

Delaware. Under the Delaware General Corporation Law, a corporation may purchase or redeem its own shares unless the capital of the corporation is impaired or the purchase or redemption would cause an impairment of the capital of the corporation. A Delaware corporation may, however, purchase or redeem out of capital any of its preferred shares or, if no preferred shares are outstanding, any of its own shares if such shares will be retired upon acquisition and the capital of the corporation will be reduced in accordance with specified limitations.

Anti-takeover provisions

Denmark. Under Danish law, it is possible to implement limited protective anti-takeover measures. Such provisions may include, among other things, (i) different share classes with different voting rights, (ii) specific requirements to register the shares named in the company's owners register and (iii) notification requirements concerning participation in general meetings. We have currently not adopted any such provisions.

Delaware. In addition to other aspects of Delaware law governing fiduciary duties of directors during a potential takeover, the Delaware General Corporation Law also contains a business combination statute that protects Delaware companies from hostile takeovers and from actions following the takeover by prohibiting some transactions once an acquirer has gained a significant holding in the corporation.

Section 203 of the Delaware General Corporation Law prohibits "business combinations," including mergers, sales and leases of assets, issuances of securities and similar transactions by a corporation or a subsidiary with an interested stockholder that beneficially owns 15% or more of a corporation's voting stock, within three years after the person becomes an interested stockholder, unless:

- the transaction that will cause the person to become an interested stockholder is approved by the board of directors of the target prior to the transaction;
- after the completion of the transaction in which the person becomes an interested stockholder, the interested stockholder holds at least 85% of the voting stock of the corporation not including shares owned by persons who are directors and officers of interested stockholders and shares owned by specified employee benefit plans; or
- after the person becomes an interested stockholder, the business combination is approved by the board of directors of the corporation and holders of at least 66.67% of the outstanding voting stock, excluding shares held by the interested stockholder.

A Delaware corporation may elect not to be governed by Section 203 by a provision contained in the original certificate of incorporation of the corporation or an amendment to the original certificate of incorporation or to the bylaws of the company, which amendment must be approved by a majority of the shares entitled to vote and may not be further amended by the board of directors of the corporation. Such an amendment is not effective until 12 months following its adoption.

Inspection of books and records

Denmark. According to Section 150 of the Danish Companies Act, a shareholder may request an inspection of the company's books regarding specific issues concerning the management of the company or specific annual reports. If approved by shareholders with simple majority, one or more investigators are elected. If the proposal is not approved by simple majority but 25% of the share capital votes in favor, then the shareholder can request the court to appoint an investigator.

Delaware. Under the Delaware General Corporation Law, any stockholder may inspect certain of the corporation's books and records, for any proper purpose, during the corporation's usual hours of business.

Pre-emptive rights

Denmark. Under Danish law, all shareholders have pre-emptive subscription rights in connection with capital increases that are carried out as cash contributions. In connection with an increase of a company's share capital, the shareholders may, by resolution at a general meeting, approve deviations from the general Danish pre-emptive rights of the shareholders. Under the Danish Companies Act, such resolution must be adopted by the affirmative vote of shareholders holding at least a two-thirds majority of the votes cast and the share capital represented at the general meeting. The board of directors may resolve to increase our share capital without pre-emptive subscription rights for existing shareholders pursuant to the authorizations described above under the caption "Authorizations to our board of directors." Unless future issuances of new shares are registered under the Securities Act or with any authority outside Denmark, U.S. shareholders and shareholders in jurisdictions outside Denmark may be unable to exercise their pre-emptive subscription rights.

Delaware. Under the Delaware General Corporation Law, stockholders have no pre-emptive rights to subscribe for additional issues of stock or to any security convertible into such stock unless, and to the extent that, such rights are expressly provided for in the certificate of incorporation.

Dividends

Denmark. Under Danish law, the distribution of ordinary and extraordinary dividends requires the approval of a company's shareholders at a company's general meeting. Under the Danish Companies Act the general meeting may authorise the board of directors to resolve to distribute extraordinary dividends after presentation of a company's first financial statements. The authorisation may be subject to financial and time restrictions. The shareholders may not distribute dividends in excess of the recommendation from the board of directors and may only pay out dividends from our distributable reserves, which are defined as results from operations carried forward and reserves that are not bound by law after deduction of loss carried forward. The decision to pay out extraordinary dividends shall be accompanied by a balance sheet, and the board of directors determine whether it will be sufficient to use the balance sheet from the annual report or if an interim balance sheet for the period from the annual report period until the extraordinary dividend payment shall be prepared.

If a resolution to distribute extraordinary dividends is passed more than six months after the balance sheet date as set out in the company's latest approved annual report an interim balance sheet showing that sufficient funds are available for distribution must always be prepared.

Delaware. Under the Delaware General Corporation Law, a Delaware corporation may pay dividends out of its surplus (the excess of net assets over capital), or in case there is no surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year (provided that the amount of the capital of the corporation is not less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets). In determining the amount of surplus of a Delaware corporation, the assets of the corporation, including stock of subsidiaries owned by the corporation, must be valued at their fair market value as determined by the board of directors, without regard to their historical book value. Dividends may be paid in the form of shares, property or cash.

Shareholder vote on certain reorganizations

Denmark. Under Danish law, all amendments to the articles of association shall be approved by the general meeting of shareholders with a minimum of two-thirds of the votes cast and two-thirds of the represented share capital. The same applies to solvent liquidations, mergers with the company as the discontinuing entity, mergers with the company as the continuing entity if shares are issued in connection therewith, demergers with the company as the transferor company and demergers with the company as the existing transferee if amendment of the articles of association for any purpose other than the adoption of the transferor company's name or secondary name as the transferee company's secondary name is required to be made. Under Danish law, it is debatable whether the shareholders must approve a decision to sell all or virtually all of the company's business/assets.

Delaware. Under the Delaware General Corporation Law, the vote of a majority of the outstanding shares of capital stock entitled to vote thereon generally is necessary to approve a merger or consolidation or the sale of all or substantially all of the assets of a corporation. The Delaware General Corporation Law permits a corporation to include in its certificate of incorporation a provision requiring for any corporate action the vote of a larger portion of the stock or of any class or series of stock than would otherwise be required.

However, under the Delaware General Corporation Law, no vote of the stockholders of a surviving corporation to a merger is needed, unless required by the certificate of incorporation, if (1) the agreement of merger does not amend in any respect the certificate of incorporation of the surviving corporation, (2) the shares of stock of the surviving corporation are not changed in the merger and (3) the number of shares of common stock of the surviving corporation into which any other shares, securities or obligations to be issued in the merger may be converted does not exceed 20% of the surviving corporation's common stock outstanding immediately prior to the effective date of the merger. In addition, stockholders may not be entitled to vote in certain mergers with other corporations that own 90% or more of the outstanding shares of each class of stock of such corporation, but the stockholders will be entitled to appraisal rights.

Amendments to governing documents

Denmark. All resolutions made by the general meeting may be adopted by a simple majority of the votes, subject only to the mandatory provisions of the Danish Companies Act and the articles of association. Resolutions concerning all amendments to the articles of association must be passed by two-thirds of the votes cast as well as two-thirds of the share capital represented at the general meeting. Certain resolutions, which limit a shareholder's ownership or voting rights, are subject to approval by a nine-tenth majority of the votes cast and the share capital represented at the general meeting. Decisions to impose any or increase any obligations of the shareholders towards the company require unanimity.

Delaware. Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote (subject to limited exceptions), and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

Depository

The depository for the ADSs is The Bank of New York Mellon. The Bank of New York Mellon's depository office and its principal executive office are located at 240 Greenwich Street, New York, New York 10286.

American Depositary Shares

The Bank of New York Mellon, as depository, registers and delivers the ADSs. Each ADS represents one ordinary share (or a right to receive one ordinary share) deposited with The Bank of New York Mellon, acting through an office located in the United Kingdom, or any successor, as custodian for the depository. Each ADS also represents any other securities, cash or other property which may be held by the depository in respect of the depository facility.

You may hold ADSs either (1) directly (a) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (b) by having ADSs registered in your name in the Direct Registration System, or (2) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, also referred to as DTC, pursuant to which the depository may register the ownership of uncertificated ADSs, which ownership is confirmed by periodic statements sent by the depository to the registered holders of uncertificated ADSs.

ADS holders are not treated as shareholders and do not have shareholder rights. Danish law governs shareholder rights. The depository is the holder of the ordinary shares underlying the ADSs. As a holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depository and you, as an ADS holder, and all other persons directly and indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depository. A copy of the deposit agreement is incorporated by reference as an exhibit to our Annual Report on Form 20-F. New York law governs the deposit agreement and the ADSs.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADS. For directions on how to obtain copies of those documents, see the section titled “Item 19—Exhibits” in our Annual Report on Form 20-F.

Dividends and Other Distributions

How will you receive dividends and other distributions on the ordinary shares?

The depository has agreed to pay you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities, after deducting its fees and expenses. As an ADS holder, you will receive these distributions in proportion to the number of ordinary shares your ADSs represent.

Cash. We do not expect to declare or pay any cash dividends or cash distributions on our ordinary shares for the foreseeable future. The depository will convert any cash dividend or other cash distribution we pay on the ordinary shares or any net proceeds from the sale of any ordinary shares, rights, securities or other entitlements into U.S. dollars if it can do so on a reasonable basis and at the then prevailing market rate, and can transfer the U.S. dollars to the United States. If that is not possible and lawful or if any government approval is needed and cannot be obtained, the deposit agreement allows the depository to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest. Before making a distribution, any taxes or other governmental charges, together with fees and expenses of the depository that must be paid, will be deducted. See the section titled “Item 10 E. Additional Information—Taxation” in our Annual Report on Form 20-F for a summary of certain tax consequences in respect of dividends or distributions to holders of ADSs. It will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the depository cannot convert the foreign currency, you may lose some or all of the value of the distribution.

Ordinary Shares. The depository may distribute additional ADSs representing any ordinary shares we distribute as a dividend or free distribution to the extent reasonably practicable and permissible under law. The depository will only distribute whole ADSs. If the depository does not distribute additional ADSs, the outstanding ADSs will also represent the new ordinary shares. The depository may sell a portion of the distributed ordinary shares sufficient to pay its fees and expenses in connection with that distribution.

Elective Distributions in Cash or Shares. If we offer holders of our ordinary shares the option to receive dividends in either cash or shares, the depository, after consultation with us, may make such elective distribution available to you as a holder of the ADSs. We must first instruct the depository to make such elective distribution available to you. As a condition of making a distribution election available to ADS holders, the depository may require satisfactory assurances from us that doing so would not require registration of any securities under the Securities Act. There can be no assurance that you will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of ordinary shares, or at all.

Rights to Purchase Additional Ordinary Shares. If we offer holders of our securities any rights to subscribe for additional ordinary shares or any other rights, the depositary may make these rights available to ADS holders. If the depositary decides it is not legal and practical to make the rights available but that it is practical to sell the rights, the depositary will use reasonable efforts to sell the rights and distribute the net proceeds in the same way as it does with cash distributions. The depositary will allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

If the depositary makes rights available to you, it will exercise the rights and purchase the ordinary shares on your behalf and in accordance with your instructions. The depositary will then deposit the ordinary shares and deliver ADSs to you. It will only exercise rights if you pay it the exercise price and any other charges the rights require you to pay and comply with other applicable instructions.

U.S. securities laws may restrict transfers and cancellation of the ADSs representing ordinary shares purchased upon exercise of rights. For example, you may not be able to trade these ADSs freely in the United States. In this case, the depositary may deliver restricted depositary shares that have the same terms as the ADSs described in this section except for changes needed to put the necessary restrictions in place.

Other Distributions. The depositary will send to you anything else we distribute to holders of deposited securities by any means it determines is equitable and practicable. If it cannot make the distribution proportionally among the owners, the depositary may adopt another equitable and practical method. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Alternatively, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property.

However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. In addition, the depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution.

Neither we nor the depositary are responsible for any failure to determine that it may be lawful or feasible to make a distribution available to any ADS holders. We have no obligation to register ADSs, ordinary shares, rights or other securities under the Securities Act. This means that you may not receive the distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposit ordinary shares or evidence of rights to receive ordinary shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or share transfer taxes or fees, and delivery of any required endorsements, certifications or other instruments of transfer required by the depositary, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

How can ADS holders withdraw the deposited securities?

You may surrender your ADSs at the depositary's corporate trust office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or share transfer taxes or fees, the depositary will transfer and deliver the ordinary shares and any other deposited securities underlying the ADSs to you or a person designated by you at the office of the custodian or through a book-entry delivery. Alternatively, at your request, risk and expense, the depositary will transfer and deliver the deposited securities at its corporate trust office, if feasible.

How can ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADRs to the depositary for the purpose of exchanging your ADRs for uncertificated ADSs. The depositary will cancel the ADRs and will send you a statement confirming that you are the owner of uncertificated ADSs. Alternatively, upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to you an ADR evidencing those ADSs.

Voting Rights

How do you vote?

You may instruct the depositary to vote the number of whole deposited ordinary shares your ADSs represent. The depositary will notify you of shareholders' meetings or other solicitations of consents and arrange to deliver our voting materials to you if we ask it to do so. Those materials will describe the matters to be voted on and explain how you may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary.

The depositary will try, as far as practical, and subject to the laws of Denmark and our articles of association, to vote or to have its agents vote the ordinary shares or other deposited securities as instructed by ADS holders.

The depositary will only vote or attempt to vote as you instruct or as described above. If we ask the depositary to solicit the ADS holders' instructions to vote and an ADS holder fails to instruct the depositary as to the manner in which to vote by the specified date, such ADS holder will be deemed to have given a discretionary proxy to a person designated by us to vote the number of deposited securities represented by its ADSs, unless we notify the depositary that we do not wish to receive a discretionary proxy, there is substantial shareholder opposition to the particular question, or the particular question would have an adverse impact on our shareholders.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote ordinary shares represented by your ADS. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions provided that any such failure is in good faith. This means that you may not be able to exercise your right to vote and there may be nothing you can do if ordinary shares represented by your ADSs are not voted as you requested.

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if we request the depositary to act, we will try to give the depositary notice of any such meeting and details concerning the matters to be voted upon sufficiently in advance of the meeting date.

Except as described above, you will not be able to exercise your right to vote unless you withdraw the ordinary shares. However, you may not know about the shareholder meeting far enough in advance to withdraw the ordinary shares.

Fees and Expenses

What fees and expenses will you be responsible for paying?

Pursuant to the terms of the deposit agreement, the holders of ADSs will be required to pay the following fees:

Persons depositing or withdrawing ordinary shares or ADSs must pay:
\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

For:

- Issue of ADSs, including issues resulting from a distribution of ordinary shares or rights or other property

\$0.05 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to you had been ordinary shares and the shares had been deposited for issue of ADSs

\$0.05 (or less) per ADS per calendar year

Registration or transfer fees

Expenses of the depositary

Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, share transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depositary or its agents for servicing the deposited securities

- Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
- Any cash distribution to you
- Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to you
- Depositary services
- Transfer and registration of ordinary shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
- Cable, (including SWIFT), telex and facsimile transmissions (when expressly provided in the deposit agreement)
- Converting foreign currency to U.S. dollars
- As necessary
- As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide for-fee services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse or share revenue from the fees collected from ADS holders, or waive fees and expenses for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the ADS program. In performing its duties under the deposit agreement, the depositary may use brokers, dealers or other service providers that are affiliates of the depositary and that may earn or share fees or commissions.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs registered in your name to reflect the sale and pay you any net proceeds, or send you any property, remaining after it has paid the taxes.

Reclassifications, Recapitalizations and Mergers

If we:

- Change the nominal or par value of our ordinary shares
- Reclassify, split up or consolidate any of the deposited securities
- Distribute securities on the ordinary shares that are not distributed to you
- Recapitalize, reorganize, merge, liquidate, sell all or substantially all of our assets, or take any similar action

Then:

The cash, ordinary shares or other securities received by the depositary will become deposited securities. Each ADS will automatically represent its equal share of the new deposited securities.

The depositary may also deliver new ADSs or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities. The depositary may also sell the new deposited securities and distribute the net proceeds if we are unable to assure the depositary that the distribution (a) does not require registration under the Securities Act or (b) is exempt from registration under the Securities Act. Any replacement securities received by the depositary shall be treated as newly deposited securities and either the existing ADSs or, if necessary, replacement ADSs distributed by the depositary will represent the replacement securities. The depositary may also sell the replacement securities and distribute the net proceeds if the replacement securities may not be lawfully distributed to all ADS holders.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.

How may the deposit agreement be terminated?

The depositary will terminate the deposit agreement at our direction by mailing notice of termination to the ADS holders then outstanding at least 30 days prior to the date fixed in such notice for such termination. The depositary may also terminate the deposit agreement by mailing a notice of termination to us and the ADS holders if 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment.

After termination, the depositary and its agents will do the following under the deposit agreement but nothing else: collect distributions on the deposited securities, sell rights and other property, and deliver ordinary shares and other deposited securities upon cancellation of ADSs. Four months after termination, the depositary may sell any remaining deposited securities by public or private sale. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement for the pro rata benefit of the ADS holders that have not surrendered their ADSs. It will not invest the money and has no liability for interest. The depositary's only obligations will be to account for the money and other cash. After termination, our only obligations under the deposit agreement will be to indemnify the depositary and to pay fees and expenses of the depositary that we agreed to pay and we will not have any obligations thereunder to current or former ADS holders.

Limitations on Obligations and Liability

Limits on our obligations and the obligations of the depositary; limits on liability to holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;
- are not liable if either of us is prevented or delayed by law or circumstances beyond our control from performing our obligations under the deposit agreement;
- are not liable if either of us exercises, or fails to exercise, discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made;
- available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- are not liable for any tax consequences to any holders of ADSs on account of their ownership of ADSs;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person; and
- may rely upon any documents we believe in good faith to be genuine and to have been signed or presented by the proper person.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances. Additionally, we, the depositary and each owner and holder, to the fullest extent permitted by applicable law, waive the right to a jury trial in an action against us or the depositary arising out of or relating to the deposit agreement.

Requirements for Depositary Actions

Before the depositary will deliver or register a transfer of an ADS, make a distribution on an ADS, or permit withdrawal of ordinary shares, the depositary may require:

- payment of share transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any ordinary shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver ADSs or register transfers of ADSs generally when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so.

Your Right to Receive the Ordinary Shares Underlying Your ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying ordinary shares at any time except:

- when temporary delays arise because: (1) the depositary has closed its transfer books or we have closed our transfer books; (2) the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting; or (3) we are paying a dividend on our ordinary shares;
- when you owe money to pay fees, taxes and similar charges; and
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

This right of withdrawal is not limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System, or Profile, will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC under which the depository may register the ownership of uncertificated ADSs and such ownership will be evidenced by periodic statements sent by the depository to the registered holders of uncertificated ADSs. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of ADSs, to direct the depository to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depository of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depository will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depository's reliance on and compliance with instructions received by the depository through the DRS/Profile System and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depository.

Shareholder Communications; Inspection of Register of Holders of ADSs; ADS Holder Information

The depository will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depository will send you copies of those communications if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

CERTAIN IDENTIFIED CONFIDENTIAL INFORMATION HAS BEEN REDACTED FROM THIS EXHIBIT BECAUSE IT IS (I) CUSTOMARILY AND ACTUALLY TREATED AS PRIVATE OR CONFIDENTIAL AND (II) NOT MATERIAL. CONFIDENTIAL PORTIONS OF THIS EXHIBIT ARE DESIGNATED BY [***].

Revenue Participation Right

Purchase and Sale Agreement

By and Between

Ascendis Pharma Bone Diseases A/S and Ascendis Pharma A/S

and

Royalty Pharma Development Funding, LLC

Dated as of September 3, 2024

ACTIVE/78804560.7
ACTIVE/93721142.5

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS	1
Section 1.1 Definitions	1
Section 1.2 Certain Interpretations	11
Section 1.3 Headings	12
ARTICLE 2 PURCHASE, SALE AND ASSIGNMENT OF THE REVENUE PARTICIPATION RIGHT	12
Section 2.1 Purchase, Sale and Assignment	12
Section 2.2 No Assumed Obligations, Etc.	13
Section 2.3 True Sale	13
ARTICLE 3 CLOSING; PAYMENT OF PURCHASE PRICE	14
Section 3.1 Closing	14
Section 3.2 Payment of Purchase Price	14
Section 3.3 Bill of Sale [***].	14
Section 3.4 Seller Form W-8BEN-E.	14
Section 3.5 Buyer Form W-9.	14
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE SELLER	14
Section 4.1 Existence; Good Standing	15
Section 4.2 Authorization	15
Section 4.3 Enforceability	15
Section 4.4 No Conflicts	15
Section 4.5 Consents	15
Section 4.6 No Litigation	15
Section 4.7 Compliance	15
Section 4.8 Licenses	17
Section 4.9 Manufacturing Matters	17
Section 4.10 Intellectual Property	17
Section 4.11 Title to Revenue Participation Right; No Liens	18
Section 4.12 Indebtedness	18
Section 4.13 Lien Related Representation and Warranties	18
Section 4.14 Brokers' Fees	18
Section 4.15 Foreign Corrupt Practices Act	18

Section 4.16	Additional Products	19
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER		19
Section 5.1	Existence; Good Standing	19
Section 5.2	Authorization	19
Section 5.3	Enforceability	19
Section 5.4	No Conflicts	20
Section 5.5	Consents	20
Section 5.6	No Litigation	20
Section 5.7	Financing	20
Section 5.8	Brokers' Fees	20
ARTICLE 6 NO OTHER REPRESENTATIONS AND WARRANTIES		20
ARTICLE 7 COVENANTS		20
Section 7.1	Seller Diligence Requirements	20
Section 7.2	Reporting	21
Section 7.3	Revenue Payments; Revenue Payment Details; Buy-Out Payment.	21
Section 7.4	Inspections and Audits of the Seller	22
Section 7.5	Intellectual Property Matters	23
Section 7.6	In-Licenses and Intercompany Agreements.	24
Section 7.7	Out-Licenses and Contract Manufacturing Agreements.	25
Section 7.8	Disclosures	26
Section 7.9	Post-Closing Obligation	26
Section 7.10	Efforts to Consummate Transactions	26
Section 7.11	Further Assurances	26
Section 7.12	Late Payments	26
Section 7.13	Negative Pledge; Preservation of Assets; Lien Cooperation.	26
ARTICLE 8 INDEMNIFICATION		27
Section 8.1	General Indemnity	27
Section 8.2	Notice of Claims	28
Section 8.3	Limitations on Liability	28
Section 8.4	Third Party Claims	28
Section 8.5	Exclusive Remedy	29
Section 8.6	Tax Treatment for Indemnification Payments	29
ARTICLE 9 CONFIDENTIALITY		29

Section 9.1	Confidentiality	29
Section 9.2	Authorized Disclosure.	30
ARTICLE 10 TERMINATION		31
Section 10.1	Term and Expiration; Surviving Payments	31
Section 10.2	Mutual Termination	31
Section 10.3	Survival	31
ARTICLE 11 MISCELLANEOUS		32
Section 11.1	Notices	32
Section 11.2	Expenses	32
Section 11.3	Assignment; Transfer Restrictions	33
Section 11.4	Amendment and Waiver	33
Section 11.5	Entire Agreement	33
Section 11.6	No Third Party Beneficiaries	34
Section 11.7	Governing Law	34
Section 11.8	Jurisdiction; Venue	34
Section 11.9	Severability	35
Section 11.10	Specific Performance	35
Section 11.11	Counterparts	35
Section 11.12	Relationship of the Parties; Cooperation	35
Section 11.13	Parent Guarantee	36

Index of Exhibits

- Exhibit A: Payment Instructions
- Exhibit B: Form of Bill of Sale
- Exhibit C: Existing Intercompany Agreements
- Exhibit D: [***]

REVENUE PARTICIPATION RIGHT PURCHASE AND SALE AGREEMENT

This REVENUE PARTICIPATION RIGHT PURCHASE AND SALE AGREEMENT (this “Agreement”), dated as of September 3, 2024 (the “Effective Date”), is made and entered into by and between Royalty Pharma Development Funding, LLC, a Delaware limited liability company (the “Buyer”), Ascendis Pharma Bone Diseases A/S, a corporation organized under the laws of Denmark (the “Seller”) and Ascendis Pharma A/S, a public limited liability company (*Aktieselskab*) organized under the laws of Denmark (the “Parent” of the Seller).

WITNESSETH:

WHEREAS, the Seller is in the business of, among other things, developing and Commercializing the Product in the Territory; and

WHEREAS, the Buyer desires to purchase the Revenue Participation Right and receive the Revenue Payments from the Seller, and the Seller desires to sell the Revenue Participation Right and make the Revenue Payments to the Buyer, in each case on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the representations, warranties, covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Seller, the Parent and the Buyer hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. The following terms, as used herein, shall have the following meanings:

“2023 Agreement” means that certain Revenue Participation Right Purchase and Sale Agreement by and among Ascendis Pharma Endocrinology Division A/S, the Parent and the Buyer, dated September 5, 2023.

“2023 Back-Up Security Interest” has the meaning ascribed to “Back-Up Security Interest” in the 2023 Agreement.

“Ascendis Technology” means, as of the Effective Date or at any time thereafter during the term of this Agreement, Seller’s and/or its Affiliates’ proprietary chemistry, materials and methodologies for transiently covalently coupling a substrate of interest (e.g., a peptide, protein, small molecule or any other drug) to various carriers via a TransCon Linker, thereby allowing release of the transiently linked substrate in a controlled manner over time for a therapeutic or prophylactic effect.

“Affiliate” means, with respect to any particular Person, any other Person directly or indirectly controlling, controlled by or under common control with such particular Person. For purposes of the foregoing sentence, the term “control” means direct or indirect ownership of (a) fifty percent (50%) or more, including ownership by trusts with substantially the same beneficial interests, of the voting and equity rights of such Person, firm, trust, corporation, partnership or

other entity or combination thereof, or (b) the power to direct the management of such person, firm, trust, corporation, partnership or other entity or combination thereof, by contract or otherwise. For purposes hereof, any Person shall be deemed to control a partnership, limited liability company, association or other business entity if such Person, directly or indirectly through one or more intermediaries, shall be allocated a majority of partnership, limited liability company, association or other business entity gains or losses or shall be or control the managing director or general partner of such partnership, limited liability company, association or other business entity.

“Agreement” is defined in the preamble.

“Audit Arbitrator” is defined in Section 7.4(d).

“Authorized Stability Period” means the expiry dating period for YORVIPATH from its date of manufacture when YORVIPATH is stored at two (2) degrees Celsius to eight (8) degrees Celsius, for which the Seller or its Affiliates has received Marketing Approval in the Territory.

“Back-Up Security Interest” is defined in Section 2.3.

“Bankruptcy Laws” means, collectively, bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer or other similar laws affecting the enforcement of creditors’ rights generally.

“Bill of Sale” is defined in Section 3.3.

“Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in New York or Denmark are permitted or required by applicable law or regulation to remain closed.

“Buy-Out Notice” is defined in Section 7.3(d)(ii).

“Buy-Out Payment” means, (a) in the case of Section 7.3(d)(i), 2.0 times the Purchase Price minus the Revenue Payments paid to the Buyer as of the effective date of the Change of Control, provided, if the Change of Control occurs on or prior to September 30, 2028 and Seller has paid Buyer Revenue Payments equal to the Purchase Price as of the date of the Change of Control, then 1.65 times the Purchase Price minus the Revenue Payments paid to the Buyer as of the effective date of the Change of Control and (b) in the case of Section 7.3(d)(ii), 2.0 times the Purchase Price minus the Revenue Payments paid to the Buyer as of the effective date of the Buy-Out Notice, provided, if the Buy-Out Notice is provided on or prior to September 30, 2028 and Seller has paid Buyer Revenue Payments equal to the Purchase Price as of the date of the Buy-Out Notice, then 1.65 times the Purchase Price minus the Revenue Payments paid to the Buyer as of the effective date of the Buy-Out Notice.

“Buyer” is defined in the preamble.

“Buyer Indemnified Parties” is defined in Section 8.1(a).

“Calendar Quarter” means a period of three (3) consecutive months ending at midnight, Copenhagen, Denmark time on the last day of March, June, September, or December, respectively.

“Calendar Year” means a period of twelve (12) consecutive months commencing on January 1 of any year.

“Change of Control” means (a) a transaction or series of related transactions that results in the sale or other disposition of all or substantially all of the Parent’s and its Affiliates’ assets, on a consolidated basis; or (b) a merger or consolidation with a Third Party in which the Parent is not the surviving corporation or in which, if the Parent is the surviving corporation, the shareholders of the Parent immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, and acting jointly, a majority of the voting power of all of the surviving entity’s outstanding stock and other securities and the power to elect a majority of the members of Parent’s board of directors; or (c) a transaction or series of related transactions with one or more Third Parties (which may include a tender offer for the Parent’s stock or the issuance, sale or exchange of stock of the Parent) if the shareholders of the Parent immediately prior to such transaction(s) do not, immediately after consummation of such transaction(s), possess, directly or indirectly through one or more intermediaries, and acting jointly, a majority of the voting power of all of the Parent’s or its successor’s outstanding stock and other securities and the power to elect a majority of the members of the Parent’s or its successor’s board of directors.

“Co-Commercialization Agreement” means any written agreement to which the Seller or any of its Affiliates is a party pursuant to which the Seller (or such Affiliate) and the counterparty agree to co-Commercialize the Product in the Territory, including sharing in the net profits (and losses) of such Commercialization, (a) with a Permitted Transferee or (b) with the Seller (or its Affiliate) (i) retaining the sole right to book all co-Commercialization sales of the Product in the Territory and (ii) entitled to at least a fifty percent (50%) share of such net profits (and losses) or alternatively at least a fifty percent (50%) share of net sales of the Product in the Territory.

“Commercial Launch” means the occurrence of both (a) the first sale of a Product by or on behalf of Seller or its Affiliates or any Licensees to a Third Party for end use or consumption of such Product in the Territory after Regulatory Approval required to market and sell such Product has been granted in the Territory, and (b) the availability of sufficient ready-for-sale inventory of Product in commercial quantities for Commercialization in the Territory in all approved dosages.

“Commercialization” means any and all activities directed to the distribution, marketing, detailing, promotion, commercial launching, selling and securing of reimbursement of a product (including using, importing, selling and offering for sale of the product), and shall include post-Marketing Approval studies, post-launch marketing, promoting, detailing, marketing research, distributing, customer service, or transporting a product for sale, and regulatory compliance with respect to the foregoing. When used as a verb, “Commercialize” shall mean to engage in Commercialization. For clarity, “Commercialization” excludes Manufacturing activities.

“Commercially Reasonable Efforts” means, with respect to the efforts to be expended by the Seller and its Affiliates with respect to any objective, such reasonable and diligent efforts to accomplish such objective as a recently commercial stage biopharmaceutical enterprise would normally use to accomplish a similar objective under similar circumstances. It is understood and agreed that with respect to the conduct of the Manufacture of the Product for Commercialization in the Territory and the Commercialization of the Product in the Territory, including the

commercial launch of the Product in the Territory, by the Seller and its Affiliates (including through their Licensees and Manufacturers), such efforts shall be substantially equivalent to those efforts and resources commonly used by a recently commercial stage biopharmaceutical enterprise for pharmaceutical products owned by it, which product is at a similar stage in its product life and is of similar market potential taking into account efficacy, safety, approved labeling, the competitiveness of alternative products in the marketplace, the patent and other proprietary position of the product and the profitability of the product (excluding the amounts payable to the Buyer pursuant to this Agreement).

“Commercial & IP Report” is defined in Section 7.2(a).

“Commercial Updates” means a summary of material updates with respect to the Related Parties’ Commercialization of the Product in the Territory.

“Confidential Information” is defined in Section 9.1.

“Contract Manufacturing Agreement” means any agreement or arrangement between the Seller or any of its Affiliates and any Third Party for the Manufacture of a product, including bulk drug product, bulk drug substance and finished product.

“Customary Intercreditor Agreement” means a customary intercreditor agreement between the Buyer and a senior debt provider providing: (a) [***]; (b) [***]; (c) [***]; and (d) any other provisions reasonably satisfactory to the senior debt provider and the Buyer consistent with clauses (a)-(c) above and consistent with the premise that (i) [***] and (ii) [***]; and (e) the Buyer shall not interfere with such senior debt provider enforcing its rights and remedies as a secured creditor (to the extent such enforcement is not inconsistent with clauses (a)-(d) above).

“Disclosing Party” is defined in Section 9.1.

“Disclosure Schedule” means the Disclosure Schedule, dated as of the Effective Date, delivered to the Buyer by the Seller concurrently with the execution of this Agreement.

“Distributor” means a Third Party that has the right, option or obligation to distribute, market and sell the Product (with or without any devices or delivery systems) in one or more regions in the Territory on behalf of a Related Party.

“Effective Date” is defined in the preamble.

“Existing Contract Manufacturing Agreement” has the meaning set forth in Section 4.9.

“Existing Intercompany Agreements” means (a) the Existing Intercompany Distribution Agreement and (b) the Intercompany Agreements set forth on Exhibit C.

“Existing Intercompany Distribution Agreement” means that certain Marketing, Sales and Distribution Agreement between Ascendis Pharma Bone Diseases A/S as supplier and Ascendis Pharma Endocrinology, Inc. as distributor, dated September 1, 2024.

“Existing Patents” has the meaning set forth in Section 4.10(a).

“FCPA” is defined in Section 4.15.

“FDA” means the U.S. Food and Drug Administration, or any successor agency thereto.

“Governmental Entity” means any: (a) nation, principality, republic, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or other entity and any court, arbitrator or other tribunal); (d) multi-national organization or body; or (e) individual, body or other entity exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

“Gross Sales” is defined in the definition of “Net Sales.”

“IFRS” means international financial reporting standards as promulgated by the International Accounting Standards Board as adopted in the European Union, consistently applied.

“Indebtedness” means any indebtedness for borrowed money, obligation evidenced by a note, bond, debenture or similar instrument, or guarantee of any of the foregoing.

“Indemnified Party” is defined in Section 8.2.

“Indemnifying Party” is defined in Section 8.2.

“In-License” means any (a) in-license or (b) settlement agreement or other similar agreement or arrangement, in each case of (a) and (b), between the Seller or any of its Affiliates, on the one hand, and any Third Party, on the other hand, pursuant to which the Seller or any of its Affiliates obtain an in-license or a covenant not to sue or similar grant of rights under any Patents or other Intellectual Property Rights owned or controlled by such Third Party that are necessary for the commercial Manufacture of the Product anywhere in the world for Commercialization in the Territory or the Commercialization of the Product in the Territory.

“Intellectual Property Rights” means any and all of the following as they exist at any time: (a) Patents; (b) registered and unregistered trademarks, service marks, trade names, trade dress, logos, packaging design, slogans and Internet domain names, and registrations and applications for registration of any of the foregoing; (c) copyrights in both published and unpublished works, including all compilations, databases and computer programs, manuals and other documentation and all copyright registrations and applications, and all derivatives, translations, adaptations and combinations of the above; (d) Know-How; and (e) any and all other intellectual property rights and/or proprietary rights, whether or not patentable, specifically relating to any of the foregoing.

“Intellectual Property Updates” means an updated list of the Patents owned or controlled by the Seller, Parent or any of its Affiliates that relate to the Product in the Territory or the Commercialization of the Product in the Territory and identifying in such list any new Patents issued or filed, amended or supplemented, or any abandonments or other termination of prosecution.

“Intercompany Agreements” means any license, settlement agreement or other agreement or arrangement between the Seller or any of its Affiliates, on the one hand, and any of the Seller’s Affiliates, on the other hand, pursuant to which the Seller or any of its Affiliates obtains or grants a license, sublicense, or a covenant not to sue or similar grant of rights to any Patents or other Intellectual Property Rights owned or controlled by the Seller or any of its Affiliates that are necessary to commercially Manufacture the Product for Commercialization of the Product in the Territory or to Commercialize the Product in the Territory.

“Judgment” means any judgment, order, writ, injunction, citation, award or decree of any nature.

“Know-How” means any and all proprietary or confidential information, know-how and trade secrets, including processes, formulae, models and techniques, rights in research in progress, algorithms, data, databases, data collections, chemical and biological materials (including any compounds, DNA, RNA, clones, vectors, cells and any expression product, progeny, derivatives or improvements thereto), and the results of experimentation and testing, and samples.

[***]

“Lien” means any mortgage, lien, pledge, participation interest, charge, adverse claim, security interest, encumbrance or restriction of any kind, including any restriction on use, transfer or exercise of any other attribute of ownership of any kind.

“Licensee” means a Third Party (other than a Distributor) to whom any Related Party (including, for clarity, another Licensee) has granted a license or sublicense to Commercialize the Product in the Territory.

“Loss” means any and all Judgments, damages, losses, claims, costs, liabilities and expenses, including reasonable fees and out-of-pocket expenses of counsel.

“Manufacturer” means a Third Party that is a party to any Contract Manufacturing Agreement.

“Manufacturing” means manufacturing, production, formulating, processing, filling, finishing, quality control, quality assurance, stability testing, packaging, labeling, shipping, importing, storage and similar activities with respect to a product (and components thereof or therefor), and regulatory compliance with respect to the foregoing. “Manufacture” shall mean to engage in Manufacturing. For clarity, “Manufacturing” excludes Commercialization activities.

“Manufacturing Report” is defined in Section 7.2(b).

“Manufacturing Updates” means a summary of material updates with respect to the Related Parties’ and Manufacturers’ Manufacturing of the Product for Commercialization in the Territory, including updates regarding pursuit of Authorized Stability Periods of at least [***].

“Marketing Approval” means, with respect to any product, any and all approvals (including drug and/or device approval applications), licenses, registrations or authorizations sufficient to Commercialize such product in accordance with applicable laws (excluding any compassionate or

emergency use or similar approval or authorization and excluding pricing or reimbursement approvals).

“Material Adverse Effect” means (a) a material adverse effect on (i) the Commercialization of the Product in the Territory, (ii) any of the Intellectual Property Rights or Marketing Approvals owned or controlled by Seller, Parent or its Affiliates directly related to the Commercialization of the Product in the Territory, (iii) the Seller’s ability to commercially Manufacture or have Manufactured the Product for the Commercialization of the Product in the Territory, with a Commercial Launch in the Territory of no later than March 31, 2025, (iv) the legality, validity or enforceability of this Agreement, (v) the ability of the Seller or its Affiliates to perform any of its obligations under this Agreement, or (vi) the rights or remedies of the Buyer under this Agreement; or (b) an adverse effect in any material respect on the timing, duration, or amount of the payment of any of the Revenue Payments.

“Net Sales” means the gross amount invoiced, billed or otherwise recorded for sales of the Product in the Territory by or on behalf of the Seller, its Affiliates, or any Licensee, in each case, to a Third Party in accordance with IFRS consistently applied (“Gross Sales”), less the following amounts, to the extent actually incurred or accrued in calculating revenue from sales of the Product in the Territory in accordance with IFRS consistently applied, and not reimbursed by or recovered from such Third Party; provided, that any given amount may be taken as a permitted deduction only once:

[***]

Net Sales shall be determined in U.S. dollars. If Seller, its Affiliates, or any Licensee effects a sale, disposition, or transfer of a Product to a Third Party other than on customary commercial terms or for non-monetary consideration, the Net Sales of such Product to such Third Party shall be deemed to be “the fair market value” of such Product. For purposes of the foregoing, “fair market value” means the value that would have been derived had such Product been sold as a separate product to another customer on customary commercial terms. Net Sales will not include [***]. Net Sales shall also include [***].

“Out-License” means any license between the Seller or any of its Affiliates, on the one hand, and any Third Party, on the other hand, pursuant to which the Seller or any of its Affiliates grants a license or sublicense under any Intellectual Property Right owned or controlled by the Seller or any of its Affiliates to Commercialize the Product in the Territory.

“Patents” means any and all patents and patent applications, including any continuation, continuation-in-part, division, provisional or any substitute applications, any patent issued with respect to any of the foregoing patent applications, any certificate, reissue, reexamination, renewal or patent term extension or adjustment (including any supplementary protection certificate) of any such patent or other governmental actions which extend any of the subject matter of a patent, and any substitution patent, confirmation patent or registration patent or patent of addition based on any such patent, and all foreign counterparts of any of the foregoing.

“Permitted Business Development Transaction” is defined in Section 7.13.

“Permitted Liens” means any of the following:

(a) Any Lien granted as a replacement or substitute for any Liens in existence on the Effective Date; provided that any such replacement or substitute Lien (i) does not secure an aggregate amount of Indebtedness or other obligations, if any, greater than that secured on the Effective Date and (ii) does not encumber any property other than the property subject thereto on the Effective Date (plus improvements and accessions to such property);

(b) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings diligently conducted;

(c) statutory or common law Liens of landlords, carriers, warehousemen, mechanics, materialmen, repairmen, construction contractors or other like Liens that secure amounts not overdue for a period of more than [***] or that are being contested in good faith by appropriate proceedings diligently conducted;

(d) in connection with any secured Indebtedness that the Parent, Seller and/or any Affiliate of the Parent or Seller incur from a Third Party, a Lien on the US Product Rights or any “proceeds” (as defined in the UCC) thereof; provided that any such Third Party enters into a Customary Intercreditor Agreement (“Permitted Secured Indebtedness”);

(e) the Back-Up Security Interest;

(f) licenses, sublicenses or similar grants of rights in connection with licensing or collaboration transactions otherwise permitted by this Agreement; and

(g) the 2023 Back-Up Security Interest.

“Permitted Out-License” means (a) a written Out-License to a Permitted Transferee or with a Distributor (acting solely as a Distributor), or (b) a Co-Commercialization Agreement.

“Permitted Secured Indebtedness” is defined in the definition of “Permitted Liens.”

“Permitted Transferee” means [***].

“Person” means any individual, firm, corporation, company, partnership, limited liability company, trust, joint venture, association, estate, trust, Governmental Entity or other entity, enterprise, association or organization.

“Prime Rate” means the prime rate published by The Wall Street Journal, from time to time, as the prime rate.

“Product” means any product that (a) contains a parathyroid hormone-based active ingredient or active moiety and (b) has received a Marketing Approval in the Territory for hypoparathyroidism. “Product” includes palopegteriparatide, also known as TransCon PTH or YORVIPATH for which the FDA has approved Seller’s NDA 216490.

“Product IP” is defined in Section 4.10(b).

“Purchase Price” means one hundred and fifty million dollars (\$150,000,000).

“Receiving Party” is defined in Section 9.1.

“Regulatory Authority” means any Governmental Entity, including the FDA, which has responsibility in granting a Marketing Approval.

“Related Party” means each of the Seller, its Affiliates, and their respective Licensees, as applicable.

“Representative” means, with respect to any Person, (a) any direct or indirect member or partner of such Person and (b) any manager, director, trustee, officer, employee, agent, advisor or other representative (including attorneys, accountants, consultants, contractors, actual and potential lenders, investors, co-investors and assignees, bankers and financial advisers) of such Person.

“Revenue Participation Right” means the right to receive payment in full of all Revenue Payments, and an undivided ownership interest in all Net Sales occurring from and after the date hereof, including all accounts (as defined in the UCC), general intangibles (as defined in the UCC), payment intangibles (as defined in the UCC) and all other rights to payment on account of, in connection with or arising from such Net Sales, and all proceeds thereof, in an amount equal to the Revenue Percentage.

“Revenue Payment” means for each Calendar Quarter occurring (in whole or in part) during the Revenue Payment Term, an amount payable to the Buyer equal to the product of (a) Net Sales during such Calendar Quarter (or, for any Calendar Quarter occurring in part during the Revenue Payment Term, Net Sales for the calendar days falling within the Revenue Payment Term during such Calendar Quarter) and (b) the Revenue Percentage.

“Revenue Payment Term” means the period commencing on the date hereof and ending on the earliest to occur of the following: (a) the date on which the product of Net Sales occurring from and after the date hereof and until and including December 31, 2029 multiplied by the Revenue Percentage equals or exceeds 1.65 times the Purchase Price, if such date occurs on or before December 31, 2029, (b) the date on which the product of Net Sales occurring from and after the date hereof multiplied by the Revenue Percentage equals or exceeds 2.0 times the Purchase Price or (c) the date on which the Buy-Out Payment is paid to the Buyer.

“Revenue Percentage” means 3.0%.

“Revenue Report” is defined in Section 7.3(c).

“Safety Notices” means any recalls, field notifications, market withdrawals, warnings, “dear doctor” letters, investigator notices, safety alerts or other notices of action relating to an alleged lack of safety or regulatory compliance of the Product.

“Seller” is defined in the preamble.

“Seller Indemnified Parties” is defined in Section 8.1(b).

“Tax” or “Taxes” means any federal, state, local or foreign income, gross receipts, license,

payroll, employment, excise, severance, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, abandoned property, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

“Territory” means the United States of America (including its territories and possessions).

“Third Party” means any Person that is not the Seller or an Affiliate of the Seller.

“UCC” means the Uniform Commercial Code in the State of New York; provided, that, if with respect to any financing statement or by reason of any provisions of law, the perfection, priority or the effect of perfection, priority or non-perfection of the security interests granted to the Administrative Agent pursuant to this Agreement is governed by the Uniform Commercial Code in a jurisdiction of the United States other than New York, then “UCC” means the Uniform Commercial Code in such other jurisdiction for purposes of the provisions of this Agreement and any financing statement relating to such perfection, priority or effect of perfection, priority or non-perfection.

“US Code” means the U.S. Internal Revenue Code of 1986, as amended.

“US Product Rights” means (a) the Intellectual Property Rights set forth in the sections of Schedule 4.10(a) of the Disclosure Schedule entitled “Existing Patents for US Product Rights Only”, “Trademarks and Trademark Applications for US Product Rights” and “Domain Names for US Product Rights”; (b) any other Intellectual Property Rights owned or controlled by the Seller or any of its Affiliates at any time during the term of this Agreement that directly relate to the Commercialization of the Product in the Territory and that are registered or pending at the United States Patent and Trademark Office, but excluding those Intellectual Property Rights that are necessary to make, have made, sell, offer for sale, use, import or otherwise exploit the Ascendis Technology in or outside the Territory, (c) Seller’s NDA 216490, and (d) any future Marketing Approvals for the Product in the Territory.

Section 1.2 Certain Interpretations. Except where expressly stated otherwise in this Agreement, the following rules of interpretation apply to this Agreement:

(a) “either” and “or” are not exclusive and “include,” “includes” and “including” are not limiting and shall be deemed to be followed by the words “without limitation;”

(b) “extent” in the phrase “to the extent” means the degree to which a subject or other thing extends, and such phrase does not mean simply “if;”

(c) “hereof,” “hereto,” “herein” and “hereunder” and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) references to a Person are also to its permitted successors and assigns;

(e) definitions are applicable to the singular as well as the plural forms of such terms;

(f) references to an “Article,” “Section” or “Exhibit” refer to an Article or Section of, or an Exhibit to, this Agreement, and references to a “Schedule” refer to the corresponding part of the Disclosure Schedule;

(g) provisions referring to matters that would or could have, or would or could reasonably be expected to have, or similar phrases, shall be deemed to have such result or expectation with or without the giving of notice or the passage of time, or both;

(h) accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement or any related document shall be prepared in conformity with IFRS;

(i) for covenants that are to be undertaken “reasonably” by the Seller or its Affiliates, such actions (or inactions) shall take into account the Buyer’s economic interest in the Revenue Participation Right and the Revenue Payments and the impact of the applicable action (or inaction) on such interest; and

(j) references to “\$” or otherwise to dollar amounts refer to the lawful currency of the United States.

Section 1.3 Headings. The table of contents and the descriptive headings of the several Articles and Sections of this Agreement and the Exhibits and Schedules are for convenience only, do not constitute a part of this Agreement and shall not control or affect, in any way, the meaning or interpretation of this Agreement.

ARTICLE 2

PURCHASE, SALE AND ASSIGNMENT OF THE REVENUE PARTICIPATION RIGHT

Section 2.1 Purchase, Sale and Assignment. On the Effective Date and upon the terms and subject to the conditions of this Agreement, in exchange for the Buyer’s payment of the Purchase Price, the Seller shall (and Parent shall and shall cause its Affiliate(s) to) sell, transfer, assign and convey to the Buyer, and the Buyer shall purchase, acquire and accept from the Seller (either directly or through the Seller’s Affiliates), the Revenue Participation Right free and clear of all Liens. From and after the Effective Date, each of the Parent and the Seller relinquishes all of the Seller’s, the Parent’s and their Affiliates’ right, title and interest in and to the Revenue Participation Right, and all such right, title and interest shall vest in the Buyer. In addition, the Seller hereby agrees to pay to the Buyer the Revenue Payments on the terms and conditions set forth herein.

Section 2.2 No Assumed Obligations, Etc. Notwithstanding any provision in this Agreement to the contrary, the Buyer is, on the terms and conditions set forth in this Agreement, only purchasing, acquiring and accepting the Revenue Participation Right and is not assuming any liability or obligation of the Seller, the Parent or its Affiliates of whatever nature, whether presently in existence or arising or asserted hereafter. Except as specifically set forth herein in respect of the Revenue Participation Right, the Buyer does not, by such purchase, acquisition and acceptance of the Revenue Participation Right, acquire any other rights of the Seller, the Parent or its Affiliates, or any other assets of the Seller, the Parent or its Affiliates, in each case, other than to

the extent of the Back-Up Security Interest granted pursuant to the terms of this Agreement ([***]). For the avoidance of doubt and notwithstanding anything herein to the contrary, nothing in this provision limits any other obligation of the Buyer, the Parent or the Seller under this Agreement or otherwise, including without limitation any indemnity obligations under ARTICLE 8.

Section 2.3 True Sale. It is the intention of the parties hereto that the sale, transfer, assignment and conveyance of the Revenue Participation Right contemplated by this Agreement be, and is, a true, complete, absolute and irrevocable sale, transfer, assignment and conveyance by the Seller (on behalf of itself and, as applicable, its Affiliates) to the Buyer of all of the Seller's and its Affiliates' rights, title and interests in and to the Revenue Participation Right (except as otherwise required by IFRS solely for financial reporting purposes or by applicable tax law in Denmark solely for Danish tax purposes). None of the Seller, the Parent nor the Buyer intends the transactions contemplated by this Agreement to be, or for any purpose characterized as, a loan from the Buyer to the Seller, or a pledge, a financing transaction or a borrowing (except as otherwise required by IFRS solely for financial reporting purposes or by applicable tax law in Denmark solely for Danish tax purposes). It is the intention of the parties hereto that the beneficial interest in and title to the Revenue Participation Right and any "proceeds" (as such term is defined in the UCC) thereof shall not be part of the Seller's, the Parent's or their Affiliates' estates in the event of the filing of a petition by or against the Seller, the Parent or any of their Affiliates under any Bankruptcy Laws. The Seller and the Parent each (on behalf of itself and, as applicable, its Affiliates) hereby waives, to the maximum extent permitted by applicable law, any right to contest or otherwise assert that the sale contemplated by this Agreement does not constitute a true, complete, absolute and irrevocable sale, transfer, assignment and conveyance by the Seller (directly or through one or more of its Affiliates) to the Buyer of all of the Seller's and its Affiliates' right, title and interest in and to the Revenue Participation Right under applicable law, which waiver shall, to the maximum extent permitted by applicable law, be enforceable against the Seller, the Parent and their Affiliates in any bankruptcy or insolvency proceeding relating to the Seller, the Parent or any of their Affiliates. Accordingly, the Seller, the Parent and their Affiliates shall treat the sale, transfer, assignment and conveyance of the Revenue Participation Right as a sale of "accounts," or "payment intangibles" (as appropriate) in accordance with the UCC, and each of the Seller and the Parent hereby authorizes the Buyer and its representatives at any time to file one or more financing statements or any amendments to financing statements previously filed by the Buyer (and continuation statements with respect to such financing statements when applicable) naming the Seller (or its Affiliate) as the "seller" and the Buyer as the "buyer" in respect of the Revenue Participation Right. Not in derogation of the foregoing statement of the intent of the parties hereto in this regard, and for the purposes of providing additional assurance to the Buyer, including in the event that, despite the intent of the parties hereto, the sale, transfer, assignment and conveyance contemplated hereby is hereafter held not to be a sale, each of the Seller and the Parent (on its own behalf and on behalf of its Affiliates, as applicable) hereby grants, and by delivery of [***] shall grant, to the Buyer a security interest in, to and under the Revenue Participation Right, the Revenue Payments, the US Product Rights and any "proceeds" (as defined in the UCC) of each of the foregoing as security for all of the Seller's, the Parent's and their Affiliates' obligations under this Agreement [***], including the obligations to pay the Revenue Payments (the "Back-Up Security Interest"), and each of the Seller and the Parent (on its own behalf and on behalf of its Affiliates) does hereby authorize the Buyer and its representatives, from and after the Effective Date, to file one or more financing statements (and continuation statements

and any amendments with respect to such financing statements when applicable) in such manner and such jurisdictions as are necessary or appropriate to perfect such Back-Up Security Interest.

ARTICLE 3
CLOSING; PAYMENT OF PURCHASE PRICE

Section 3.1 Closing. The purchase and sale of the Revenue Participation Right shall take place remotely via the exchange of documents and signatures on the date hereof or such other place, time and date as the parties hereto may mutually agree.

Section 3.2 Payment of Purchase Price. On the Effective Date, the Buyer shall pay to the Seller the Purchase Price by wire transfer of immediately available funds to the account specified on Exhibit A, without set-off, reduction or deduction, or withholding for or on account of any Taxes.

Section 3.3 Bill of Sale [***]. On the Effective Date, upon confirmation of the receipt of the Purchase Price, (a) the Seller shall deliver (and the Seller or the Parent shall cause their Affiliate(s) to deliver) to the Buyer a duly executed bill of sale and agreement evidencing the sale, transfer, assignment and conveyance of the Revenue Participation Right and certain other agreements in form attached hereto as Exhibit B (the “Bill of Sale”) and (b) [***].

Section 3.4 Seller Form W-8BEN-E. On or prior to the Effective Date, the Seller shall deliver to the Buyer a valid, properly executed IRS Form W-8BEN-E certifying that the Seller is exempt from U.S. federal backup withholding tax.

Section 3.5 Buyer Form W-9. On or prior to the Effective Date, the Buyer shall deliver to the Seller a valid, properly executed IRS Form W-9 certifying that the Buyer is exempt from U.S. federal withholding and backup withholding tax with respect to the Revenue Payments.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE SELLER

Except as set forth on the Disclosure Schedule attached hereto, the Parent (as to Section 4.1 through Section 4.5) and the Seller each represents and warrants to the Buyer that as of the Effective Date:

Section 4.1 Existence; Good Standing. The Seller is a corporation, duly organized and validly existing under the laws of Denmark. The Parent is a public limited liability company (*Aktieselskab*) duly organized and validly existing under the laws of Denmark. Each of the Seller and the Parent is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified and in good standing has not and would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 4.2 Authorization. Each of the Seller and the Parent has all requisite corporate power and authority to execute, deliver and perform its respective obligations under this

Agreement. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action on the part of the Seller and the Parent.

Section 4.3 Enforceability. This Agreement has been duly executed and delivered by each of the Seller and the Parent and constitutes the valid and legally binding obligation of each of the Seller and the Parent, enforceable in accordance with its terms, except as may be limited by applicable Bankruptcy Laws or by general principles of equity (whether considered in a proceeding in equity or at law).

Section 4.4 No Conflicts. The execution, delivery and performance by the Seller and the Parent of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) contravene or conflict with the organizational documents of the Seller or the Parent, (ii) contravene or conflict with or constitute a material default under any material provision of any law binding upon or applicable to the Seller or the Parent or the Revenue Participation Right or (iii) contravene or conflict with or constitute a material default under any material agreement or Judgment binding upon or applicable to the Seller, the Parent or any of its Affiliates.

Section 4.5 Consents. Except for any filings required by the federal securities laws or stock exchange rules, no consent, approval, license, order, authorization, registration, declaration or filing with or of any Governmental Entity or other Person is required to be done or obtained by the Seller or any of its Affiliates in connection with (i) the execution and delivery by the Seller and the Parent of this Agreement, (ii) the performance by the Seller and the Parent of its respective obligations under this Agreement, or (iii) the consummation by the Seller or the Parent of any of the transactions contemplated by this Agreement.

Section 4.6 No Litigation. Neither the Seller nor any of its Affiliates is a party to, and none has received any written notice of, any action, claim, suit, investigation or proceeding pending before any Governmental Entity and, to the knowledge of the Seller, no such action, claim, suit, investigation or proceeding has been threatened against the Seller or any of its Affiliates, that, either individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

Section 4.7 Compliance.

(a) All applications, submissions, information and data related to the Product submitted or utilized as the basis for any request to any Regulatory Authority by or on behalf of the Seller or any of its Affiliates were true and correct in all material respects as of the date of such submission or request, and any material updates, changes, corrections or modification to such applications, submissions, information or data required under applicable laws or regulations have been submitted to the necessary Regulatory Authorities, in each case, for the Commercialization of the Product in the Territory.

(b) The Seller has provided to the Buyer prior to the Effective Date in the data room available to the Buyer true, correct and complete copies of all material communications sent or received since September 1, 2021 by the Seller and any of its Affiliates to or from any Regulatory Authorities related to the Commercialization of the Product in the Territory or the Manufacture of

the Product anywhere in the world for Commercialization in the Territory.

(c) To the knowledge of Seller, neither the Seller nor any of its Affiliates has committed any act, made any statement or failed to make any statement in respect of the Product that would reasonably be expected to provide a basis for the FDA to invoke its policy with respect to “Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities”, or any other Regulatory Authority to invoke similar policies, set forth in any applicable laws or regulations.

(d) Since September 1, 2021 (A) there have been no Safety Notices, (B) to the knowledge of the Seller, there are no unresolved material product complaints with respect to the Product in the Territory, which would result in a Material Adverse Effect, and (C) to the knowledge of the Seller, there are no facts currently in existence that would, individually or in the aggregate, reasonably be expected to result in (1) a material Safety Notice with respect to any Product or (2) a material change in the labeling of the Product in the Territory.

(e) The Seller and its Affiliates have not experienced any significant failures in the commercial Manufacturing of the Product for Commercialization in the Territory that have not been resolved, or that would, individually or in the aggregate, have had or would reasonably be expected to result in, if such failure occurred again, a Material Adverse Effect. No facts exist with respect to, and the Seller does not expect any impediments to, the Manufacturing of the Product that would, individually or in the aggregate, reasonably be expected to delay Commercial Launch beyond March 31, 2025.

(f) To the knowledge of the Seller, the Seller and its Affiliates are, and have been, in compliance with all applicable laws administered or issued by the FDA or any similar Regulatory Authority in each country where the Product has been, or is intended to be, Manufactured for Commercialization in the Territory, including the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, applicable requirements in FDA regulations, and any orders issued by FDA or similar Regulator Authorities in each country where the Product has been Manufactured for Commercialization in the Territory, and all other laws regarding ownership, developing, testing, Manufacturing, disposal, Commercializing, and complaint handling or adverse event reporting for the products of the Seller or its Affiliates, except to the extent that such failure to comply with such applicable laws would not reasonably be expected to result in a Material Adverse Effect.

Section 4.8 Licenses and Intercompany Agreements. There are no In-Licenses or Out-Licenses. There are no Intercompany Agreements other than the Existing Intercompany Agreements.

Section 4.9 Manufacturing Matters. A true, correct and complete copy of each Contract Manufacturing Agreement (together with any amendment, supplement or modification thereto) pursuant to which commercial Manufacturing of the Product is carried out, or is scheduled or intended to be carried out, for the Commercialization of the Product in the Territory that is currently in effect to which Seller or any of its Affiliates is a party has been provided in the data room and is listed on Schedule 4.9 of the Disclosure Schedule (each, an “Existing Contract Manufacturing Agreement”). Each Existing Contract Manufacturing Agreement is in full force and effect in accordance with its terms. There is and has been no breach or default under any

provision of any Existing Contract Manufacturing Agreement either by the Seller or any of its Affiliates or, to the knowledge of the Seller, by the respective counterparty (or any predecessor thereof) thereto, and no termination of any Existing Contract Manufacturing Agreements has been notified or threatened. No party to any Existing Contract Manufacturing Agreement has assigned all or part of such Existing Contract Manufacturing Agreement to any other Person. The Existing Contract Manufacturing Agreements, collectively, obligate the Manufacturer that is party thereto to supply the Seller and its Affiliates with sufficient quantities of YORVIPATH to meet Seller's and its Affiliates' currently existing Commercialization forecast for YORVIPATH in the Territory in 2025 in accordance with the applicable forecasting mechanisms and commitment schedules in each such Existing Contracts Manufacturing Agreement.

Section 4.10 Intellectual Property.

(a) Schedule 4.10(a) of the Disclosure Schedule lists all of the currently existing Patents owned or controlled by Seller or its Affiliates that directly relate to the Manufacture of the Product for Commercialization of the Product in the Territory or Commercialization of the Product in the Territory ("Existing Patents"). Except as set forth on Schedule 4.10(a) of the Disclosure Schedule, the Seller is the sole and exclusive registered owner of all the Existing Patents. Schedule 4.10(a) of the Disclosure Schedule specifies the respective patent or patent application numbers as to each listed Patent or patent application within the Existing Patents. Schedule 4.10(a) of the Disclosure Schedule specifies any Person other than the Seller owning or having an interest in any Existing Patent, including the nature of such interest.

(b) None of the Seller nor any of its Affiliates is a party to any pending, and, to the knowledge of the Seller, there is no threatened, litigation, interference, reexamination, opposition or like procedure involving any of the Existing Patents or other Intellectual Property Rights owned or controlled by Seller or any of its Affiliates that directly relate to the Manufacture of the Product for Commercialization of the Product in the Territory or Commercialization of the Product in the Territory ("Product IP").

(c) All of the issued Patents within the Existing Patents are enforceable, in full force and effect, and have not lapsed, expired or otherwise terminated and, to the knowledge of the Seller, are valid. None of the Seller nor any of its Affiliates has received any written notice relating to the lapse, expiration or other termination of any of the issued Patents within the Existing Patents. None of the Seller nor any of its Affiliates has received any written notice or written legal opinion from a Third Party that alleges that any Product IP is invalid or unenforceable.

(d) None of the Seller nor any of its Affiliates has received any written notice that there is any, and, to the knowledge of the Seller, there is no, Person who is or claims to be an inventor under any of the Existing Patent who is not a named inventor thereof.

(e) The Seller or its Affiliate has paid all maintenance fees, annuities and like payments required with respect to all of the Existing Patents.

(f) To the knowledge of the Seller, (i) the Commercialization of the Product in the Territory and the Manufacture of the Product for Commercialization of the Product in the Territory has not and will not, infringe, misappropriate or otherwise violate any Patent or other Intellectual

Property Rights of any Third Party as of the Effective Date (without reference to any safe harbor), and (ii) no Person is infringing, misappropriating or otherwise violating, or threatening to infringe, misappropriate or otherwise violate, any Product IP.

Section 4.11 Title to Revenue Participation Right; No Liens. The Seller and/or its Affiliates holds all rights, interests, and title necessary to sell, transfer, assign and convey the Revenue Participation Right to the Buyer. From and after the Effective Date, the Buyer will have acquired, subject to the terms and conditions set forth in this Agreement, good and marketable title to the Revenue Participation Right and Revenue Payments, in each case free and clear of all Liens (other than the Back-Up Security Interest, which shall be a first priority Lien). None of the property or assets of the Seller or any of its Affiliates is subject to, or encumbered by, any Lien, other than (i) the Revenue Participation Right and Revenue Payments, which are covered by the immediately preceding sentence and (ii) the 2023 Back-Up Security Interest granted to the Buyer pursuant to the 2023 Agreement. The Seller, together with the Parent, [***], holds all rights, interests, and title necessary to fully grant or authorize the grant of the Back-Up Security Interest.

Section 4.12 Indebtedness. Schedule 4.12 of the Disclosure Schedule sets forth a complete list of the outstanding Indebtedness of, or incurred by, the Seller and its Affiliates.

Section 4.13 Lien Related Representation and Warranties. The Seller's exact legal name (as defined in Section 9-503 of the UCC) is, and has since November 2016 been, "Ascendis Pharma Bone Diseases A/S". Prior to November 2016, the legal name of Seller was Ascendis Pharma Osteoarthritis Division A/S. The Seller is, and for the prior ten (10) years has been, a corporation and incorporated in Denmark. The Parent's exact legal name (as defined in Section 9-503 of the UCC) is, and for the immediately preceding ten (10) years has been, "Ascendis Pharma A/S". The Parent is, and since February 2, 2015 has been, a public limited liability company (*Aktieselskab*) organized under the laws of Denmark.

Section 4.14 Brokers' Fees. Except for Evercore Group L.L.C., there is no investment banker, broker, finder, financial advisor or other intermediary who has been retained by or is authorized to act on behalf of the Seller or any of its Affiliate who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 4.15 Foreign Corrupt Practices Act. None of the Seller or its Affiliates nor, to the knowledge of Seller, any of its or their directors, officers, employees or agents have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA")), foreign political party or official thereof or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Seller or any of its Affiliates in obtaining or retaining business for or with, or directing business to, any person. None of the Seller or any of its Affiliates nor, to the knowledge of Seller, any of its or their directors, officers, employees or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation. The Seller further represents that it has maintained, and

has caused each of its Affiliates to maintain, systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) and written policies designed to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption law. To the knowledge of the Seller, neither the Seller nor any of its Affiliates or its or their officers, directors or employees are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to the FCPA or any other anti-corruption law.

Section 4.16 Additional Products. [***], in each case other than YORVIPATH.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Seller that as of the Effective Date:

Section 5.1 Existence; Good Standing. The Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware. The Buyer is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified and in good standing has not and would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.2 Authorization. The Buyer has the requisite right, power and authority to execute, deliver and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary action on the part of the Buyer.

Section 5.3 Enforceability. This Agreement has been duly executed and delivered by an authorized person of the Buyer and constitutes the valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as may be limited by applicable Bankruptcy Laws or by general principles of equity (whether considered in a proceeding in equity or at law).

Section 5.4 No Conflicts. The execution, delivery and performance by the Buyer of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) contravene or conflict with the organizational documents of the Buyer, (ii) contravene or conflict with or constitute a material default under any material provision of any law binding upon or applicable to the Buyer or (iii) contravene or conflict with or constitute a material default under any material agreement or Judgment binding upon or applicable to the Buyer.

Section 5.5 Consents. Except for the filing of financial statement(s) in accordance with Section 2.3 or any filings required by the federal securities laws or stock exchange rules, no consent, approval, license, order, authorization, registration, declaration or filing with or of any Governmental Entity or other Person is required to be done or obtained by the Buyer in connection with (i) the execution and delivery by the Buyer of this Agreement, (ii) the performance by the Buyer of its obligations under this Agreement or (iii) the consummation by the Buyer of any of the transactions contemplated by this Agreement.

Section 5.6 No Litigation. There is no action, claim, suit, investigation or proceeding pending or, to the knowledge of the Buyer, threatened before any Governmental Entity to which the Buyer is a party that would reasonably be expected to prevent or materially and adversely affect the ability of the Buyer to perform its obligations under this Agreement.

Section 5.7 Financing. The Buyer has sufficient cash to pay the Purchase Price on the Effective Date. The Buyer acknowledges that its obligations under this Agreement are not contingent on obtaining financing.

Section 5.8 Brokers' Fees. There is no investment banker, broker, finder, financial advisor or other intermediary who has been retained by or is authorized to act on behalf of the Buyer who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

ARTICLE 6

NO OTHER REPRESENTATIONS AND WARRANTIES

EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT AND ANY DOCUMENTS OR INSTRUMENTS DELIVERED HEREUNDER, NONE OF THE PARTIES HERETO MAKES ANY REPRESENTATIONS OR GRANTS ANY WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE OR ANY WARRANTY AS TO THE VALIDITY OF ANY PATENT RIGHTS OR THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

ARTICLE 7

COVENANTS

Section 7.1 Seller Diligence Requirements. The Seller shall, directly or indirectly through its Affiliates or any Licensees or Manufacturers, use Commercially Reasonable Efforts to Manufacture the Product for Commercialization in the Territory, and Commercialize the Product in the Territory. In furtherance of the foregoing, (i) the Seller shall and shall cause its Affiliates to use Commercially Reasonable Efforts to prepare, execute, deliver and file any and all agreements, documents or instruments, or amendments or modifications to any existing agreements, documents or instruments, that are necessary or desirable to (A) secure and maintain any Marketing Approval that is necessary or useful to Manufacture the Product for Commercialization in the Territory and Commercialize the Product in the Territory and (B) obtain an Authorized Stability Period of at least [***], and (ii) the Seller shall not, and shall cause its Affiliates to not, withdraw or abandon, or fail to take any action necessary to prevent the withdrawal or abandonment of, any Marketing Approval for the Product in the Territory.

Section 7.2 Reporting.

(a) From and after the Effective Date, the Seller shall provide the Buyer promptly following the end of each Calendar Quarter, but in any event no later than [***] calendar days

after the end of such Calendar Quarter, a reasonably detailed report (each, a “Commercial & IP Report”) setting forth, with respect to such same period, (i) the Commercial Updates and (ii) the Intellectual Property Updates.

(b) From and after the Effective Date until receipt of an Authorized Stability Period of at least [***], the Seller shall provide the Buyer promptly following the end of each Calendar Quarter (or, after receipt of an Authorized Stability Period of at least [***], promptly following the end of each Calendar Year), but in any event no later than [***] calendar days after the end of such Calendar Quarter or Calendar Year, as applicable, a reasonably detailed report (each, a “Manufacturing Report”) setting forth, with respect to such same period, the Manufacturing Updates.

(c) In addition to the information provided in the Commercial & IP Reports and Manufacturing Reports, the Seller shall provide the Buyer with such additional information directly related to the Product in the Territory (including with respect to Commercialization (including the anticipated Commercial Launch) and Manufacturing) as the Buyer may reasonably request from time to time in writing, which additional information the Seller may provide orally; provided, that, after receipt of an Authorized Stability Period of at least [***], the Buyer shall make such requests for additional information no more frequently than [***].

(d) The Seller shall prepare and maintain and shall cause its Affiliates and any Licensees and Manufacturers to prepare and maintain reasonably complete and accurate records of the information to be disclosed in each Commercial & IP Report and Manufacturing Report. In addition, the Seller shall provide the Buyer with prompt (and in any event within [***] Business Days) written notice of (i) any Safety Notices, (ii) any developments that would reasonably be expected to cause the Commercial Launch to occur later than March 31, 2025, and (iii) if Commercial Launch does not occur by March 31, 2025, any developments that would reasonably be expected to further delay Commercial Launch thereafter.

Section 7.3 Revenue Payments; Revenue Payment Details; Buy-Out Payment.

(a) For each Calendar Quarter occurring (in whole or in part) during the Revenue Payment Term, the Seller shall pay to the Buyer the Revenue Payment for each such Calendar Quarter promptly, but in any event no later than [***] calendar days after the end of each such Calendar Quarter.

(b) Provided that the Buyer has complied with its obligations under Section 3.5 of this Agreement (and, if applicable, any assignee has provided Seller with a valid and properly executed IRS Form W-9 or applicable IRS Form W-8 confirming that no withholding is required for U.S. federal income tax purposes), the Seller shall make all payments required to be made by it to the Buyer pursuant to this Agreement in U.S. dollars by wire transfer of immediately available funds, without set-off, reduction or deduction, or withholding for or on account of any Taxes, to the bank account designated in writing from time to time by the Buyer.

(c) For each Calendar Quarter occurring (in whole or in part) during the Revenue Payment Term, the Seller shall provide the Buyer promptly following the end of such Calendar Quarter, but in any event no later than [***] calendar days after the end of such Calendar Quarter

or promptly after the Seller has issued quarterly or annual financial statements for public use, if later than [***] calendar days after the end of the applicable Calendar Quarter, a report (a “Revenue Report”) setting forth in reasonable detail (i) Gross Sales and Net Sales for such Calendar Quarter and Calendar Year to date (including a detailed break-down of all permitted deductions from Gross Sales used to determine Net Sales [***]), and (ii) the calculation of the Revenue Payment payable to the Buyer for the applicable Calendar Quarter, identifying [***] sold by the Seller, its Affiliates and each Licensee in the Territory.

(d) If at any time during the term of this Agreement:

(i) the Seller or one or more of its Affiliates enters into a definitive agreement for or otherwise obtains knowledge of a Change of Control, the Seller shall provide prompt (and in any event within [***] Business Days) written notice thereof to the Buyer, which notice shall include reasonable detail as to the Change of Control, including the parties to such Change of Control; and if a Change of Control occurs or is consummated, the Seller shall, concurrently with the occurrence or consummation of such Change of Control pay (or cause to be paid) to the Buyer the applicable Buy-Out Payment by wire transfer of immediately available funds to one or more accounts specified by the Buyer; or

(ii) the Seller desires to pay the Buy-Out Payment and terminate this Agreement, the Seller shall provide the Buyer with written notice (“Buy-Out Notice”) that the Seller is electing to make the Buy-Out Payment, which election shall be irrevocable, and the Seller shall, on the [***] Business Days following delivery of such notice pay to the Buyer the applicable Buy-Out Payment amount by wire transfer of immediately available funds to one or more accounts specified by the Buyer.

Section 7.4 Inspections and Audits of the Seller.

(a) Upon reasonable prior written notice and during normal business hours, the Buyer may cause an inspection and/or audit, by an independent public accounting firm reasonably acceptable to the Seller and subject to a confidentiality agreement between the Seller and such public accounting firm reasonably acceptable to the Seller, the Buyer and such independent public accounting firm, of the Seller’s and its Affiliates’ books of account, for the sole purpose of determining the correctness of the Revenue Payments made under this Agreement.

(b) Any such inspection and/or audit shall be permitted with respect to the Revenue Payments no more frequently than [***] for the Seller’s and its Affiliates’ books of account for any period commencing [***] preceding the Calendar Year in which the Buyer submits the written request for such inspection and/or audit. In connection with any such inspection and/or audit, upon the Buyer’s request, the Seller and its Affiliates shall exercise any rights it may have under any Out-License relating to the Product to cause an inspection and/or audit by an independent public accounting firm to be made of the books of account of any counterparty thereto for the purpose of determining the correctness of the Revenue Payments made under this Agreement.

(c) All of the expenses of any inspection or audit requested by the Buyer hereunder

(including the fees and expenses of such independent public accounting firm designated for such purpose) shall be borne by (i) the Buyer, if the independent public accounting firm determines that the Revenue Payments previously paid were incorrect by an amount less than or equal to [***] of the Revenue Payments actually paid or (ii) the Seller, if the independent public accounting firm determines that the Revenue Payments previously paid were incorrect by an amount greater than [***] of the Revenue Payments actually paid. Any such independent public accounting firm shall not disclose to the Buyer the confidential information of the Seller or any counterparty to any Out-License relating to the Product except to the extent such disclosure is either necessary to determine the correctness of a Revenue Payment or otherwise would be included in a Commercial & IP Report, Manufacturing Report or Revenue Report. All information obtained by the Buyer as a result of any such inspection or audit shall be Confidential Information subject to ARTICLE 9.

(d) Notwithstanding the foregoing, in the event Seller disputes any of the inspection and/or audit results of Section 7.4(a), the parties shall work in good faith to resolve the dispute. If the parties are unable to reach a mutually acceptable resolution of any such dispute within [***] days, the dispute shall be submitted for resolution to an independent certified public accounting firm jointly selected by [***] or to such other Person as the parties shall mutually agree (the “Audit Arbitrator”). The decision of Audit Arbitrator shall be final and the costs of such arbitration as well as the initial audit shall be borne between the parties consistent with Section 7.4(c). Not later than [***] days after such decision and in accordance with such decision, the audited party shall pay the additional amounts, with interest from the date originally due in accordance with Section 7.12, or the auditing party shall reimburse the excess payments, as applicable.

Section 7.5 Intellectual Property Matters.

(a) The Seller shall provide to the Buyer a copy of any written notice received by any Related Party or Manufacturer from a Third Party alleging or claiming that the Commercialization of the Product in the Territory or the Manufacture of the Product for Commercialization in the Territory infringes or misappropriates any Patents or other intellectual property rights of a Third Party, together with copies of material correspondence sent or received by any Related Party or Manufacturer related thereto, as soon as practicable and in any event not more than [***] Business Days following such delivery or receipt.

(b) The Seller shall promptly inform the Buyer upon filing or otherwise submitting a written claim to a Third Party of any infringement or misappropriation by such Third Party of any Patent or other Intellectual Property Right owned or controlled by Seller, Parent or its Affiliates that directly relates to the Commercialization of the Product in the Territory or the Manufacture of the Product for Commercialization in the Territory, or if Seller, Parent or its Affiliates receive a written notice from a Third Party alleging that any such Patent or other Intellectual Property Right owned or controlled by Seller, Parent or its Affiliates that directly relates to the Commercialization of the Product in the Territory or the Manufacture of the Product for Commercialization in the Territory is invalid or unenforceable; provided, that, reasonably prior to the Seller’s or any of its Affiliate’s initiating, or permitting a Licensee to initiate, an enforcement action regarding any suspected infringement or misappropriation by a Third Party of any such Patent or other Intellectual Property Right owned or controlled by Seller, Parent or its Affiliates that directly relates to the Commercialization of the Product in the Territory or the Manufacture of the Product for Commercialization in the Territory, the Seller shall provide the Buyer with written notice of

such enforcement action and thereafter shall provide the Buyer with such additional information on a regular basis.

(c) The Seller shall, or shall cause another Related Party to, diligently file, prosecute, and maintain all Patents owned or controlled by Seller or its Affiliates that directly relate to the Commercialization of the Product in the Territory or the Manufacture of the Product for Commercialization in the Territory.

(d) If the Seller or any of its Affiliates or Licensees recovers monetary damages from a Third Party, where such damages, whether in the form of judgment or settlement, result from the infringement by such Third Party of any Patents that directly relate to the Commercialization of the Product in the Territory, such recovery will be allocated first to the reimbursement of any expenses incurred by the Seller and its Affiliates or Licensees in bringing such action (including all reasonable attorneys' fees), and any remaining amounts will be [***].

Section 7.6 In-Licenses and Intercompany Agreements.

(a) The Seller shall promptly (and in any event within [***] Business Days) provide the Buyer with (i) executed copies of any In-License entered into by the Seller or any of its Affiliates, and (ii) executed copies of each material amendment, supplement, modification or written waiver of any provision of any In-License. The Seller shall not, and shall cause its Affiliates not to, amend or modify in any material respect, terminate or assign, any In-License that may reasonably materially adversely affect the Buyer's rights or economic interests under this Agreement.

(b) The Seller shall, or shall cause its Affiliates (as applicable) to, comply in all material respects with its and their obligations under each In-License and shall not take any action or forego any action that would reasonably be expected to result in a material breach thereof. Promptly, and in any event within [***] Business Days following the Seller's or its Affiliate's notice to a counterparty to any In-License of an alleged breach by such counterparty under any such In-License, the Seller shall provide the Buyer with a copy thereof.

(c) The Seller will, or will cause its Affiliates to, (i) maintain the Intercompany Agreements in a manner that permits the Seller and its Affiliates to Commercialize the Product in the Territory and Manufacture the Product for Commercialization in the Territory in accordance with the terms of this Agreement, and (ii) not assign, transfer, terminate, amend or waive any provision of, or otherwise modify, any Intercompany Agreement in any manner except, in the case of clauses (i) and (ii) above, that would not reasonably be expected to have a Material Adverse Effect, or to the extent otherwise required pursuant to a "determination," within the meaning of Section 1313(a) of the US Code, or a comparable provision of non-U.S. law. In furtherance of the foregoing, the Seller shall not, and the Parent shall cause [***] not to, assign, transfer, terminate, amend or waive any provision of, or otherwise modify, [***] without obtaining the Buyer's prior written consent (not to be unreasonably conditioned, withheld or delayed), unless any such termination, amendment, waiver or modification is made as required pursuant to applicable law, including a "determination" within the meaning of Section 1313(a) of the US Code, or a comparable provision of non-U.S. law.

Section 7.7 Out-Licenses and Contract Manufacturing Agreements.

(a) Except for a Permitted Out-License, the Seller shall not, and shall not permit any of its Affiliates to, enter into an Out-License without the Buyer's prior written consent. The Seller shall notify the Buyer in writing at least [***] prior to the issuance of any public announcement regarding a Permitted Out-License, which notice shall include a copy of the draft public announcement.

(b) The Seller shall not, and shall cause its Affiliates not to, (i) amend or modify in any material respect, terminate or assign any Out-License (except for a Permitted Out-License) without obtaining the Buyer's prior written consent (not to be unreasonably conditioned, withheld or delayed) or (ii) amend, modify, terminate or assign any Contract Manufacturing Agreement pursuant to which commercial Manufacturing of the Product is carried out, or is intended to be carried out, for the Commercialization of the Product in the Territory if such amendment, modification, termination or assignment of or to such Contract Manufacturing Agreement would reasonably be expected to have a Material Adverse Effect.

(c) The Seller shall promptly (and in any event within [***] Business Days) provide the Buyer with (i) executed copies of each Out-License, and (ii) executed copies of each material amendment, supplement, modification or written waiver of any provision of an Out-License.

(d) The Seller shall provide the Buyer with prompt (and in any event within [***] Business Days) written notice of a breach by a counterparty to any Out-License of its obligations under any Out-License, in each case of which a member of the Seller's executive or legal team becomes aware.

(e) The Seller shall provide the Buyer with written notice promptly (and in any event within [***] Business Days) following the termination of any Out-License.

Section 7.8 Disclosures. Except for a press release previously approved in form and substance by the Seller and the Buyer or any other public announcement using substantially the same text as such press release, neither the Buyer nor the Seller shall, and each party shall cause its respective Representatives, Affiliates and Affiliates' Representatives not to, issue a press release or other public announcement or otherwise make any public disclosure with respect to this Agreement or the subject matter hereof without the prior written consent of the other party except as may be required by applicable law or stock exchange rule (in which case either party required to make the press release or other public announcement or disclosure shall allow the other party reasonable time to comment on, and, if applicable, reasonably request the disclosing party to seek confidential treatment in respect of portions of, such press release or other public announcement or disclosure in advance of such issuance).

Section 7.9 Post-Closing Obligation. The Seller shall deliver to the Buyer within [***] Business Days after the Effective Date [***]. For the avoidance of doubt, the contents of [***] are Confidential Information of the Seller and subject to the terms and conditions of this Agreement.

Section 7.10 Efforts to Consummate Transactions. Subject to the terms and conditions of this Agreement, each of the Seller, the Parent and the Buyer will use, and will cause its respective Affiliates to use, its and their commercially reasonable efforts to take, or cause to be taken, all

actions and to do, or cause to be done, all things reasonably necessary under applicable law to consummate the transactions contemplated by this Agreement.

Section 7.11 Further Assurances. The Seller, the Parent and the Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be reasonably necessary in order to give effect to and carry on the transactions contemplated by this Agreement.

Section 7.12 Late Payments. A late fee of the lesser of (a) [***] over the Prime Rate, and (b) the highest rate permitted under applicable law shall accrue on all unpaid amounts with respect to any payment owed to either party hereunder, including the Purchase Price or any Revenue Payment, from the date such obligation was due until the date payment is made. The imposition and payment of a late fee shall not constitute a waiver of the rights of either party with respect to such payment default. [***].

Section 7.13 Negative Pledge; Preservation of Assets; Lien Cooperation. The Seller and the Parent shall not, and shall not permit any of its respective Affiliates to, create, incur, assume or suffer to exist any Lien on the Revenue Participation Right, the Revenue Payments, the US Product Rights or any “proceeds” (as defined in the UCC) of each of the Revenue Participation Right, the Revenue Payments and the US Product Rights except for (a) the Back-Up Security Interest and (b) as applicable, any Permitted Lien. Notwithstanding anything herein to the contrary, none of the Parent, the Seller nor any of their Affiliates shall take any actions, fail to take any actions, permit any actions, fail to permit any actions, enter into any contracts or arrangements, or amend, restate, supplement, waive any rights under or otherwise modify any contracts or arrangements in a manner that would, individually or in the aggregate, reasonably be expected to adversely affect in any material respect the Revenue Participation Right, the Revenue Payments, the commercial Manufacture of the Product for Commercialization in the Territory, the Commercial Launch of the Product in the Territory, or the Commercialization of the Product in the Territory, with the intent to circumvent the provisions of, or obligations under, this Agreement. For clarity, this Agreement shall not be construed, understood, or interpreted to limit Seller, Parent or its Affiliates’ rights to (i) enter into any license or other similar arrangements between the Seller or any of its Affiliates, on the one hand, and any Third Party, on the other hand, pursuant to which the Seller or any of its Affiliates grants a license, sublicense or other similar rights under any Intellectual Property Right owned or controlled by the Seller or any of its Affiliates to make, have made, sell, offer for sale, import, use or otherwise exploit (w) the Ascendis Technology outside the Territory, (x) the Ascendis Technology in the Territory for purposes other than the commercial Manufacture or Commercialization of the Product in the Territory to the extent provided under this Agreement, (y) Intellectual Property Rights solely related to a product other than the Product in the Territory or (z) the Product outside the Territory and (ii) enable, permit or grant a Third Party to use or reference the Marketing Approval of the Product in the Territory for purposes outside of the Territory (such actions described in clauses (i) and (ii), a “Permitted Business Development Transaction”). The Buyer agrees to cooperate with Seller, Parent and its Affiliates to reasonably accommodate any Permitted Business Development Transaction or any Permitted Secured Indebtedness, including to adjust, as necessary, the scope or priority of the Back-Up Security Interest. For the avoidance of doubt, for purposes of the 2023 Agreement, the Buyer, in its capacity as a party to the 2023 Agreement, hereby consents to the Seller and the Parent’s entry

into this Agreement and the grant of the Back-Up Security Interest to the Buyer hereunder, notwithstanding Section 7.13 of the 2023 Agreement.

ARTICLE 8
INDEMNIFICATION

Section 8.1 General Indemnity. Subject to Section 8.3, from and after the Effective Date:

(a) The Seller and the Parent hereby agree to, jointly and severally, indemnify, defend and hold harmless the Buyer and its Affiliates and its and their directors, managers, trustees, officers, agents and employees (the “Buyer Indemnified Parties”) from, against and in respect of all Losses suffered or incurred by the Buyer Indemnified Parties to the extent arising out of or resulting from (i) any breach of any of the representations or warranties (in each case, when made) of the Seller or the Parent in this Agreement (including the Bill of Sale [***]) and (ii) any breach of any of the covenants or agreements of the Seller or the Parent in this Agreement (including the Bill of Sale [***]); provided, however, that the foregoing shall exclude any indemnification to any Buyer Indemnified Party to the extent resulting from the gross negligence, willful misconduct, or fraud of any Buyer Indemnified Party.

(b) The Buyer hereby agrees to indemnify, defend and hold harmless the Seller and its Affiliates and its and their directors, officers, agents and employees (the “Seller Indemnified Parties”) from, against and in respect of all Losses suffered or incurred by the Seller Indemnified Parties to the extent arising out of or resulting from (i) any or breach of any of the representations or warranties (in each case, when made) of the Buyer in this Agreement (including the Bill of Sale) or (ii) any breach of any of the covenants or agreements of the Buyer in this Agreement (including the Bill of Sale); provided, however, that the foregoing shall exclude any indemnification to any Seller Indemnified Party to the extent resulting from the gross negligence, willful misconduct, or fraud of any Seller Indemnified Party.

Section 8.2 Notice of Claims. If either a Buyer Indemnified Party, on the one hand, or a Seller Indemnified Party, on the other hand (such Buyer Indemnified Party on the one hand and such Seller Indemnified Party on the other hand being hereinafter referred to as an “Indemnified Party”), has suffered or incurred any Losses for which indemnification may be sought under this ARTICLE 8, the Indemnified Party shall so notify the other party from whom indemnification is sought under this ARTICLE 8 (the “Indemnifying Party”) promptly in writing describing such Loss, the amount or estimated amount thereof, if known or reasonably capable of estimation, and the method of computation of such Loss, all with reasonable particularity and containing a reference to the provisions of this Agreement (or the Bill of Sale [***]) in respect of which such Loss shall have occurred. If any claim, action, suit or proceeding is asserted or instituted by or against a Third Party with respect to which an Indemnified Party intends to claim any Loss under this Section 8.2, such Indemnified Party shall promptly notify the Indemnifying Party of such claim, action, suit or proceeding and tender to the Indemnifying Party the defense of such claim, action, suit or proceeding. A failure by an Indemnified Party to give notice and to tender the defense of such claim, action, suit or proceeding in a timely manner pursuant to this Section 8.2 shall not limit the obligation of the Indemnifying Party under this ARTICLE 8, except to the extent such Indemnifying Party is actually prejudiced thereby.

Section 8.3 Limitations on Liability. No party hereto shall be liable (and no claim for indemnification hereunder shall be asserted) for any indirect, consequential, punitive, special or incidental damages, including loss of profits, under this ARTICLE 8 as a result of any breach or violation of any covenant or agreement of such party (including under this ARTICLE 8) in or pursuant to this Agreement (including the Bill of Sale [***]). Notwithstanding the foregoing, the Buyer shall be entitled to make indemnification claims, in accordance with the procedures set forth in this ARTICLE 8, for Losses that include any portion of the Revenue Payments that the Buyer was entitled to receive but did not receive timely or at all due to any indemnifiable events under this Agreement (including the Bill of Sale [***]), and such portion of the Revenue Payments shall not be deemed indirect, consequential, punitive, special or incidental damages, including loss of profits, for any purpose of this Agreement (including the Bill of Sale [***]).

Section 8.4 Third Party Claims. Upon providing notice to an Indemnifying Party by an Indemnified Party pursuant to Section 8.2 of the commencement of any action, suit or proceeding against such Indemnified Party by a Third Party with respect to which such Indemnified Party intends to claim any Loss under this ARTICLE 8, such Indemnifying Party shall have the right to defend such claim, at such Indemnifying Party's expense and with counsel of its choice reasonably satisfactory to the Indemnified Party. If the Indemnifying Party assumes the defense of such claim, the Indemnified Party shall, at the request of the Indemnifying Party, use commercially reasonable efforts to cooperate in such defense; provided, that the Indemnifying Party shall bear the Indemnified Party's reasonable out-of-pocket costs and expenses incurred in connection with such cooperation. The Indemnified Party may retain separate co-counsel at its expense and may participate in the defense of such claim. The Indemnifying Party shall not consent to the entry of any Judgment or enter into any settlement with respect to such claim without the prior written consent of the Indemnified Party unless such Judgment or settlement (A) provides for the payment by the Indemnifying Party of money as the sole relief (if any) for the claimant (other than customary and reasonable confidentiality obligations relating to such claim, Judgment or settlement), (B) results in the full and general release of the Indemnified Party from all liabilities arising out of, relating to or in connection with such claim and (C) does not involve a finding or admission of any violation of any law, rule, regulation or Judgment, or the rights of any Person, and has no effect on any other claims that may be made against the Indemnified Party. In the event the Indemnifying Party does not or ceases to conduct the defense of such claim in compliance with this Section 8.4, (i) the Indemnified Party may defend against, and consent to the entry of any reasonable Judgment or enter into any reasonable settlement with respect to, such claim in any manner such Indemnified Party reasonably deems appropriate, (ii) subject to the limitations in Section 8.3, the Indemnifying Party shall reimburse the Indemnified Party promptly and periodically for the reasonable out-of-pocket costs of defending against such claim, including reasonable attorneys' fees and expenses against reasonably detailed invoices, and (iii) the Indemnifying Party shall remain responsible for any Losses the Indemnified Party may suffer as a result of such claim to the full extent provided in this ARTICLE 8.

Section 8.5 Exclusive Remedy. Except as set forth in Section 11.10, from and after the Effective Date, the rights of the parties hereto pursuant to (and subject to the conditions of) this ARTICLE 8 shall be the sole and exclusive remedy of the parties hereto and their respective Affiliates with respect to any claims (whether based in contract, tort or otherwise) resulting from or relating to any breach of the representations, warranties, covenants and agreements made under this Agreement or any certificate, document or instrument delivered hereunder (including the Bill

of Sale [***]), and each party hereto hereby waives, to the fullest extent permitted under applicable law, and agrees not to assert any other claim or action in respect of any such breach. Notwithstanding the foregoing, claims for fraud shall not be waived or limited in any way by this ARTICLE 8.

Section 8.6 Tax Treatment for Indemnification Payments. Any indemnification payments made pursuant to this ARTICLE 8 will be treated as an adjustment to the Purchase Price for U.S. federal income tax purposes to the fullest extent permitted by applicable law, except to the extent otherwise required pursuant to a “determination,” within the meaning of Section 1313(a) of the US Code.

ARTICLE 9 CONFIDENTIALITY

Section 9.1 Confidentiality. Except as provided in this ARTICLE 9 or otherwise agreed in writing by the parties, the parties agree that, during the term of this Agreement and for [***] years thereafter, each party (the “Receiving Party”) shall (a) keep confidential and shall not publish or otherwise disclose, except as permitted pursuant to Section 9.2, any information furnished to it by or on behalf of the other party (the “Disclosing Party”) pursuant to this Agreement (such information, “Confidential Information” of the Disclosing Party), and (b) shall not use the Confidential Information of the Disclosing Party for any purpose other than as provided for in this Agreement (which includes the exercise of any rights or the performance of any obligations hereunder), except in each case ((a) and (b)) for that portion of such information that the Receiving Party can demonstrate by competent proof:

(a) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the Disclosing Party;

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party;

(c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the Receiving Party in breach of this Agreement;

(d) is independently developed by the Receiving Party or any of its Affiliates without the use of the Confidential Information of the Disclosing Party; or

(e) is subsequently disclosed to the Receiving Party on a non-confidential basis by a Third Party who did not receive such Confidential Information from the Disclosing Party and without obligations of confidentiality with respect thereto.

Section 9.2 Authorized Disclosure.

(a) Either party may disclose Confidential Information to the extent such disclosure is reasonably necessary in the following situations:

(i) prosecuting or defending litigation between the parties hereto;

(ii) complying with applicable laws and regulations, including regulations promulgated by securities exchanges;

(iii) complying with a valid order of a court or administrative body of competent jurisdiction or other Governmental Entity;

(iv) disclosure to its Affiliates and its and its Affiliates' Representatives; provided, that each recipient of Confidential Information must be bound by obligations of confidentiality and non-use at least as stringent as those set forth in this Agreement prior to any such disclosure;

(v) disclosure to its actual or potential investors, lenders or acquirers, and their respective accountants, financial advisors and other professional representatives, provided, that such disclosure shall be made only to the extent customarily required to consummate such investment, financing transaction or acquisition and that each recipient of Confidential Information must be bound by obligations of confidentiality and non-use at least as stringent as those set forth in this Agreement prior to any such disclosure; or

(vi) upon the prior written consent of the Disclosing Party.

Notwithstanding the foregoing, in the event the Receiving Party is required to make a disclosure of the Disclosing Party's Confidential Information pursuant to Section 9.2(a)(ii) or (iii), it will, except where impracticable, give reasonable advance notice to the Disclosing Party of such disclosure and use reasonable efforts to secure confidential treatment of such information. Without limiting the foregoing, a party may disclose the other party's Confidential Information, without the other party's prior written permission, to the extent it is required to do so by law, regulation, or a court or administrative order or an order of another Governmental Entity; however, prior to such disclosure, the compelled party shall notify the other party (which notice shall include a copy of the relevant portion of any applicable subpoena or order) as promptly as possible after it learns of such requirement to disclose, except to the extent such notification would be impractical or legally impermissible (in which event notification shall be made as soon as reasonably practicable and permissible), provide the other party with reasonable opportunity to pursue legal action to prevent or limit the required disclosure, and, if requested, provide reasonable assistance at the other party's expense in undertaking reasonable legal action to prevent or limit the required disclosure. In the event of any such required disclosure, the party required to disclose the other party's Confidential Information shall disclose only that portion of the other party's Confidential Information that it is legally required to disclose based on the advice of its counsel. The Receiving Party shall continue to hold in confidence hereunder any such disclosed Confidential Information of the Disclosing Party unless and until such information is no longer required to be held in confidence under the terms of this Agreement.

The Buyer shall not seek, because of, or based upon, any Confidential Information of the Seller, Patent or any other form of intellectual property protection with respect to, or related to, any such Confidential Information or use the Confidential Information of the Seller to obtain, or seek to obtain, a commercial advantage over the Seller. Without limiting the foregoing, the Buyer shall not file any Patent application based upon, disclosing or using any of the Confidential Information of the Seller provided hereunder.

ARTICLE 10
TERMINATION

Section 10.1 Term and Expiration; Surviving Payments. Unless earlier terminated as provided in Section 10.2, this Agreement shall be effective as of the Effective Date and shall continue in full force and effect until such time as the Seller has made all Revenue Payments or the Buy-Out Payment, as applicable, in full under this Agreement, at which time this Agreement shall automatically terminate, except in each case with respect to any rights or obligations that accrued or arose prior to such termination.

Section 10.2 Mutual Termination. This Agreement may be terminated by mutual written agreement of the Buyer and the Seller.

Section 10.3 Survival. Notwithstanding anything to the contrary in this ARTICLE 10, the following provisions shall survive termination of this Agreement: ARTICLE 1; Section 7.4 (Inspections and Audits of the Seller); Section 7.12 (Late Payments); ARTICLE 8 (Indemnification); ARTICLE 9 (Confidentiality); Section 10.1 (Term and Expiration; Surviving Payments); Section 10.3 (Survival); ARTICLE 11 (Miscellaneous). Termination of this Agreement shall not relieve any party of liability in respect of breaches under this Agreement by any party on or prior to termination.

ARTICLE 11
MISCELLANEOUS

Section 11.1 Notices. All notices and other communications under this Agreement shall be in writing and shall be by email with PDF attachment, courier service or personal delivery to the following addresses, or to such other addresses as shall be designated from time to time by a party hereto in accordance with this Section 11.1:

If to the Seller or the Parent, to it at:

Ascendis Pharma A/S
Tuborg Boulevard 12
DK-2900 Hellerup
Attention: [***]
Email: [***]

With a copy to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025
Attention: Mark V. Roeder
Email: [***]

If to the Buyer, to it at:

Royalty Pharma Development Funding, LLC
110 E. 59th Street, Suite 3300
New York, New York 10022
Attention: [***]
Email: [***]

With a copy to:

Goodwin Procter LLP
100 Northern Avenue
Boston, Massachusetts 02210
Attention: Robert M. Crawford and Jacqueline Mercier
Email: [***]

All notices and communications under this Agreement shall be deemed to have been duly given (i) when delivered by hand, if personally delivered, (ii) when received by a recipient, if sent by email, with an acknowledgement of receipt being produced by the recipient's email account, or (iii) one (1) Business Day following sending within the United States by overnight delivery via commercial one-day overnight courier service.

Section 11.2 Expenses. Except as otherwise provided herein, all fees, costs and expenses (including any legal, accounting and banking fees) incurred in connection with the preparation, negotiation, execution and delivery of this Agreement and to consummate the transactions contemplated hereby shall be paid by the party hereto incurring such fees, costs and expenses.

Section 11.3 Assignment; Transfer Restrictions.

(a) None of the Parent, the Seller nor any of their Affiliates shall sell, assign or otherwise transfer, including by asset sale, merger, change of control, operation of law, or otherwise, this Agreement or any portion of the US Product Rights to any Person without the prior written consent of the Buyer (not to be unreasonably conditioned, withheld or delayed) except (i) to an Affiliate if such Affiliate transferee agrees in a writing reasonably acceptable to the Buyer that such Affiliate assumes all of the obligations of the Parent and the Seller to the Buyer under this Agreement and the Parent guarantees the performance of such Affiliate or (ii) in connection with a Change of Control. Further, the Parent, the Seller and its Affiliates shall be permitted to assign all or substantially all of the US Product Rights to a Permitted Transferee if such Permitted Transferee agrees in a writing reasonably acceptable to the Buyer that it assumes all of the obligations of the Parent and the Seller to the Buyer under this Agreement. For clarity, nothing in this Section 11.3 shall prohibit any Out-Licenses permitted by and entered into in accordance with Section 7.7.

(b) Following the closing of the transactions contemplated by this Agreement, the Buyer may assign this Agreement without the prior written consent of the Seller if the Buyer provides a prior written notice to Seller regarding such assignment.

(c) A party assigning this Agreement as set forth in this Section 11.3 will promptly notify the other party of such assignment.

(d) Any purported sale, assignment or transfer in violation of this Section 11.3 shall be null and void.

This Agreement shall be binding upon, inure to the benefit of and be enforceable by, the parties hereto and their respective permitted successors and assigns.

Section 11.4 Amendment and Waiver.

(a) This Agreement may be amended, restated, modified or supplemented only in a writing signed by each of the Seller, the Parent and the Buyer. Any provision of this Agreement may be waived only in a writing signed by the parties hereto granting such waiver.

(b) No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No course of dealing between the parties hereto shall be effective to amend, modify, supplement or waive any provision of this Agreement.

Section 11.5 Entire Agreement. This Agreement, the Exhibits annexed hereto and the Disclosure Schedule constitute the entire understanding between the parties hereto with respect to the subject matter hereof and supersede all other understandings and negotiations with respect thereto.

Section 11.6 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Seller, the Parent and the Buyer and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties hereto and such successors and assigns, any legal or equitable rights hereunder, except that the Indemnified Parties shall be third party beneficiaries of the benefits provided for in ARTICLE 8.

Section 11.7 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

Section 11.8 Jurisdiction; Venue.

(A) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS RESPECTIVE PROPERTY AND ASSETS, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK COUNTY, NEW YORK, AND ANY APPELLATE COURT THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, AND THE BUYER AND THE SELLER EACH HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN

SUCH FEDERAL COURT. THE BUYER AND THE SELLER EACH HEREBY AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW. EACH OF THE BUYER AND THE SELLER HEREBY SUBMITS TO THE EXCLUSIVE PERSONAL JURISDICTION AND VENUE OF SUCH NEW YORK STATE AND FEDERAL COURTS. NOTHING IN THIS AGREEMENT OR IN ANY OTHER DOCUMENT SHALL AFFECT ANY RIGHT THAT THE BUYER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER DOCUMENT AGAINST THE SELLER OR ITS AFFILIATES OR ITS OR THEIR PROPERTIES IN THE COURTS OF ANY JURISDICTION. THE BUYER AND THE SELLER EACH AGREE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THAT PROCESS MAY BE SERVED ON THE BUYER OR THE SELLER IN THE SAME MANNER THAT NOTICES MAY BE GIVEN PURSUANT TO SECTION 11.1 HEREOF.

(B) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF THE BUYER AND THE SELLER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY PROCEEDING ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

Section 11.9 Severability. If any term or provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any situation in any jurisdiction, then, to the extent that the economic and legal substance of the transactions contemplated hereby is not affected in a manner that is materially adverse to either party hereto, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect and the enforceability and validity of the offending term or provision shall not be affected in any other situation or jurisdiction.

Section 11.10 Specific Performance. Each of the parties acknowledges and agrees that the other parties may be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached or violated. Accordingly, notwithstanding Section 8.5, each of the parties agrees that, without posting bond or other undertaking, the other parties shall be entitled to an injunction or injunctions to prevent breaches or violations of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action, suit or other proceeding instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter in addition to any other remedy to which it may be entitled, at law or in equity. Each party

further agrees that, in the event of any action for specific performance in respect of such breach or violation, it shall not assert that the defense that a remedy at law would be adequate.

Section 11.11 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy, facsimile or other similar means of electronic transmission, including "PDF," shall be considered original executed counterparts, provided receipt of such counterparts is confirmed.

Section 11.12 Relationship of the Parties; Cooperation. The relationship between the Buyer, on the one hand, and the Seller and the Parent, on the other hand, is solely that of purchaser and seller/guarantor, and no party hereto has any fiduciary or other special relationship with any other party or any of its Affiliates. This Agreement is not a partnership or similar agreement, and nothing contained herein shall be deemed to constitute the Buyer, the Seller, the Parent or any of their Affiliates as a partnership, an association, a joint venture or any other kind of entity or legal form for any purposes, including any Tax purposes. The Buyer, the Seller and the Parent acknowledge and agree that the Buyer's interests hereunder (including the Revenue Participation Right) are not equity interests and that the Buyer shall have the rights of a secured party (as defined in the UCC) with respect to the Revenue Participation Right. The Buyer, the Seller and the Parent agree to treat the transactions contemplated by this Agreement as a sale of the Revenue Participation Right for U.S. federal, state, local and non-U.S. tax purposes (except as otherwise required by IFRS solely for financial reporting purposes or by applicable tax law in Denmark solely for Danish tax purposes), and that they shall not take any position that is inconsistent with this Section 11.12 in any filing with any Governmental Entity or any audit or other tax-related administrative or judicial proceeding unless the other party hereto has consented in writing to such actions or to the extent otherwise required pursuant to a "determination," within the meaning of Section 1313(a) of the US Code, or a comparable provision of non-U.S. law. Each of the Buyer, the Seller and the Parent shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of tax returns and any audit, litigation or other proceeding with respect to taxes relating to the Revenue Participation Right. If there is an inquiry by any Governmental Entity of the Buyer, the Seller or the Parent related to the treatment described in this Section 11.12, the parties hereto shall cooperate with each other in responding to such inquiry in a reasonable manner which is consistent with this Section 11.12.

Section 11.13 Parent Guarantee. The Parent (i) hereby unconditionally guarantees the due and punctual payment and performance of all of the Seller's and its Affiliates' obligations and commitments under this Agreement or any related documents, and (ii) hereby further covenants to procure and cause the Seller and its Affiliates to take such actions necessary to support and duly complete the due and punctual payment and performance of the Seller's and its Affiliates' obligations and commitments under this Agreement and any related documents in relation to the Buyer's exercise of its rights and remedies under this Agreement and any related documents (collectively, (i) and (ii) this "Parent Guaranty"). This Parent Guaranty is an irrevocable guaranty of payment and performance (and not just of collection) and shall continue in effect notwithstanding any extension or modification of the terms of this Agreement or any related document, any assumption of any such guaranteed obligations by any other party or Person or any other act or event that might otherwise operate as a legal or equitable discharge of the Parent. The

Parent hereby waives all its rights to subrogation arising out of any payment or performance by The Parent under this Parent Guaranty. The obligations of the Parent hereunder shall be absolute and unconditional, and shall not be affected by or contingent upon (a) the liquidation or dissolution of, or the merger or consolidation of the Seller or any of its Affiliates with or into any corporation or other Person, or any sale or transfer by the Seller or any of its Affiliates or all or any part of its or their property or assets, (b) the bankruptcy, receivership, insolvency, reorganization or similar proceedings involving or affecting the Seller or its Affiliates, or (c) any modification, alteration, amendment, supplement, waiver or addition of or to this Agreement or any related document. The Parent hereby waives all suretyship defenses and protest, notice of protest, demand for performance, diligence, notice of any other action at any time taken or omitted by the Buyer and, generally, all demands and notices of every kind in connection with this Parent Guaranty, and the Seller's and its Affiliates' obligations in this Agreement and any related documents hereby guaranteed, and which the Parent may otherwise assert against the Buyer. This Parent Guaranty shall continue to be effective or shall be reinstated, as the case may be, if at any time payment or performance of any of the obligations of the Seller or any of its Affiliates under this Agreement or any related document is rescinded or must otherwise be restored or returned by the Company upon the insolvency, bankruptcy or reorganization of the Seller or its Affiliates or otherwise. The Parent acknowledges that each of the waivers set forth in this Parent Guaranty is made with full knowledge of its significance and consequences and under the circumstances the waivers are reasonable and not contrary to public policy. If any of said waivers is determined to be contrary to any applicable law or public policy, such waivers shall be effective only to the extent permitted and required by applicable law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective representatives thereunto duly authorized as of the date first above written.

PARENT

ASCENDIS PHARMA A/S

By: /s/ Jan Møller Mikkelsen

/s/ Albert Cha

Name: Jan Møller Mikkelsen

Title: CEO

Name: Albert Cha

Title: Chairman

SELLER

ASCENDIS PHARMA BONE DISEASES A/S

By: /s/ Jan Møller Mikkelsen

/s/ Michael Wolff Jensen

Name: Jan Møller Mikkelsen

Title: CEO

Name: Michael Wolff Jensen

Title: Chairman

BUYER

ROYALTY PHARMA DEVELOPMENT FUNDING,
LLC

By: Royalty Pharma Holdings, Ltd., its Manager

By: /s/ George W. Lloyd

Name: George W. Lloyd

Title: Director

[Signature Page to Revenue Participation Right Purchase and Sale Agreement]

Exhibit A

[**]

Exhibit B

[**]

Exhibit C

[**]

Exhibit D

[**]

CERTAIN IDENTIFIED CONFIDENTIAL INFORMATION HAS BEEN REDACTED FROM THIS EXHIBIT BECAUSE IT IS (I) CUSTOMARILY AND ACTUALLY TREATED AS PRIVATE OR CONFIDENTIAL AND (II) NOT MATERIAL.

CONFIDENTIAL PORTIONS OF THIS EXHIBIT ARE DESIGNATED BY [***].

SUPPLY AGREEMENT

for manufacture and supply of single chamber cartridges, pre-filled with TransCon PTH [***] assembled [***]

effective as of October 1st, 2022

by and between

ASCENDIS PHARMA A/S

and

VETTER PHARMA INTERNATIONAL GMBH

TABLE OF CONTENTS

ARTICLE 1: DEFINITIONS
ARTICLE 2: MANUFACTURE AND GOVERNANCE
ARTICLE 3: MATERIALS
ARTICLE 4: BATCH SIZE AND YIELD
ARTICLE 5: INSPECTION & ACCEPTANCE
ARTICLE 6: NON-CONFORMANCE, LOSSES AND RESUPPLY
ARTICLE 7: CAPACITY AGREEMENT, FORECAST AND PURCHASE ORDERS
ARTICLE 8: RELEASE AND DELIVERY
ARTICLE 9: PRICES AND PAYMENTS
ARTICLE 10: APPROVALS, AUDITS, CHANGES AND REGULATORY SERVICES
ARTICLE 11: INTELLECTUAL PROPERTY
ARTICLE 12: LIABILITY, INDEMNIFICATION, INSURANCE AND RECALL
ARTICLE 13: LIMITATIONS
ARTICLE 14: TERM AND TERMINATION
ARTICLE 15: ANTI-BRIBERY AND DATA PROTECTION
ARTICLE 16: CONFIDENTIALITY
ARTICLE 17: MISCELLANEOUS

ANNEX 1: SC-TERMS AND CAPACITY AGREEMENT
ANNEX 2: PRICES
ANNEX 3: EQUIPMENT
ANNEX 4: COMMERCIAL QUALITY AGREEMENT

THIS SUPPLY AGREEMENT, made and entered into as of the date written above (hereinafter, this “Agreement”), by and between *Ascendis Pharma A/S*, a company duly organized and existing under the laws of *Denmark* and having its place of business located at *Tuborg Boulevard 12, 2900 Hellerup, Denmark* (“Ascendis”), and *Vetter Pharma International GmbH*, a company duly organized and existing under the laws of *Germany*, having its principal place of business at *Eywiesenstraße 5, 88212 Ravensburg, Germany* (“Vetter International”),

WITNESSETH:

WHEREAS, Ascendis desires the Manufacture and supply of single chamber cartridges, pre-filled with TransCon PTH [***], assembled [***] for use within the Territory;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, and subject to the terms and conditions of this Agreement, Ascendis and Vetter International agree as follows:

ARTICLE 1: DEFINITIONS

For all purposes of this Agreement, and all amendments thereto, the following capitalized terms, whether used in the singular or plural, shall have the same and uniform meanings as below defined and specified, unless the context otherwise requires:

- (1) “Affiliate” shall in respect of Ascendis mean any person, firm, company, or entity which is directly or indirectly controlled by Ascendis, and with respect to Vetter International, any person, firm, company, or entity which is under common control of the trustees/executors of the estate of *Helmut Vetter*. For all purposes hereof, “control” shall mean owning more than fifty percent (50%) of the voting stock or interests.
 - (2) “Agreed Specifications” shall have the meaning set forth in the Commercial Quality Agreement.
 - (3) “Agreement” shall mean this supply agreement and its Annexes, specifically including the Commercial Quality Agreement.
 - (4) “Annex” shall mean an annex attached to this Agreement.
 - (5) “API” shall mean TransCon PTH as specified in Appendix 2 of the Commercial Quality Agreement.
 - (6) “New Ascendis IP” shall have the meaning set forth in Section 11(2).
 - (7) “Appendix” shall mean an appendix attached to the Commercial Quality Agreement.
 - (8) “Article” shall mean an article of this Agreement (excluding the Commercial Quality Agreement).
 - (9) “Ascendis” shall have the meaning set forth first above.
 - (10) “Ascendis Disclosed Manufacture IP” means any generally applicable manufacturing IP of Ascendis disclosed by Ascendis to Vetter International and/or any of its Affiliates under this Agreement and implemented at the Facility upon specific written request of Ascendis.
-

- (11) "Ascendis Materials" shall mean the materials provided by Ascendis or on behalf of Ascendis by third party supplier directly engaged by Ascendis including API as further detailed in the Commercial Quality Agreement.
 - (12) "Business Day" shall mean any calendar day other than a Saturday, a Sunday or a calendar day on which commercial banks located in Baden-Württemberg, Germany or Denmark, are authorized or required by law to be closed.
 - (13) "Commercial Quality Agreement" shall mean the commercial quality agreement, including all Appendices, attached hereto as Annex 4, which Vetter International shall cause Vetter Pharma to enter into with respect to the quality of the Product.
 - (14) "Completion Date" shall have the meaning set forth in Section 14(1).
 - (15) "Confidential Information" shall have the meaning set forth in Section 16 (2).
 - (16) "Costs and Liabilities" shall mean damages, liabilities, claims, suits, awards, judgments, costs and/or expenses, including any court costs and/or reasonable attorneys' fees.
 - (17) "Critical Deviations" shall have the meaning set forth in the Commercial Quality Agreement.
 - (18) "SCC" shall mean Single Chamber Cartridge.
 - (19) "Delivery Date" means the date that Product shall be delivered pursuant to the Business Day specified by Ascendis in the Purchase Order confirmed by Vetter International in writing [***].
 - (20) "Deviations" shall have the meaning set forth in the Commercial Quality Agreement.
 - (21) "Discloser" shall have the meaning set forth in Section 16(1).
 - (22) "Effective Date" shall mean the day and year set forth first above.
 - (23) "EMA" shall mean the *European Medicines Agency*, or any successor agency.
 - (24) "Equipment" shall mean the equipment in more detail set forth in Annex 3.
 - (25) "Facility" shall mean the manufacturing and logistics facilities used for the Manufacture and located in or near [***].
 - (26) "FDA" shall mean the *Food and Drug Administration* of the *United States of America*, or any successor agency.
 - (27) "Final Release" shall have the meaning defined in Section 8(2) (b).
 - (28) "Force Majeure" shall have the meaning set forth in Section 17(1).
 - (29) "GMP" shall have the meaning set forth in the Commercial Quality Agreement.
 - (30) "Information of Ascendis" shall have the meaning set forth in the Commercial Quality Agreement and referred to by the respective Appendix thereof.
-

- (31) “Initial Term” shall have the meaning as set forth in Section 14(1).
- (32) “IP” shall have the meaning set forth in Section 11(1).
- (33) “JPSC” shall have the meaning set forth in Section 2 (6).
- (34) “Major Deviations” shall have the meaning set forth in the Commercial Quality Agreement.
- (35) “Manufacture” or “Manufacturing” shall have the meaning set forth in the Commercial Quality Agreement.
- (36) “General Manufacture Invention” shall have the meaning set forth in Section 11(3).
- (37) “Non-Conformance” or “Non-Conforming” shall mean with respect to a Product or batch of Product failure to conform to the Standard and having a significant impact with regard to GMP compliance or the Product quality.
- (38) “Parties” shall mean Ascendis and Vetter International, and “Party” shall mean either thereof. _
- (39) “Purchase Order” shall mean a document issued by Ascendis and sent for confirmation to Vetter International constituting a binding commitment to purchase a specified quantity of Product for delivery on a requested delivery date.
- “Pre-Existing IP” shall have the meaning set forth in Section 11(1).
- (40) “Product” shall have the meaning set forth in the Commercial Quality Agreement.
- (41) “Recipient” shall have the meaning set forth in Section 16 (1).
- (42) “Regulatory Approvals” shall have the meaning set forth in the Commercial Quality Agreement.
- (43) “Regulatory CMC Dossier” shall mean the part of the documentation related to CMC (Chemistry, Manufacturing and Controls) information to be submitted to the authorities to support regulatory applications, including for Regulatory Approvals, relevant to the Manufacture of Product.
- (44) “Regulatory Services” shall have the meaning set forth in Section 10 (3).
- (45) “Release” shall have the meaning defined in Section 8(2)a).
- (46) “Representatives” shall mean any Affiliate and/or any employee, officer, director and trustee/executor of a Party and/or an Affiliate.
- (47) “Rolling Forecast” shall have the meaning set forth in Section 1.2 of Annex 1.
- (48) “Rules” shall have the meaning set forth in Section 16 (13).
- (49) “Services” shall mean Vetter International’s performance of Manufacture services or other related services for Ascendis subcontracted by Vetter International to Vetter Pharma to be performed by Vetter Pharma.
-

- (50) “SC-Terms” shall mean the terms attached as Annex 1.
- (51) “Section” shall mean a subsection of an Article.
- (52) “SOPs” shall have the meaning set forth in the Commercial Quality Agreement.
- (53) “Standard” shall mean, with respect to: (i) the performance of the Manufacturing, meeting the Agreed Specifications, complying with GMP (if and as applicable under the Commercial Quality Agreement), the rules and regulations officially published and promulgated by the FDA and EMA, and applicable SOPs; and (ii) the performance of the Regulatory Services, complying with the rules and regulations officially published and promulgated by the FDA and EMA.
- (54) “Term” shall have the meaning set forth in Section 14(1).
- (55) “Territory” shall mean [***] under consideration of Ascendis’ obligations as stipulated in Section 2 (3) in case Ascendis wants to market Product in countries with quality requirements deviating from the Standard.
- (56) “Vetter Competitor” shall have the meaning set forth in Section 10 (7).
- (57) “Vetter International” shall have the meaning set forth first above.
- (58) “Vetter Materials” shall have the meaning set forth in the Commercial Quality Agreement.
- (59) “Vetter Pharma” shall mean *Vetter Pharma-Fertigung GmbH & Co. KG*, a company duly organized and existing under the laws of *Germany*, having its principal place of business at *Schützenstraße 87, 88212 Ravensburg, Germany*, the parent company of Vetter International.
- (60) “Warehouse” shall mean the warehousing facility of Vetter Pharma located at [***].

ARTICLE 2: MANUFACTURE AND GOVERNANCE

- (1) *Performance*. Vetter International shall supply the Product to Ascendis in accordance with the terms of this Agreement, it being understood and agreed that the Manufacture of the Product shall be subcontracted by Vetter International to Vetter Pharma and be performed by Vetter Pharma, all as set forth and more fully described in the Commercial Quality Agreement. Upon Ascendis’ reasonable request (e.g. Service that relates to the marketing and release of the Product), subject to Vetter International review, overall capacity and using commercial reasonable efforts, Vetter International shall cause Vetter Pharma to perform additional services (e.g. services referring to ongoing stability, reference materials) to the Services.
- (2) If Ascendis wishes to use certain batches (e.g. process qualification batches) manufactured [***] for [***], the following shall apply:
- (i) [***]; or
 - (ii) [***].
- (3) *Manufacture*. Vetter International shall cause Vetter Pharma to Manufacture the Product and provide the respective batch documentation in accordance with the Standard.
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- (4) *Quality requirements deviating from the Standard.* In case Ascendis wants to market Product in Territory countries with quality requirements deviating from the Standard ([***]), the Parties will have good faith discussions about how to deal with any additional or different country-specific rules and regulations, if any. Ascendis shall [***]. Ascendis shall regularly and in a timely manner inform and keep informed Vetter International and its Affiliates of any such additional or different country rules and regulations applicable to the Product.
- (5) *Equipment.* Vetter International shall cause Vetter Pharma to procure the Equipment as listed in Annex 3 which Equipment shall be [***] Ascendis. Such Equipment, including Equipment purchased under previous agreements but used in the commercial Manufacture of Product, shall be [***]. Vetter International shall maintain such Equipment [***] and operate the Equipment in accordance with the SOPs. [***] for repairs and replacement, unless [***]. Vetter International shall [***] maintain, and if necessary, repair or replace, all other equipment needed for the manufacture of Product. If additional Ascendis dedicated equipment needs to be purchased, Vetter International shall address the respective costs towards Ascendis and both Parties shall update Annex 3 accordingly.
- (6) *Project Management.* A joint project steering committee (“JPSC”) shall be formed comprising up to [***] members, including at least [***] from each Party. If possible, meetings of the JPSC shall be aligned with [***]. As needed, the JPSC shall meet [***] to discuss and evaluate the mutual cooperation and in good faith negotiate and decide upon any issues. Meetings may be held as teleconferences, with the intention to have [***] JPSC face-to-face meeting per [***]. Each Party may call for an ad hoc JPSC teleconference as deemed necessary. [***] The members of the JPSC shall attempt to amicably settle and in good faith resolve any dispute in connection with this Agreement and [***].

ARTICLE 3: MATERIALS

- (1) *Delivery of Ascendis Materials.* Ascendis shall supply and deliver or have delivered to the Warehouse [***] (Incoterms 2010), free of charge and at the risk of Ascendis, including with respect to any applicable transport insurance, such quantity of the Ascendis Materials as required to properly undertake the necessary preparations for the Manufacture of the Product and to timely fulfill Purchase Orders, all in accordance with the Commercial Quality Agreement. Such delivery shall include quality certificates for the Ascendis Materials as set forth in the Commercial Quality Agreement, upon which certificates Vetter International and/or its Representatives may fully rely without further investigation. Delivery of Ascendis Materials shall take place according to the timelines specified in the SC Terms. Ascendis may deliver Ascendis Materials (e.g. API) up to [***] earlier than required according to the forecast. If additional freezer capacity is required, both Parties shall enter into good faith discussions regarding the additional procurement and Ascendis shall bear the respective costs.
 - (2) *Storage.* Vetter International shall store Ascendis Materials at Vetter International's Warehouse under conditions as specified in the Commercial Quality Agreement, and including such security measures as emergency power supply, temperature alarms, and emergency backup freezer capacity. [***]
 - (3) *Status.* The Ascendis Materials shall at all times remain the property of Ascendis. Ascendis shall be and remain responsible and liable for the Ascendis Materials and the quality thereof. Ascendis may, in its sole discretion, provide adequate property insurance for the Ascendis Materials (whether or not included as part of the Product or otherwise), and for all shipment and storage of any thereof, in an amount and on terms satisfactory to Ascendis. [***] In the event that Ascendis chooses to insure Ascendis Materials and Product while in the custody of Vetter International, Vetter International
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agrees to provide Ascendis' insurance company with adequate information regarding its facilities, procedures, SOP's etc.

- (4) *Information.* Ascendis shall provide any and all information with respect to the Ascendis Materials, including, without limitation, all chemical, pharmaceutical and/or biopharmaceutical compositions thereof and, to the extent reasonably known, any impact and interaction thereof on all other materials to be used in the Manufacture of the Product. If the provision of any such information has the effect, including any result of having to take additional security or safety precautions, of increasing the costs in performing obligations under the Commercial Quality Agreement or hereunder, Vetter International shall inform Ascendis thereof. Ascendis shall specifically inform Vetter International if the Ascendis Materials require any special handling or processing. Ascendis shall meet all notice and information requirements set forth herein and in the Commercial Quality Agreement, it being understood and agreed that neither Vetter International nor any of its Representatives shall have any responsibility or liability, including for lack of information or if such information should not be proper for the Manufacture, if the Product has been Manufactured in accordance with the Standard.
- (5) *Delay due to Ascendis Materials.* In the event of a delay in the Manufacture of the Product arising from inadequate delivery of Ascendis Materials (whether such delay is based on inadequacy of quality, quantity or otherwise) Vetter International may postpone the Delivery Date until such other date that Vetter International may reasonably determine, after good faith consultation of Ascendis, taking into account such factors as Facility capacity, other production commitments and similar business factors, provided, however, that Vetter International shall use commercially reasonable efforts to meet the agreed Delivery Date. [***].
- (6) *Delay due to Vetter Materials.* In the event of a delay in the Manufacture of the Product arising from inadequate delivery of any Vetter Materials (whether such delay is based on inadequacy of quality, quantity or otherwise) Vetter International may postpone the Delivery Date if Vetter International can document that delay was not due to insufficient safety stock or negligent causes or negligent inactions by Vetter International, until such other date that Vetter International reasonably determines, after good faith consultation of Ascendis, taking into account such factors as Facility capacity, other production commitments and similar business factors, provided, however, that Vetter International shall use commercially reasonable efforts to meet the agreed Delivery Date.
- (7) *Testing.* All Vetter Materials and all Ascendis Materials shall be tested in accordance with the Commercial Quality Agreement. [***]
- (8) *Use.* The Ascendis Materials shall be used for the Manufacture of the Product only. Vetter International shall notify Ascendis in writing of any surplus of the Ascendis Materials and any such surplus shall, if not usable for the Manufacture of the Product, be disposed of, returned to Ascendis or otherwise handled, all as reasonably directed by and at the cost and/or expense of Ascendis. Upon written request of Ascendis, Vetter International shall provide Ascendis with copies of a computerized inventory list, generated in accordance with the SOPs in respect of the Ascendis Materials stored at the Facility, all as separately agreed by and between the Parties in writing.
- (9) *Vetter Materials.* Vetter International shall cause Vetter Pharma to source the Vetter Materials in volumes sufficient and in due time to meet Ascendis' Rolling Forecast and Purchase Orders (according to Annex 1).

ARTICLE 4: BATCH SIZE AND YIELD

- (1) *Batch size.* Product shall be Manufactured in validated batch sizes. It is expected that the initial process qualification batch will validate a nominal batch size range of [***] cartridges.
- (2) *Yield.* The Parties acknowledge that the Manufacturing process will yield a lower number of secondary packed cartridges for Delivery than the nominal batch size. After the Manufacture of [***] Product batches of each concentration and batch size, the Parties shall evaluate and mutually agree in writing on acceptable yield targets, taking into account normal fixed and flexible losses, including, for example, [***]. Until agreement on such yield provisions has been reached, Ascendis shall pay the full price regardless of the yield, except in case of Vetter International's [***] (for clarity, the latter as limited by the provisions of Section 6 (7) of this Agreement). Subsequent batches delivered in amounts below the yield targets for the batch shall result in a correspondingly proportionally reduced price. If Manufacturing in larger scale is later validated, the Parties shall mutually agree on acceptable yield targets.

ARTICLE 5: INSPECTION & ACCEPTANCE

- (1) *Inspection.* Ascendis shall inspect the Product according to the provisions of the Commercial Quality Agreement, and review the batch documentation without delay, but in no event later than [***] after the Release. If the Product should not pass such inspection and/or the batch documentation should not pass such review, Ascendis shall promptly notify Vetter International in writing. If the Product has been shipped from the Warehouse to Ascendis or a third party designated by Ascendis, Ascendis shall, in accordance with the instructions of Vetter International, either return the rejected batch to the Facility or dispose of the Product.
 - (2) *Acceptance.* Any Product and/or batch documentation not rejected as in the preceding Section described shall be deemed accepted and approved by Ascendis to the extent that either thereof may contain a latent defect. Any Product and/or batch documentation containing a latent defect shall be deemed accepted and approved, unless rejected by written notice to Vetter International within [***]; provided, however, that in case of discovery of a latent defect, [***] that such defect has been caused solely by Vetter International before risk transfer to Ascendis. Ascendis shall notify Vetter International in writing promptly after the discovery of any latent defect. Latent defects include defects which could not, by their nature or by their low relative occurrence, be identified upon initial inspection using GMP statistical sampling techniques.
 - (3) *Investigation, Dispute.* Vetter International shall have the right to investigate any alleged Non-conforming Product. If, during any calendar quarter, [***] or more batches are rejected by Ascendis, Vetter International shall notify Ascendis and, upon receipt of such notification by Ascendis, the Parties shall meet to discuss, evaluate and analyze the reasons for and implications of the failure of the Manufacture to meet the Agreed Specifications and the rejection by Ascendis. Pending the same, Vetter International shall have the right to [***]. Vetter International shall perform or have performed such investigation, root cause analysis and any corrective action diligently and expeditiously. Prior to the completion thereof, Ascendis may request in writing the recommencement of Manufacture unless in conflict with GMP, subject to [***]. If the Parties disagree as to final disposition, analysis or corrective action, and, if Vetter International disagrees with Ascendis' determination, the Parties shall attempt to resolve such disagreement through good faith discussion within the JPSC, failing of which the Parties shall appoint a mutually agreed-upon, independent pharmaceutical laboratory in the European Union to evaluate and determine whether the Product's Manufacture was in accordance with the Standard as of the Delivery Date. The laboratory's determination thereof shall be binding upon both Parties as to the facts evaluated, and the laboratory's charges and related expenses [***].
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- (4) *Standard.* Except for those Deviations of which Ascendis will be notified in writing as set forth in the Commercial Quality Agreement, all Product made available to Ascendis for delivery in accordance with Article 8 under this Agreement shall have been Manufactured in accordance with the Standard; [***].

ARTICLE 6: NON-CONFORMANCE, LOSSES AND RESUPPLY

- (1) *Primary packaging materials.* Other than as set out in the Sections below regarding Non-Conforming Product, neither Vetter International nor any of its Representatives shall have any responsibility or liability for any materials manufactured or supplied to the Facility by Ascendis or any third party (including Ascendis Materials and Vetter Materials) or any testing or other services performed by any third party or to undertake any testing or to otherwise certify the Vetter Materials other than as set forth in the Commercial Quality Agreement; provided, however, Vetter International shall transfer or cause to transfer to Ascendis any warranties as received in respect of primary packaging Vetter Materials and assist Ascendis to execute any such warranty claim. [***].
- (2) *Vetter International's responsibility for Non-Conforming Product.* If the Parties agree about the Non-Conformance of a Product or it is otherwise concluded that Product is Non-Conforming, and the Non-Conformance is caused by [***] by Vetter International or its Representatives, Vetter International shall Manufacture a replacement batch [***]. In such a case Vetter International shall additionally be obliged to [***].
- (3) *Ascendis' or third parties' responsibility for Non-Conforming Product.* If Non-Conforming Product is caused by
- [***], or
 - [***], or
 - [***].
- (4) *Notification of Non-Conformance.* Non-Conforming Product shall be notified by Ascendis within [***] after the Release of such Non-Conforming Product, otherwise Product shall be deemed accepted, unless Non-Conformance is latent and could not have been found within [***]. Such latent Non-Conformance shall be notified by Ascendis within [***], provided however, that in case of discovery of a latent Non-Conformance, [***] that such Non-Conformance has been caused solely by Vetter International before the risk transfer to Ascendis.
- (5) *Delivery of replacement Products.* Vetter International shall, if Ascendis so requests, deliver replacement Product and the corresponding batch documentation [***], and [***]. Vetter International shall at all times keep Ascendis updated about the progress of the scheduling and the re-Manufacture itself. For the purposes of any replacement, Ascendis shall supply or have supplied, as set forth in Section 3(1), Vetter International with the necessary Ascendis Materials.
- (6) *API loss during storage.* Vetter International and/or any of its Representatives shall [***].
- (7) *API loss in conjunction with the Manufacturing of Product batches.* For loss of API in conjunction with the Manufacturing of Product batches, Vetter International shall compensate Ascendis in connection with Non-Conforming Product caused by [***] up to the following liability caps:
- in case of [***]
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aa) and for any API loss occurring in connection with the first [***] Product batches Manufactured under this Agreement:

Vetter International's compensation obligation shall not exceed [***];

bb) and for any subsequent API loss:

Vetter International's compensation obligation shall not exceed [***],

provided however, in both aforementioned cases of [***] aa) and bb) above, the aggregate amount of compensation [***] shall in no event exceed [***] for all API losses under this Agreement, [***].

b) in case of Vetter International's [***]

aa) and for any API loss occurring in connection with the first [***] Product batches Manufactured under this Agreement:

Vetter International's compensation obligation shall not exceed [***]

bb) and for any subsequent API loss:

Vetter International's compensation obligation shall not exceed [***],

provided however, in both aforementioned cases of [***] aa) and bb) above, the aggregate amount of compensation [***] shall in no event exceed [***] for all API losses under this Agreement, [***].

For the avoidance of doubt, any compensation payments to be paid or already paid [***] based on Vetter International's [***] shall be deducted from further compensation obligations for Costs and Liabilities caused by Vetter International's and/or any of its Representatives' [***] and vice versa with the effect that Vetter International's aggregate [***] compensation obligation [***] for Costs and Liabilities caused by [***] shall in no event exceed the aggregate [***] cap as stipulated in this Section for [***].

Also for the avoidance of doubt, compensation for API loss within the limitations of liability agreed herein is [***] in cases where Non-Conforming Product is caused by [***].

ARTICLE 7: CAPACITY AGREEMENT, FORECAST AND PURCHASE ORDERS

The Parties agree to the Capacity Agreement attached as Annex 1 to this Agreement. Forecast and Purchase Order provisions are governed by the SC-Terms attached as Annex 1.

ARTICLE 8: RELEASE AND DELIVERY

- (1) *Samples for external analysis.* No later than [***] calendar days prior to the agreed Delivery Date, Vetter International shall send samples to third parties for analysis, as designated by Ascendis and further detailed in the Commercial Quality Agreement.
- (2) *Release.* Product shall be released in two steps:
 - a) "Release" by Vetter Pharma according to the Standard and against the Agreed Specifications, as defined in the Commercial Quality Agreement, and
 - b) "Final Release" by Ascendis after (i) review of the Release documentation required to be submitted from Vetter International to Ascendis no later [***] before the Delivery Date as further detailed in the Commercial Quality Agreement, and (ii) review of results from inspections and analyses performed by third parties.

Both Parties agree to continue their good faith discussions, following the execution of this Agreement, with the intention to update the processes regarding the Release and Final Release (including this Article as well as Sections 5(1)).

- (3) *Delivery.* Product shall be delivered [***] ([***] Incoterms® 2010). Provided Ascendis has met its obligations regarding delivery of Ascendis Materials (in particular delivery in due time and in sufficient amounts as set forth in Article 3), and Vetter International has met its obligations to submit Release documentation in due time, Vetter International shall deliver Released Product on the Delivery Date.
- (4) *Storage of Released Product.* Unless otherwise agreed between the Parties, if Product is not collected by Ascendis within [***] after notification of Final Release, Vetter International shall store such Product [***] and in accordance with its SOPs as specified in this Article 8. However, The Parties agree, that storage of Products, starting from the Delivery Date, will be [***], for clarity meaning that [***]. Upon Ascendis' request Vetter International shall [***] store Released Product for up to [***], in which case, [***].
- (5) *Assistance.* In amplification of the provisions with respect to [***] ([***] Incoterms® 2010) set forth or referred to above, and not in limitation thereof, Vetter International shall directly or indirectly through its Representatives, upon request of Ascendis and in any event at [***], assist in (i) [***]; (ii) [***]; (iii) [***]; and/or (iv) [***]. Ascendis shall, upon request of Vetter International, provide information required for taxation or reporting purposes in respect of [***].
- (6) *Shipment.* Product may only be shipped after Final Release, except under quarantine. Vetter International shall coordinate all shipments with Ascendis' logistics function. [***].
- (7) *Quarantine shipment.* Product not yet Final Released may be shipped under quarantine upon prior written request of Ascendis [***]. Quarantine shipment shall not imply Ascendis' automatic acceptance of a batch, [***].
- (8) *Delay in delivery.* Vetter International agrees to inform Ascendis no later than [***] after it has become apparent that the delivery of Product may be delayed. In such case Vetter International must inform Ascendis of its plan to solve the issues causing a delay, [***] to solve the issues and confirm a new Delivery Date to Ascendis as soon as possible.

ARTICLE 9: PRICES AND PAYMENTS

- (1) *Prices.* Ascendis shall pay to Vetter International such prices for the Product as determined in Annex 2, plus any applicable taxes (e.g. VAT), customs, fees and other duties, if any. [***].
- (2) *Price adjustments.* Vetter International may reasonably adjust its prices no more than [***], and becoming effective as of the next [***], as follows, provided Vetter International notified Ascendis in writing about the respective price adjustments no later than [***]:
 - (3) the reference value shall be calculated by taking into account of [***] of the value provided according to [***] published by the German Statistical Federal Office and [***] published by the U.S. Bureau of Labor Statistics (together the “PPI”) and
 - (4) in the event of an increase or decrease of the PPI [***], Vetter International shall be permitted to [***] and Ascendis shall be entitled to [***].
- (5) *Extraordinary price adjustment.* Any further events with regard to which Vetter International has a reasonable interest to adjusting its prices, such as e.g.
 - (i) [***],
 - (ii) [***],
 - (iii) [***], and/or
 - (iv) [***],may be addressed by Vetter International at [***]. Vetter International shall provide Ascendis with reasonable evidence showing such increase and the Parties shall [***].
- (6) *Payments.* Without undue delay, Vetter International shall issue an invoice upon [***] or, in case of Product not yet Final Released, Vetter International shall be entitled to invoice [***]. Payments shall be made in Euros and due [***] of the invoice date (receipt of readily available funds by Vetter International). If Ascendis pays later than [***] of receipt of the invoice, Vetter International shall be entitled to interest of the invoiced amount of [***] (except when payment is subject to a good-faith resolution of any dispute). Ascendis shall add such interest, accumulated in accordance with this Article as of the time of payment due, to the invoiced amount and include such with the payment by Ascendis.

ARTICLE 10: APPROVALS, AUDITS, CHANGES AND REGULATORY SERVICES

- (1) *Product.* Ascendis shall obtain and maintain, at its cost and risk, all Regulatory Approvals for the Manufacture of the Product. Ascendis shall not distribute or otherwise use the Product without first securing such Regulatory Approvals. Vetter International shall cooperate and make every commercially reasonable effort, [***], in having information and other assistance provided as Ascendis may reasonably request with respect to the Regulatory Approvals.
 - (2) *Facility.* Vetter International shall cause Vetter Pharma to obtain and maintain the necessary manufacturing authorization with respect to the Facility issued by the applicable *German* health authority in accordance with the *German Medical Act (Arzneimittelgesetz)* and, upon written request of Ascendis, Vetter International shall make available a copy of such authorization. Ascendis understands and agrees that certain regulatory authorities may still have to approve of the Manufacture of the Product, [***], and that neither Vetter International nor any of its Affiliates warrants to Ascendis any such approval.
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- (3) *Regulatory Services.* Ascendis shall employ Vetter International and/or its Affiliates in preparing such regulatory filings as set forth in the Commercial Quality Agreement and this Agreement which are relevant to the Manufacture and provide certain supporting documents if reasonably required, all as agreed upon by the Parties in the Agreed Specifications and [***] (“Regulatory Services”). Prior to delivering Regulatory Services, Vetter International or Vetter Pharma shall, on a case by case basis, inform Ascendis in writing [***]. The Parties agree that Vetter International may employ its Affiliates, in particular Vetter Pharma, for assisting Ascendis with regard to the Regulatory Services.
 - (4) *Information.* If Ascendis requires Vetter International to perform Regulatory Services pertaining to any specific legislation, rules, regulations and practices or requirements of regulatory authorities and governmental bodies within the Territory (other than the generally applicable regulatory requirements of BfArM, EMA and FDA), Ascendis shall inform Vetter International and Vetter Pharma of the same.
 - (5) *Contact.* Ascendis shall be solely liable for all documentation, submissions and communication with governmental, health and regulatory authorities or agencies, relating to the Product and the Regulatory Approvals. Ascendis shall keep the documentation submitted to such governmental and regulatory bodies updated as required by law, applicable regulation and regulatory practices. Neither Vetter International nor any of its Representatives shall have any right or obligation to communicate with any such governmental, health and regulatory bodies regarding the Product unless required to do so by law, the Commercial Quality Agreement or as otherwise requested by Ascendis in writing.
 - (6) *Assistance.* Any assistance requested by Ascendis and provided by Vetter International or its Affiliates beyond the Regulatory Services in connection with regulatory submissions and Regulatory Approvals for the Products, shall be subject to the Parties' prior written agreement and the costs of the provision of such assistance shall be borne as mutually agreed by the Parties in writing. Any request for such assistance by Ascendis shall include complete instructions and any other information reasonably necessary for Vetter International to evaluate the required assistance and to calculate costs which would be incurred in performing the same in order for the Parties to discuss and agree upon the terms of the provision of such assistance.
 - (7) *Audits.* Ascendis may conduct routine and for-cause audits according to the provisions in the Commercial Quality Agreement. During such audits Ascendis may be accompanied by potential business and/or licensing partners subject to reasonable prior notice to Vetter International and provided that any such partner prior to participating in such audit is bound to confidentiality by entering into a 3-way confidentiality agreement with Ascendis and Vetter International, except if such partners or any of their affiliates are a) [***] or b) [***] (“Vetter Competitor”).
 - (8) *Extended Access to Facility.* In case of major and/or critical technical and/or quality related issues, Vetter International shall allow [***] Ascendis [***] access to its Facility as necessary to observe Manufacturing and review documents related to the GMP system and Ascendis Product batches; provided, however, Ascendis shall notify Vetter International at least [***] in advance of such request, unless this would conflict with a planned visit by a third party or internal meeting, in which case Vetter International may reasonably postpone such request by Ascendis. Vetter International shall provide the visiting Ascendis [***] with reasonable office space during regular working hours according to the internal procedures of Vetter International. The visiting Ascendis [***] shall comply with any and all confidentiality, security, safety, quality or similar guidelines that apply to persons present in the Facility and that are communicated by Vetter International or Vetter Pharma.
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- (9) *Costs for audits.* Any costs and/or expenses associated with any audits performed by any regulatory authority with respect to the Facility, the Manufacture and/or the Product shall be borne by [***], except costs incurred from audits by the *German* health authorities, FDA and/or EMA not directly related to the Product which shall be borne by [***].
- (10) *Post-approval changes.* Unless mandated by compulsory regulatory changes, the JPSC shall agree upon significant post-approval changes. [***] shall bear the costs for post-approval changes (e.g. [***]) implemented [***] whereas [***] shall compensate [***] for costs of implementing [***] post approval changes (e.g. [***]). If not expressly governed by this Agreement, any impact of other changes related to prices or other terms of this Agreement shall be negotiated in good faith and agreed upon in the JPSC.
- (11) *Change Control.* Any and all changes shall be processed in accordance with the change control procedures set forth in the Commercial Quality Agreement, subject to this Section and the succeeding Section. With respect to any change to be made in accordance with the Commercial Quality Agreement, Vetter International and Ascendis shall also mutually agree on any necessary or desired amendments to this Agreement, including, without limitation, price adjustments and compensation for any additional costs, efforts and/or expenses.
- (12) *Changes Dispute.* In the event of a dispute regarding a change, Ascendis and Vetter International shall discuss in good faith how to proceed; provided, however, Vetter International shall not be required to cause Vetter Pharma to continue the Manufacture of the Product, which may be [***] if Vetter International and Vetter Pharma [***]. If Vetter International and Vetter Pharma [***] such incorporation or non-incorporation of a change [***], then Vetter International shall cause Vetter Pharma to continue the Manufacture of the Product with the incorporation or the non-incorporation of such change, in which event [***].

ARTICLE 11: INTELLECTUAL PROPERTY

- (1) *Pre-Existing.* Except as expressly granted under this Agreement, either Party and/or any of its Representatives shall not acquire any right, title or interest in any and all intellectual property meaning (i) inventions (whether or not patentable), patents, trade secrets, copyrights, trademarks, trade names and domain names, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how) and any other intellectual property rights, in each case whether registered or unregistered, and (ii) all applications (or rights to apply) for, and renewals or extensions of, any of the rights described in the foregoing section, which exist now, or which come to exist in the future, in any part of the world (individually and collectively, “IP”) of the other Party and/or any of its Representatives. Any right, title or interest in and to such IP (i) existing prior to the Effective Date and/or (ii) that is developed by or for, or otherwise comes to be owned or controlled by a Party or any of its Affiliates, separately from and independently of any activities performed under this Agreement (respectively, “Pre-Existing IP”) shall not in any way be affected by this Agreement.
 - (2) [***]. All [***] hereunder (“Developments”) that (i) [***], and (ii) [***] (“New [***] IP”) shall be [***].
 - (3) [***]. Any [***] that are generally applicable to the development or Manufacture of [***] (“General Manufacture Invention”), shall be [***].
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- (4) *Licenses for Ascendis*. Vetter International and/or any of its Affiliates hereby grants Ascendis and/or its Affiliates a [***] solely to the extent [***] necessary for
- (i) [***]; and/or
 - (ii) [***].

Vetter International confirms that, as of the signature date to this Agreement, [***]. [***].

- (5) *Licenses for Vetter*. Ascendis hereby grants to Vetter International (and/or any of its Affiliates, as may be reasonably required and subject to the provisions hereof) a [***], but only to the extent needed for, and solely for the purpose of, Vetter International's and/or its Affiliates' use thereof in the performance of their respective duties and obligations under this Agreement. Only to the limited extent as may be necessary to enable Vetter International to [***], Ascendis shall grant Vetter International and/or any of its Affiliates a [***]; but only to the extent such can be generally applied within due course of Vetter International and its Affiliate's business, including for other customers, without disclosing Ascendis Confidential Information.

- (6) *Tech Transfer*. Notwithstanding any anything to the contrary in this Agreement, Ascendis shall [***]; provided, however, that such process shall [***]:

- (i) [***] and
- (ii) [***].

In order to [***], [***] may [***] if and to the extent granted in this Agreement, [***], [***] (“Target Specifications”), which [***] may include e.g.:

- (i) [***],
- (ii) [***],
- (iii) [***],
- (iv) [***],
- (v) [***],
- (vi) [***],
- (vii) [***],
- (viii) [***],
- (ix) [***],
- (x) [***],
- (xi) [***], and
- (xii) [***].

However, and for clarity, [***], except if and to the extent required for health authorities or regulatory authorities, or as required by applicable law regarding:

- (i) [***],
- (ii) [***], or
- (iii) [***].

In no event [***] if [***] and/or if their use or if any [***] provided [***] results in a [***].

- (7) *Infringement.* [***] shall [***] of any third party claim that the Ascendis Materials, any Information of Ascendis, other matter provided by Ascendis, or the use [***] of any thereof, infringes any IP of any third party. [***] shall [***] of any third party under the patent or intellectual property laws of the *United States of America* and/or the *European Union* or any member state thereof [***].

ARTICLE 12: LIABILITY, INDEMNIFICATION, INSURANCE AND RECALL

- (1) *Liability.* Except as expressly set forth in this Agreement, Vetter International and/or any of its Representatives [***] which liability is limited as follows:

- a) in case of [***]

Vetter International's aggregate liability [***].

- b) in case of [***]

Vetter International's aggregate liability [***].

([***]). For clarity, aforementioned liability caps [***].

For the avoidance of doubt, any compensation payments to be paid or already paid [***] based on [***] under this Section shall be deducted from further compensation obligations for Costs and Liabilities [***] with the effect that Vetter International's aggregate [***] compensation obligation [***] for Costs and Liabilities [***] shall in no event exceed the aggregate [***] cap as stipulated in this Section [***].

Vetter International and/or any of its Representatives [***] as long as each follows the standard manufacturing, storage and other practices used in the German pharmaceutical contract manufacturing industry in performing its respective obligations which means, among other things, that each may rely on the correctness and completeness of the Agreed Specifications, the Information of Ascendis and/or any other information or direction by or on behalf of Ascendis, [***].

- (2) *Indemnification.* [***].
- (3) *Procedure.* Each Party shall promptly notify the other Party in writing of any claim, suit or other action brought or threatened in connection with or under this Agreement and shall provide reasonable cooperation in the defense of any thereof. Each Party shall not settle or otherwise resolve any such claim, suit or other action without prior written consent of the other Party.
- (4) *Insurance.* Ascendis shall self-insure or maintain product liability insurance coverage with a reputable international insurance company, of in the aggregate of [***] per each calendar year during the Term. Vetter International shall maintain and shall cause Vetter Pharma to maintain product liability insurance coverage (to the extent commercially reasonable and practicable and if otherwise, Vetter International shall remain responsible and liable for such coverage herein set forth) with a reputable insurance company, in the aggregate of [***] per each calendar year during the Term, with [***]. Upon request of the other Party, each Party shall provide reasonable documentation and certificates to confirm that such insurance coverage is in effect.
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(5) *Recall Costs.* If any Product is recalled and such recall (for clarity, which must not be initiated without order of a Regulatory Authority or the potential risk of receiving such an order from a Regulatory Authority) has solely been caused by [***] shall be liable to compensate [***] direct costs of recall, which liability is limited as follows:

a) in case of [***]

Vetter International's liability is limited to a maximum of [***] in aggregate per recall,

b) in case of [***]

Vetter International's liability is limited to a maximum of [***] in aggregate per recall.

For clarity, aforementioned liability caps shall not apply in case of [***]. Any loss of API caused in connection with a recall shall be compensated in accordance with the provisions in Section 6 (7) above.

(6) For clarity, Vetter International and/or any of its Representatives shall have no warranty obligation (in German *Gewährleistungsverpflichtung*), responsibility or liability to Ascendis (or any third party on behalf of Ascendis) for any loss of the Ascendis Materials, Product liability, recall or otherwise beyond what is expressly stipulated in this Agreement.

ARTICLE 13: LIMITATIONS

- (1) *Special Damages.* Notwithstanding anything to the contrary contained in this Agreement, neither Party nor any of its Representatives shall be responsible or liable to the other Party and/or any of its Representatives for any reason whatsoever (even upon the occurrence of a tort with respect to the Product or otherwise) for loss of profits (except any profits contained in the prices to which Vetter International may be entitled for completion of its contractual obligations), loss of good will, loss of business or special, incidental, indirect, exemplary or consequential damages, except if any of the foregoing arises out of [***] a breach of the confidentiality provisions contained in Article 16 of this Agreement and in any case subject to the liability limitation as stipulated in [***].
- (2) *No Warranty.* Except as in this Agreement expressly set forth, Ascendis agrees that neither Vetter International nor any of its Representatives makes or has made any other representation, warranty, covenant or agreement (whether express or implied). Any representation, warranty, covenant or agreement set forth in this Agreement is exclusive and in lieu of any other warranties, written or oral, direct, implied or statutory, including, but not limited to, express or implied warranties for merchantability, quality or fitness for a particular purpose.
- (3) *No Liability.* Notwithstanding anything to the contrary contained in this Agreement, it is expressly agreed by and between the Parties that no Representative of Vetter International shall assume any responsibility or liability, but Vetter International shall be responsible and liable for the performance of any of its Representatives to the same extent as if Vetter International had performed or failed to perform, all as contemplated or required hereunder, and any claim made under this Agreement (for clarity, specifically including the Commercial Quality Agreement) shall exclusively be made against Vetter International.
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- (4) Vetter International shall have no liability related to any services performed by third party service providers, other than a Vetter International Affiliate, the ones stated in Section 17(7)(a), those approved according to Annex 8 of the Commercial Quality Agreement, or Ascendis, as set forth in Section 6(1).

ARTICLE 14: TERM AND TERMINATION

- (1) *Term.* This Agreement shall be in full force and effect for an initial term of five (5) years, commencing as of the Effective Date (“Initial Term”). Upon the expiration of the Initial Term and any subsequent term, this Agreement shall automatically be renewed for subsequent terms of two (2) years each (Initial Term and any subsequent term collectively, the “Term”). For clarity, any rights or obligations accrued prior to the expiration of the Term or termination of this Agreement (respectively, the “Completion Date”) shall not prejudice or preclude any remedies either Party may have under this Agreement.
- (2) *Termination.* Neither Party may terminate this Agreement without cause, except Ascendis may terminate this Agreement without cause with two years’ written notice and with (earliest) effect from expiry of the Initial Term.
- (3) *Termination for cause.* Each Party (as applicable) shall have the right to terminate this Agreement (with immediate effect or, if applicable, after the expiration of an applicable time period) upon prior written notice if the other Party is in major default in the fulfillment of any material obligation under this Agreement. The term “major default” shall include, but not be limited to
- (i) if the other Party makes a general assignment (novation) for the benefit of its creditors and not in accordance with Section 17(7), or
 - (ii) proceedings are commenced in any court of competent jurisdiction by or against such Party (by any third party but not by the other Party) seeking (a) relief in respect of such Party under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debt, wherein any such proceedings continue undischarged, or an order with respect to any of the foregoing is entered and continues unabated, for a period of more than ninety (90) calendar days; or (b) the appointment of a receiver or trustee of any significant part of the property, of a Party.
 - (iii) in the case of any other default which can be cured, the failure to commence to remedy the default during a period of ninety (90) calendar days after the giving of written notice specifying such default; and (iii) the failure to self-insure or provide for or maintain product liability insurance as required under this Agreement, or pay any insurance premiums when due; (iv) failure to establish mutual agreement in accordance with Section 10(12) within forty five (45) calendar days.
- (4) *Specific termination right for cause by Ascendis.* Ascendis shall have a specific termination right for cause (with immediate effect) in case Vetter International and/or Vetter Pharma [***] are being taken over by a competitor of Ascendis (for clarity, meaning [***]), or if such change of control would create a conflict of interest that is reasonably expected to materially impact the business of Ascendis due to certain past or present lawsuits with such third party, [***] (any such third party in an “Unqualified Acquirer”).
- (5) *Specific termination right for cause by Vetter International.* Vetter International shall have a specific termination right for cause (with immediate effect) in case:
- (i) Ascendis is the subject of a change of control by a third party that
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- (a) is a direct Vetter International competitor [***],
 - (b) [***], if such change of control would materially impact the business of Vetter International due to [***];
 - (ii) Vetter International can show Ascendis beyond doubt, by providing reasonable evidence and documentation, that [***]; or
 - (iii) Vetter International can show Ascendis beyond doubt, by providing reasonable evidence and documentation, that [***].
- (6) For each case set forth in Section 14(4) and 14(5): provided that, in the case of (i), a Party may exercise such termination right [***] or [***], and; provided [***], and such termination shall be effective only if the Parties fail to reach an agreement on how to continue the project following such [***] period.
- (7) *Consequences.* Upon the Completion Date, Vetter International shall, in its sole discretion, sell to Ascendis and Ascendis shall purchase, at the prices herein provided, any Product for which Purchase Orders have been or are required to be placed in accordance with the SC-Terms on or prior to the Completion Date and, at the purchase prices thereof, all Vetter Materials and other materials ordered as contemplated in or permitted under this Agreement. Ascendis shall be responsible and liable to Vetter International for any amounts related to, based upon or arising out of such termination, including for an orderly cessation of the Manufacture and any related activities, as well as such other amounts accruing prior to the Completion Date; provided, however, it is agreed and understood by Vetter International that any and all expenditures scheduled under the Manufacture not actually made due to such termination shall be deducted from any of the foregoing amounts. Upon the Completion Date, Vetter International shall arrange for delivery to Ascendis, or destruction, of any Ascendis Materials at the Facility, [***]. Upon the Completion Date, Vetter International shall make available, as is and where is, to Ascendis [***]. Vetter International shall have returned to Ascendis all documentation (including copies thereof) constituting Confidential Information of Ascendis and/or any of its Affiliates including all documents and report created by Vetter International or any of its Affiliates during the performance of the Service that are determined to be Confidential Information of Ascendis; provided, however, notwithstanding the foregoing, Vetter International or any of its Affiliates may retain such limited quantity of the Product, the Ascendis Materials (all thereof sufficient for [***]) and such documentation as may be necessary for proper record keeping in satisfaction of legal requirements. Upon the Completion Date, Ascendis shall return to Vetter International any and all documentation (including copies thereof) provided to Ascendis and constituting Confidential Information of Vetter International and/or any of its Affiliates; provided, however, Ascendis may retain such limited number thereof as may be necessary for proper record keeping in satisfaction of legal requirements.
- (8) *Survival.* [***] shall survive the Completion Date.

ARTICLE 15: ANTI-BRIBERY AND DATA PROTECTION

- (1) *Anti-Bribery.* The Parties shall comply at all times with all applicable laws and regulations in particular with such combating bribery and corruption (“Anti-Bribery Laws”). The Parties hereby represent and warrant that they have not offered to pay, paid, or accepted, and undertake that they will not offer, pay, or accept, any bribes (including any improper gifts or entertainment) to or by any person (including, in particular, any government or public official of any jurisdiction) to secure or retain a business advantage for the benefit of Vetter International and/or Ascendis under or in connection with this Agreement.
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- (2) *Policies and Procedures.* The Parties shall take appropriate steps, in particular maintain and effectively enforce internal policies and procedures, to ensure that the Parties' Representatives, agents, or any other person acting on behalf of the Parties will not breach any Anti-Bribery Laws. The Parties shall be responsible for any breach of Anti-Bribery Laws by its Representatives, agents, or any other person acting on behalf of the Parties under or in connection with this Agreement.

Each Party represents and warrants to notify the other Party without delay, if in connection with this Agreement

- a. one Party discovers a violation of applicable anticorruption and antitrust laws which are relevant for the performance of this Agreement; or
 - b. investigations against one Party have been initiated by public authorities.
- (3) *Data Protection.* Each Party shall comply with all applicable laws, statutes, regulations relating to personal data protection.

ARTICLE 16: CONFIDENTIALITY

- (1) The confidentiality provisions of this Article shall govern Confidential Information (as defined below) disclosed in connection with this Agreement in every respect.
- (2) "Confidential Information" means any proprietary information, samples, technical data, trade secrets or know-how, including, but not limited to, research and product plans, products, services, lists of collaborators and corporate partners, markets, developments, inventions, processes, including manufacturing processes and procedures and processes as may be embodied or evidenced in formulae, manufacturing data, specifications and other related documents, patents and patented designs, copyrights, trademarks, industrial design, improvements, discoveries, ideas, devices, writings, any intellectual property and proprietary information relating to a product, as well as that directly derived or resulting from any of the foregoing, and/or any information or matter that a reasonable business person would or should deem confidential or proprietary, formulas, technology, marketing, finances or other business information disclosed by either Party (the "Discloser") (either directly or indirectly in writing, orally or otherwise also during the presence at premises of a Party) to the other Party (the "Recipient") whether or not labeled "Confidential" after the Effective Date.
- (3) Each Party agrees to maintain in confidence, to the same extent that it maintains its own Confidential Information secret, all Confidential Information of another Party. Except with Discloser's prior written consent, Recipient will not, during or subsequent to the term of this Agreement, use Confidential Information for any purpose whatsoever other than for the performance of this Agreement or disclose Confidential Information to any third party other than Representatives who have a need to know in order to perform the Services provided that the Recipient procures that any of such Representatives receiving Confidential Information shall be subject to and bound in writing by confidentiality obligations substantially similar to the terms set forth in this Agreement. The agreement(s) defining such obligations and binding the Representatives of the Recipient shall be provided to the Discloser by the Recipient upon request. Recipient agrees that Confidential Information shall remain the sole property of Discloser. Recipient further agrees to take all reasonable precautions to prevent any unauthorized disclosure of Confidential Information. Notwithstanding the above, Recipient's obligation under this Article 16 relating to Confidential Information shall not apply to information which:
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- a. is known to Recipient at the time of disclosure to Recipient by Discloser as evidenced by written records of Recipient,
 - b. has become publicly known and made generally available through no wrongful act of Recipient,
 - c. has been received by Recipient without restriction on disclosure from a third party or
 - d. is independently developed by or on behalf of the Recipient other than under this Agreement and without the aid, application or use of Discloser's Confidential Information as evidenced by written documentation.
- (4) Notwithstanding any provision in this Agreement to the contrary, the Recipient may disclose Confidential Information of the Discloser to the extent Recipient is required to do so by any governmental or regulatory authority or court. In such event, the Recipient shall promptly notify the Discloser when such requirement to disclose has arisen, and cooperate with Discloser so as to enable Discloser to: (i) seek an appropriate protective order; (ii) make the confidential nature of the Confidential Information known to such governmental or regulatory authority or court; and (iii) make any applicable claim of confidentiality in respect of the Confidential Information.
- (5) Upon the termination of this Agreement (irrespective of the reason therefore), or upon Discloser's earlier request, Recipient will deliver on request to Discloser all of Discloser's property, including in particular that relating to Confidential Information, which is in Recipient's possession or control.
- (6) Each Party acknowledges and agrees that Confidential Information may be stored on each Party's customary electronic data processing system and transmitted (sent and received) by each Party to another Party's designated electronic mail address without encryption or other protective measures, unless otherwise agreed in writing. Any electronic mail address received by each Party from another Party shall be deemed a designated address unless otherwise indicated.
- (7) Each Party shall make no tangible copies or reproductions of Confidential Information of another Party unless reasonably required for the performance of this Agreement. Each Party shall ensure that any notices or marks referring to confidentiality or to proprietary rights as may be found on Confidential Information are reproduced on any and all such copies or reproductions made as hereunder permitted. Each Party agrees that it will, at the reasonable written request of another Party, destroy or otherwise dispose of all tangible records, reproductions or copies containing Confidential Information of such other Party; provided, however, that one (1) copy may be retained and stored for legal purposes. Digital backup files automatically generated by each Party's customary electronic data processing system shall not be deemed to constitute a retained copy, provided, however that no such backup files may be stored for a period exceeding [***].
- (8) Except as otherwise required by law (including securities laws and regulations), neither Party will make any public announcement or press release regarding the existence or terms of this Agreement or such that mentions the other Party without the prior written consent of the other Party and the content of any such public announcement or press release shall be mutually agreed by the Parties in writing. It is specifically agreed [***].
- (9) Each Party agrees to indemnify, defend and hold the other Party and/or any of its Representatives harmless from and against any and all Costs and Liabilities resulting from or arising out of breach by it and/or any of its Representatives of the provisions of this Article 16.
- (10) The obligations of Recipient under this Article 16 shall survive the Completion Date and shall remain in effect for a period of [***] from the Completion Date.
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ARTICLE 17: MISCELLANEOUS

- (1) *Force Majeure.* No Party shall be responsible or liable to the other Party and/or any of its Representatives, and no default shall be deemed to have occurred, for failure or delay in performing any obligations or for other non-performance if such failure, delay or other non-performance is caused by or arises from any strike, stoppage of labor, lockout or any other labor trouble, shortage of energy or raw material or any significantly prolonged inability to obtain materials or shipping space, due to the material default or significant delay by any supplier or sub-contractor or other events due to internalization of operations and services typically and customarily provided by a third party, fire, flood, lightning, fog, storm, unusual weather conditions, explosion, accident, earthquake, volcanic ash, epidemics, act of God, any public enemy, sabotage, invasion, war (declared or undeclared), riot, embargo, governmental or administrative act or restraint, prohibition on import or export of the Product or materials incorporated therein or parts thereof, or any matter or cause that is unavoidable by or beyond the reasonable control of the affected Party (each, an event of “Force Majeure”). A Party shall be under no obligation to settle a strike, labor stoppage, lockout, or any other labor trouble by entering into any agreement to settle any thereof and until any such matter is settled to the satisfaction of the affected Party, such matter shall continue to be deemed Force Majeure. Any and all of the foregoing shall also apply to a Party to the extent that an Affiliate of such Party is performing or providing any service (including under Section 1(6) referred to) or work in connection with the obligations of a Party. A Party claiming Force Majeure shall promptly notify the other Party specifying the cause and probable duration of the failure, delay or other non-performance. Neither Vetter International nor any of its Representatives shall be under any obligation to fulfill any Purchase Order which has been, or should have been scheduled to be performed during a time period of Force Majeure; provided, however, a Party so affected shall undertake every reasonable effort to fulfill its contractual obligations to the extent reasonably possible under the circumstances.
 - (2) *United Nations.* The *United Nations Convention on Contracts for the International Sale of Goods* shall have no application to, and shall be of no force and effect with respect to, the matters set forth or contemplated in this Agreement.
 - (3) *Entire Agreement.* This Agreement constitutes the entire agreement with respect to the matters set forth or contemplated in this Agreement and supersedes in any and all respects any prior communication, proposal, quotation, negotiation, conversation, discussion and agreement concerning the matters set forth or contemplated in this Agreement, and any terms and conditions thereof shall be null and void.
 - (4) *Conflict.* In the event of any conflict between any provision of the Commercial Quality Agreement and the other provisions of this Agreement, the provisions of the Commercial Quality Agreement shall exclusively govern and control any and all technical, pharmaceutical and/or quality related matters of the Manufacture, whereas the other provisions of this Agreement shall exclusively govern and control any other matters.
 - (5) *Severability.* Any provision of this Agreement held void, invalid or unenforceable shall be replaced by a mutually agreed provision that is effective, valid and enforceable and in compliance with the lawful purposes and intentions as contained in or determinable under this Agreement. Any matter not initially considered shall be resolved by incorporating such reasonable provision in order to complete this Agreement which approaches to the maximum extent such lawful purposes and intentions. The effectiveness, validity and enforceability of this Agreement shall remain independent of any provision
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which might be or has become void, invalid or unenforceable except if any replacement thereof is not possible and this Agreement would then not have been entered into.

- (6) *Amendments.* Any amendment or modification of the provisions in this Agreement contained, specifically including this Section, shall take effect only by a written document signed and duly executed. The Appendices may be amended from time to time separately and independently of the Commercial Quality Agreement.
- (7) *Assignment.* Neither this Agreement nor any right or obligation hereunder of each Party shall be assignable or transferable, except as herein provided, without the prior written consent of the other Party; provided, however,
- a) Vetter International may cause internal logistic and warehousing operations to be performed by an independent subcontractor (currently [***) and Vetter International shall be and remain responsible and liable for any performance of or failure to perform by such contractor.
 - b) Ascendis may assign its business related to the Product to [***) and Ascendis may assign this Agreement and its rights and obligations hereunder, to a successor in connection with a merger, consolidation or the sale of all or substantially all of Ascendis' business to which the Agreement relates; provided, however, that (i) [***) and (y) [***)].
 - c) Each Party may assign or transfer any such rights (and, for the avoidance of doubt, to grant of security interests in the same) to any of its Affiliates, or to lenders, shareholders, investors or financial underwriters, so long as such assignment or transfer does not impair or materially diminish the assigning Party's ability to perform its obligations under this Agreement, provided, however, that the assigning Party shall not be relieved, by action of such assignment or transfer of rights, of any of its obligations hereunder, and the assignee shall, in addition to the assignor, assume confidentiality obligations to the same extent as set forth in this Agreement and accepted by the assignor.
- (8) *Legal Notices and other communication.* Any and all legal notices, requests, demands and other communication hereunder shall be in English (and any and all costs and/or expenses associated with necessary translation shall be borne by the incurring Party), be addressed as follows, or to such other address or fax number as each Party may specify in a notice pursuant to this Section, and be deemed duly given upon receipt if and when such receipt is on a Business Day and during normal business hours of the recipient or otherwise on the then-succeeding Business Day, and if mailed by registered or certified mail, return receipt requested (and for greater certainty, be deemed unduly given if delivered by email):

If to Ascendis: Ascendis Pharma A/S
 Attn.: Legal Counsel
 Tuborg Boulevard 12
 D-2900 Hellerup, Denmark

If to Vetter International: Vetter Pharma International GmbH
 Attn. Managing Director
 Eywiesenstraße 5,
 D-88212 Ravensburg, Germany

With copy to:
Vetter Pharma-Fertigung GmbH & Co. KG
Attn. Head of Legal Department
Schützenstraße 87,
D-88212 Ravensburg, Germany

The Parties agree that documents such as forecasts, Purchase Orders, changes orders, etc. may be submitted by e-mail.

- (9) *Interpretation.* The headlines of the Articles and the Sections are for convenience of reference only and shall not affect the interpretation of this Agreement. Any understanding or interpretation of any legal term contained or referred to in this Agreement shall solely be defined and interpreted in accordance with the laws of [***], irrespective of any other meanings or interpretations under any other source or body of law as may be found applicable to this Agreement by any court that may claim or assess jurisdiction under any conflict-of-laws provisions or otherwise, any of which other meanings or interpretations shall have no application to and be of no force and effect with respect to the matters herein set forth, referred to or contemplated.
- (10) *Execution.* This Agreement and any amendments thereto, may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Execution may be carried out conventionally (by handwritten ink signature of all counterparts) or electronically (with e-signature by all Parties using the DocuSign® electronic signature system). Documents executed conventionally may be exchanged by (i) physical delivery of signed originals or (ii) electronic transmission of scanned or other images of the same, with physical delivery of the signed originals to follow; the Parties intend such transmitted images to have the same meaning, validity and enforceability as original documents bearing a handwritten signature, and a Party receiving a document so signed may rely upon it as if the original had been received. Documents executed electronically shall be deemed fully executed and legally binding upon all Parties' completion of the DocuSign® protocol, and the Parties hereby acknowledge their intent to be so bound.
- (11) *Independent Parties.* Each Party and any of its Affiliates are independent parties and nothing in this Agreement is intended or shall be deemed to create a partnership, a joint venture or a relationship of an agent with its client or an employer with its employee. No Party or any of its Affiliates shall have authority to make any statements, press releases, representations or commitments of any kind, or take any action which shall be binding on the other Party and/or any of its Affiliates, except as may be expressly authorized in writing which authorization shall not be unreasonably withheld.
- (12) *Timely Performance.* Any failure by either Party to request performance or non-performance by the other Party and/or any of its Affiliates or to claim a breach of this Agreement shall neither be construed as a waiver of any right under this Agreement nor affect any subsequent failure to request performance or non-performance or claim a breach, nor affect the effectiveness, validity and enforceability of this Agreement or any part thereof nor prejudice or preclude such Party with respect to any subsequent action. Any request for performance or non-performance by either Party and/or any of its Affiliates or claim of a breach of this Agreement, including breach of this Section, shall be effective, valid and enforceable only if such request or claim is reduced to writing.
- (13) *Dispute Resolution, Governing Law.* The Parties shall attempt to amicably settle and in good faith resolve any dispute in connection with this Agreement, by negotiations between designated representatives prior to resorting to any court action. If no amicable settlement and good faith resolution thereof has been achieved within [***], such dispute may be brought by written notice to the executive management representatives who shall use reasonable endeavors to amicably settle and in good faith resolve such dispute within [***] of receipt of said notice. If such settlement fails, either Party may, at its sole discretion, refer any dispute, controversy or claim arising out of or in connection with this Agreement to Arbitration under [***] (“Rules”).
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All disputes, controversies or claims arising out of or in connection with the present Agreement shall be finally settled in accordance with the Rules by [***] appointed in accordance with the Rules. The seat of arbitration shall be [***]. The language to be used in the arbitral proceedings shall be English. Annexes to any procedural document may also be provided in the German language.

This Agreement including the Commercial Quality Agreement and all Annexes and Appendices thereto shall be governed by, construed and interpreted, and all disputes, controversies or claims arising under or in connection with this Agreement shall be resolved in accordance with the substantive law of [***] without recourse to any conflict of laws rules. The arbitral tribunal shall have the authority to order production of documents only in accordance and within the limits of [***] as current on the date of this Agreement.

Any decision or arbitral award delivered in the arbitration shall be reasoned and in writing, and shall be final and binding on the Parties and enforceable in any competent court of law. The Parties undertake to comply promptly with any award without delay and shall be deemed to have waived their right to any form of recourse insofar as such waiver can validly be made. The existence and content of the arbitral proceedings and any rulings or award shall be kept confidential by the Parties and members of the arbitral tribunal except to the extent that disclosure may be required of a Party to fulfil a legal duty, protect or pursue a legal right, or enforce an award before a state court or other judicial authority. Notwithstanding, before making such information public, the interested Party shall notify the other(s), in writing, and shall afford them a reasonable opportunity to protect their interests if they deem it necessary.

The losing Party shall bear the costs of the arbitration, pro rata, if applicable.

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IN WITNESS WHEREOF, duly authorized representatives of each Party have executed this Agreement on the days and year at the places below written.

ASCENDIS PHARMA A/S

Hellerup, Denmark (place), dated this 19 day of December (month), 2022

(signed) /s/Michael Wolff Jensen

Name: Michael Wolff Jensen

Title: Chief Legal Officer

VETTER PHARMA INTERNATIONAL GMBH

Ravensburg, Germany, dated this 15th day of December (month), 2022

(signed) /s/Christine Fuerst (signed) /s/Nicolai Lehmann

Name: Christine Fuerst Name: Nicolai Lehmann

Title: sen Director, Key Account Management Europe Title: Key Account Manager

ANNEX 1: SC-TERMS AND CAPACITY AGREEMENT

LONG RANGE FORECAST AND OTHER SUPPLY CHAIN TERMS

(Certain capitalized terms used herein but not defined in this Annex 1 are defined in the Agreement.)

1	LONG RANGE FORECAST CAPACITY AGREEMENT	<p>(1)ASCENDIS has initially provided to Vetter International their aggregate non-binding, unless agreed otherwise as set forth in Section 1 (2) below, Product requirements for a [***] period, see Attachment 1 and 2 to this Annex 1 (“Initial Long Range Forecast”) and shall thereafter, on or before [***] during the Term, provide a successive update Long Range Forecast thereof (each update, the “Updated Long Range Forecast”; and the Initial Long Range Forecast and any Updated Long Range Forecast hereinafter the “Long Range Forecast”). The Long Range Forecast shall show the [***] (each, the “Annual Demand”) for a period of [***].</p> <p>(2) The [***] of any Long Range Forecast as set forth in this Annex 1 shall be binding to ASCENDIS and shall be considered a rolling ASCENDIS capacity reservation commitment for each [***] period, which [***] (hereinafter the “ASCENDIS Commitment”). [***] of any Long Range Forecast shall be non-binding and for ASCENDIS and Vetter International planning purposes only, provided however, it is agreed and understood by ASCENDIS that [***]. In [***] of every Long Range Forecast or Updated Long Range Forecast the forecast is non-binding (Fig. 2 Attachment 1).</p> <p>(3) The aggregate Product quantities set forth in all Long Range Forecast’s for the [***] is, unless otherwise specified, assumed to have an average batch size of [***], solely for procurement estimation and capacity reservation purposes of packaging materials.</p> <p>The capacity agreement is separated in two phases, Long Range Forecasts submitted [***] (Pre-Launch Phase) and Long Range Forecasts submitted [***] (Post-Launch Phase)</p> <p>Post-Launch Phase rolling capacity commitments (i) [***].</p> <p>Additional batches can be requested by ASCENDIS as set forth in Section 6(4) and 6(5) of this Annex 1.</p>
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		<p>(ii) and [***].</p> <p>From [***], conditions as described above (Post-Launch Phase) will come into effect.</p> <p>Pre-Launch Phase capacity commitments: Market authorization for ASCENDIS’s first Product is to be expected in [***]. For the timeframe [***], ASCENDIS will have following flexibility (in batches)</p> <ul style="list-style-type: none">• [***] Maximum [***] Minimum [***]• [***] Maximum [***] Minimum [***]• [***] Maximum [***] Minimum [***] <p>First [***] of the Initial Long Range Forecast (in batches:</p> <ul style="list-style-type: none">• [***] Maximum number of batches [***] Minimum number of batches [***]• [***] Maximum number of batches [***] Minimum number of batches [***]• [***] Maximum number of batches [***] Minimum number of batches [***] <p>For illustration purposes, Fig.1 and Fig.2 is attached to this Annex 1. It is agreed by the Parties that any such Maximum number of batches and Minimum number of batches per Annual Demand shall apply to the [***] period and that [***].</p> <p>(4) Vetter International accepts the ASCENDIS Initial Long Range Forecast and hereby commits itself to reserve capacity at the Facility, in an equivalent of the Annual Demand set forth in each of the first [***] of the so accepted Initial Long Range Forecast provided in Attachment 1 and 2 to this Annex 1.</p> <p>(5) With regard to any Updated Long Range Forecast, Vetter International shall inform ASCENDIS in [***] of each Calendar Year (during the Parties’ regular business review meeting), if Vetter International is able to provide the capacity requested by ASCENDIS in Calendar Year 3 of any Updated Long Range Forecast, and upon positive</p>
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		<p>confirmation, Vetter International commits itself to reserve capacity in an equivalent of the Annual Demand set forth in such newly added third Calendar Year and such reservation commitment becomes part of the Vetter Commitment.</p> <p>Vetter International shall confirm the updated forecast before the [***]. If not confirmed the updated forecast is deemed accepted by Vetter International with regards to delivery dates, quantities and without any penalties for Ascendis.</p>
2	LONG RANGE FORECAST,	<p>(1) The Parties shall discuss during the business review meeting the total ASCENDIS Annual Demand of Product quantities in batches for each of the following [***] and Vetter International will, in return, indicate to ASCENDIS the current capacity status of [***] being a non-binding information.</p> <p>(2) Major demand changes (increase/decrease) shall [***]. If the number of batches of Product for each Calendar Year set forth in any updated Long Range Forecast exceed the allotted capacity of the cleanroom and/or production line to be used for the Manufacture, or require the procurement of additional Equipment, dedicated to the Manufacture of the Product of ASCENDIS, Vetter International shall inform ASCENDIS thereof. In such event, each of the Parties shall reasonably determine and agree upon with the other Party, if and to the extent necessary to achieve the increased capacities required by the Long Range Forecast, (i) the organization and timelines of the transfer of the Manufacture of the Product to a different cleanroom and/or production line (ii) the supply of additional Equipment; and/or (iii) any other changes necessary to achieve the increased capacities set forth in, and as required by, the Long Range Forecast [***].</p>
3	MONTHLY ROLLING FORECAST	<p>(1) For each Product to be Manufactured, ASCENDIS shall provide Vetter International, [***], with a [***] Monthly Rolling Forecast of the number of batches of Product that ASCENDIS intends to order from Vetter International. Such number of batches as requested to be delivered on the Delivery Date within a certain calendar month during such [***] period (the “Initial Monthly Rolling Forecast”, and each of the monthly revised forecasts, on a rolling basis, as</p>

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		<p>Initial Monthly Rolling Forecast updates, hereinafter referred to as a “Monthly Rolling Forecast”).</p> <p>(2) The Monthly Rolling Forecast shall show the anticipated demand of ASCENDIS for the Product, indicated per each Product variant for information (different Product concentrations), requested to be delivered on the Delivery Date in each calendar month, beginning on the first (1st) day of the month then-following the month of its submittal and receipt by Vetter International, and ending on the last day of the twenty fourth (24th) calendar month thereafter. Example: [***]. Each Monthly Rolling Forecast must therefore include: (i) requested Product quantities (“Product variant”) in batch quantities; together with (ii) requested delivery month and the dates desired for such Product quantity.</p> <p>(3) Requested Product number of batches shall be [***]. [***].</p> <p>(4) Each Monthly Rolling Forecast shall be [***] and shall [***]. In case the Product Quantities in number of batches in any Monthly Rolling Forecast do not comply with the requirements set forth in this Annex 1, [***]. A decrease in the Monthly Rolling Forecast [***]. In case the Product quantities in the Monthly Rolling Forecast exceed the Maximum Quantity, [***]. Any disputes and/or discrepancies with regards to the Monthly Rolling Forecast shall be discussed by the parties in accordance with this Section 3 of the Annex 1.</p> <p>If the Forecast is within the defined Semi-Binding boarders, Vetter International shall confirm the updated rolling forecast within the same month, otherwise in the first week of the upcoming month. If not confirmed the updated forecast is deemed accepted by Vetter International with regards to delivery dates, quantities and without any penalties for Ascendis</p>
4	BINDING PERIOD	The Product quantities in number of batches set forth in any Monthly Rolling Forecast in [***] (“Binding Period”) shall constitute a firm and binding commitment of ASCENDIS, and [***].
5	Semi-Binding PERIOD	

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		<p>(1) The Product quantities in number batches set forth in any Monthly Rolling Forecast in [***] of each Monthly Rolling Forecast (“Flexible Period”) shall be deemed binding, as herein below set forth:</p> <p>Monthly Rolling Forecasts of [***] shall determine the Product quantities in number of batches in the Flexible Period that are fixed as a [***] part of the Annual Reference Quantity (each a “[***]”):</p> <ul style="list-style-type: none"> • Product quantities in number batches provided by ASCENDIS in the Monthly Rolling Forecast for [***] shall [***] • Product quantities in number batches provided by ASCENDIS in the Monthly Rolling Forecast for [***] shall [***] • Product quantities in number batches provided by ASCENDIS in the Monthly Rolling Forecast for [***] shall [***] <p>The aggregate Product quantities set forth in all Monthly Rolling Forecasts for a Calendar Year have to comply with and meet the Annual Demand of [***], the applicable ASCENDIS Commitment as may be adjusted [***].</p> <p>The “Annual Reference Quantity” for a Calendar Year shall mean the sum of the aggregated Product quantities in number of batches provided by ASCENDIS in [***]. Parties have added [***] accordingly.</p> <p>In case of discrepancy between the Monthly Rolling Forecast and the Long Range Forecast, [***] shall apply.</p> <p>(3) [***].</p>
6	PURCHASE ORDERS, ADDITIONAL QUANTITY, OMITTED PURCHASE ORDERS	<p>(1) Together with each monthly update of the Monthly Rolling Forecast, Purchase Orders shall be issued by ASCENDIS, which Purchase Orders shall correspond to the quantities set forth for the Binding Period of the then-current Monthly Rolling Forecast. ASCENDIS shall therefore place (i) initially, Purchase Orders covering [***]; and (ii) thereafter, Purchase Orders for [***] of the updated Binding Period.</p> <p>(2) The requested Delivery Date indicated in the Purchase Order shall be no earlier than [***] after receipt of the Purchase Order by Vetter International.</p>

		<p>(3) Vetter International shall respond (by facsimile, any other written or electronic form) to every Purchase Order placed for the Binding Period within [***], and shall confirm Product quantities which meet the requirements of this Annex 1, and shall provide the Confirmed Delivery Date for the Product so ordered by ASCENDIS. If Vetter International has not responded [***] the orders are deemed accepted by Vetter International with regards to delivery dates, quantities and without any penalties for Ascendis</p> <p>(4) Subject to the Facility’s manufacturing and equipment capacities and other supply commitments, the urgency of the supply needs of ASCENDIS, the Parties may mutually agree that additional quantities of Product may be available in excess of the ASCENDIS Commitment during (x) the Binding Period and/or (y) the Flexible Period and/or (ii) the Maximum Quantity (such quantities, to the extent so in excess, collectively “Additional Quantity”), and as such, ASCENDIS (1) may place a Purchase Order for the Additional Quantity within the Binding Period; or (2) adjust the Flexible Period of the Monthly Rolling Forecast in accordance with the terms of the Agreement. Vetter shall [***] to accommodate ASCENDIS’s request for Additional Quantity.</p> <p>(5) In no event [***] shall acceptance to deliver Additional Quantities set forth in an individual Purchase Order for such Additional Quantity (i) [***]; or (ii) [***].</p> <p>(6) If, in any given calendar month within the Binding Period, ASCENDIS does not place a Purchase Order in accordance with the then-current Monthly Rolling Forecast related to the Minimum Quantities of the ASCENDIS Commitment in number of batches, [***].</p>
7	REPLACEMENT PRODUCT	<p>If for any reason ASCENDIS is not in a position to order sufficient quantities of Product in order to comply with its Minimum Quantities in number of batches as set forth in this Agreement or wishes to cancel a slot within the Binding Period, [***]. [***]. The parties shall agree in good faith any amendments to the Agreement that are necessary as result of ASCENDIS exercising such right. Vetter International accepts the switch between the presentation [***] before the requested and confirmed delivery date [***].</p>

8	ANNUAL RECONCILIATION AND CAPACITY COMPENSATION	<p>(1) Until [***] of each Calendar Year, the Parties shall jointly review the Product quantities which have been delivered during such Calendar Year for which ASCENDIS has actually provided Purchase Orders and/or paid for in accordance with this Annex 1 (“Annually Ordered Quantity”).</p> <p>(2) in the event that any such review reveals that [***] (i) [***] and/or (ii) [***], then [***] (each, [***]),</p> <p>multiplied by</p> <p>(i) [***]; or</p> <p>(ii) (ii) [***].</p> <p>Unless [***]</p> <p>(3) In support of Section 8(2) of this Annex 1 above, the following formula shall apply, to calculate [***]:</p> <p>Average Weighted Batch Price means [***].</p> <ul style="list-style-type: none"> • [***] <p>and/or</p> <ul style="list-style-type: none"> • and/or [***] <p>and/or</p> <ul style="list-style-type: none"> • [***] <p>and</p> <ul style="list-style-type: none"> • [***] <p>(4) Unless specified otherwise in the Agreement, ASCENDIS shall [***]. However, [***].</p>
9	FREEDOM OF FILLING DAY	<p>Based on the information provided in the Monthly Rolling Forecast, Vetter International shall schedule the Manufacture and confirm Delivery Dates, in accordance with Section 6(3) of this Annex 1. Filling days shall be communicated to ASCENDIS. Vetter International shall always try to prioritize Purchase Orders with critical shelf life and [***].</p>
10	BATCH SIZE	

		The Monthly Rolling Forecast model used under this Agreement is designed for ordering and forecasting within the validated range of the Product batches.
11	INVENTORY, SAFETY STOCK	(1) Based on the monthly Monthly Rolling Forecast (and, to the extent commercially practicable, on such revised or updated Monthly Rolling Forecasts), [***] (for clarity, [***]). Vetter International shall maintain a stock of Sourced Materials (“Inventory”) in quantities sufficient for the Manufacture of (i) the quantities of Product set forth for all calendar months of the Binding Period; plus (ii) [***] of the Annual Demand (as set forth in the current Vetter International accepted Long Range Forecast). The Inventory shall be discussed during the business review meeting. If it has been determined by the business review meeting additional Inventory is required [***]. Any such additional Inventory shall [***].(2) If, and to the extent that, Sourced Materials procured by Vetter International in accordance with this Annex 1 should become obsolete or unfit for the Manufacture of Products, due to (i) [***]; (ii) [***]; (iii) [***]; (iv) [***]; (v) [***] and/or (vi) expiry or termination of this Agreement (not attributed to [***]), and [***], [***]. [***] will use [***] to mitigate the costs (e.g. [***]).
12	LATE DELIVERY ASCENDIS MATERIALS	If a late delivery without having a safety stock results in the loss of a filling slot, it will be considered as [***], or [***] hereunder, and shall be subject to [***].
13	REVISION	Any revision of this Annex 1 shall require an amendment of Agreement, as provided in and subject to Section 18(6) of the Agreement.

ATTACHMENT 1 Initial Long Range Forecast
[***]

Attachment 2: Detailed tolerances and visualized overview for the Pre-Launch Phase

[***]

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Fig. 2
[***]

Fig.3
[***]

Fig.4
[***]

[***]

[***]

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ANNEX 2: PRICES

[***]

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ANNEX 3: EQUIPMENT

Equipment at Vetter owned by Ascendis Pharma:

[***]

ANNEX 4: COMMERCIAL QUALITY AGREEMENT

[***].

CERTAIN IDENTIFIED CONFIDENTIAL INFORMATION HAS BEEN REDACTED FROM THIS EXHIBIT BECAUSE IT IS (I) CUSTOMARILY AND ACTUALLY TREATED AS PRIVATE OR CONFIDENTIAL AND (II) NOT MATERIAL.

CONFIDENTIAL PORTIONS OF THIS EXHIBIT ARE DESIGNATED BY [***].

THIS AMENDMENT NUMBER 1 (“**Amendment**”), of the Supply Agreement effective as of October 1st, 2022 (such agreement, as amended from time to time, the “**Agreement**”), by and between Ascendis Pharma A/S, a company duly organized and existing under the laws of Denmark, having its principal offices located at Tuborg Boulevard 12, 2900 Hellerup, Denmark (“Ascendis”), and Vetter Pharma International GmbH, a company duly organized and existing under the laws of Germany, having its principal offices located at Eywiesenstraße 5, 88212 Ravensburg, Germany (“Vetter”), with Ascendis and Vetter hereinafter individually also referred to as a “Party” and collectively as the “Parties”,

WITNESSETH:

WHEREAS, in accordance with Article 17 (6) (*Amendments*), the Parties wish to amend the Agreement on the terms set forth herein; and **NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements set forth above and below in this Amendment, and in the Agreement, subject to the terms and conditions hereof, each Party as follows:

ARTICLE 1:AMENDMENTS

- (1) With effect from January 1st, 2024 Annex 2 of the Agreement shall be deemed null and void and shall be replaced by the attached Exhibit (Annex 2).
- (2) With effect as of January 1st, 2024, Section 9 (6) shall be deemed null and void and shall be replaced by the following:

*“Payments. Without undue delay, Vetter International shall issue an invoice upon [***] or, in case of Product not yet Final Released, Vetter International shall be entitled to invoice [***]. Payments shall be made in Euros and due [***] of the invoice date (receipt of readily available funds by Vetter International) [***]. After such time period the payments shall be made [***] and due [***] of the invoice date. If Ascendis pays later than [***] of receipt of the invoice, Vetter International shall be entitled to interest of the invoiced amount of [***] (except when payment is subject to a good-faith resolution of any dispute). Ascendis shall add such interest, accumulated in accordance with this Article as of the time of payment due, to the invoiced amount and include such with the payment by Ascendis.”*

ARTICLE 2:MISCELLANEOUS

- (1) Capitalized terms not defined herein shall have the same meanings as specified in the Agreement, unless the context otherwise requires. A reference herein to an Article is to an Article of the Agreement, unless the context otherwise requires. Each reference to the term Agreement, in the Agreement, shall be deemed to be a reference to the Agreement as amended or supplemented by this Amendment, unless the context otherwise requires.
 - (2) Except as expressly modified by this Amendment, any and all terms and conditions of the Agreement shall remain in full force and effect and shall be applicable to this Amendment. For
-

the avoidance of doubt, anything which is not covered in this Amendment, shall be subject to the provisions of the Agreement.

- (3) The Agreement (including [***]) together with this Amendment, constitutes the entire agreement between the Parties with respect to Production of the Product by Vetter and supersedes in all respects all prior proposals, negotiations, conversations, discussions and agreements between the Parties in respect thereof.
- (4) Article 16 (*Confidentiality*) and Article 17 (12) (*Dispute Resolution, Governing Law*) shall be deemed incorporated into this Amendment by this reference, save that any reference in any such Article to “*this Agreement*” shall be deemed to be a reference to this Amendment.

(Page remainder left blank intentionally, immediately followed by the signatures page.)

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IN WITNESS WHEREOF, duly authorized representatives of each of the Parties have on the days and year at the places below written executed this Amendment to be effective on the respective dates as set forth above.

ASCENDIS PHARMA A/S

Hellerup, Denmark, dated April (month) 08 (day), 2024

(signed) /s/Michael Wolff Jensen

Name: Michael Wolff Jensen

Title: EVP & Chief Legal Officer

VETTER PHARMA INTERNATIONAL GMBH

Ravensburg, Germany, dated April (month) 08 (day), 2024

(signed) /s/Christine Fuerst (signed) /s/Nicolai Lehmann

Name: Christine Fuerst Name: Nicolai Lehmann

Title: Sr. Director Key Account Management Europe Title: Key Account Manager

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EXHIBIT
ANNEX 2: PRICES

[***]

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WARRANT CERTIFICATE

(non-negotiable instrument)

Ascendis Pharma A/S (cvr.no. 2991 8791), with its principal business address at Tuborg Boulevard 12, DK-2900 Hellerup, Denmark (hereinafter referred to as "Ascendis Pharma"), has on 09/12/2021 issued this Warrant Certificate to

NAME

(hereinafter referred to as the "Warrantholder")

whereby the Warrantholder without payment has received and accepted allocation of 1,636 warrants, which confer the right to subscribe [number] ordinary shares in Ascendis Pharma at a subscription price of US\$ [price] per ordinary share with a nominal value of DKK 1.

The other terms applying to the warrants have been set forth in Ascendis Pharma's articles of association clause 4a with appendix 1a, which can be found under "Documents" in the USD Portal.

Hellerup, xx/xx/202x

/s/ Albert Cha

Albert Cha,
Chairman

<u>Subsidiaries</u>	<u>Jurisdiction of Incorporation</u>
Ascendis Pharma GmbH	Germany
Ascendis Pharma Endocrinology GmbH	Germany
Ascendis Pharma, Inc.	USA
Ascendis Pharma Endocrinology, Inc.	USA
Ascendis Pharma Ophthalmology Division A/S	Denmark
Ascendis Pharma Endocrinology Division A/S	Denmark
Ascendis Pharma Bone Diseases A/S	Denmark
Ascendis Pharma Growth Disorders A/S	Denmark
Ascendis Pharma Oncology Division A/S	Denmark
Ascendis Pharma Europe A/S	Denmark
Ascendis Pharma UK, Limited	United Kingdom
Ascendis Pharma Iberia S.L.	Spain
Ascendis Pharma France SASU	France
Ascendis Pharma Italia SRL	Italy
Ascendis Pharma Sverige AB	Sweden
Ascendis Pharma Switzerland GmbH	Switzerland

Contents

1	Purpose	2
2	Scope & Definitions	2
3	Applicability	3
4	Explanation of “Insider Trading”	4
4.1	What is Insider Trading?	4
4.2	What information is “material”?	4
4.3	What is “non-public” information?	5
4.4	Who is an Insider?	5
5	Procedures	5
5.1	Supporting requirements	5
5.2	Prohibition against Insider Trading	7
6	Rule 10b5-1 Trading Plans	10
7	Interpretation, Amendment, and Implementation of this Policy	11

1 Purpose

Insider Trading is illegal for all individuals independent of their country of residence, and individuals outside of the US may be prosecuted for violation of the Insider Trading rules.

“Insider Trading” occurs when any person purchases or sells a security (e.g., Company ordinary shares or American Depositary Shares (ADS) representing ordinary shares) while in possession of “material non-public information” relating to the security. Please see Section 3 below for more information on what constitutes information that is both “material” and “non-public.”

Compliance with this Policy is crucial to abide the laws and regulations, as well as preserve the reputation and integrity of Ascendis Pharma (the “**Company**”) and to protect individuals against violating Insider Trading rules and risking criminal charges.

The purpose of this Insider Trading Compliance Policy (the “**Policy**”) is to outline your responsibilities to avoid insider trading and implement certain procedures to help you avoid even the appearance of insider trading.

Violation of the Policy by Ascendis Pharma Individuals may cause disciplinary actions, including potentially termination of employment. Further, violations may be reported to relevant law enforcement authorities.

2 Scope & Definitions

Certain definitions used in this Policy:

Ascendis Pharma:	Ascendis Pharma A/S and subsidiaries of Ascendis Pharma A/S.
Ascendis Pharma Individuals:	All officers, board members, employees and Eligible Consultants of Ascendis Pharma and its subsidiaries.
Eligible Consultants:	Consultants who have been i) assigned an @ascendispharma.com e-mail address, ii) granted access to the Ascendis Pharma intranet, or iii) granted a card allowing unaccompanied access to the premises of Ascendis Pharma, whether appointed directly by Ascendis Pharma or through their employment with consultancy service providers retained by Ascendis Pharma, or iv) identified by Ascendis Pharma’s Chief Legal Officer.
Event-Specific Blackout:	Please refer to section 5.2 of this Policy.
Excluded Transactions:	<ul style="list-style-type: none">i) entering into a deposit arrangement with a depository for purposes of receiving ADSs from the depository in respect of ordinary shares or warrants or other equity awards exercisable for ordinary shares,ii) exercises of warrants or other equity awards, or the surrender of shares to Ascendis Pharma in payment of the exercise price or in satisfaction of any tax withholding obligations or vesting of

	<ul style="list-style-type: none"> iii) equity-based awards that do not involve a market sale of Ascendis Pharma’s securities, iv) purchases of Ascendis Pharma’s securities from Ascendis Pharma or sales of Ascendis Pharma’s securities to Ascendis Pharma, v) a plan adopted to comply with the Exchange Act Rule 10b5-1 (“Rule 10b5-1”), and vi) Sell-to-cover-tax transactions that are enforced automatically upon vesting of equity awards, when this is governed by the relevant equity plan rules and necessary in order to comply with tax withholding requirements.
Insider:	Ascendis Pharma Individuals and anyone else within Ascendis Pharma, or its subsidiaries, who has material, non-public information about Ascendis Pharma and its activities..
Insider Trading:	Refers to the purchase or sale of a security by a person who is in possession of “material,” “non-public” information relating to the security, see further explanation in section 4
SEC:	The U.S. Securities and Exchange Commission.
Securities:	Includes ordinary shares, American Depositary Shares (“ ADSs ”) representing ordinary shares, stocks, bonds, notes, debentures, options, warrants, equity and other convertible securities, as well as derivative instruments.
Trading Plan	transactions under a previously established contract, plan or instruction to trade in Ascendis Pharma’s Securities entered into in accordance with Rule 10b5-1

3 Applicability

This Policy applies to all Ascendis Pharma Individuals.

Ascendis Pharma Individuals are responsible for ensuring that members of their household also comply with this Policy. This includes family members residing with Ascendis Pharma Individuals, anyone else living in the same household as an Ascendis Pharma Individual, and any family members not living with Ascendis Pharma Individuals whose transactions in Ascendis Pharma’s securities are directed by Ascendis Pharma Individuals, or subject to their influence and control. This Policy also applies to any entities controlled by Ascendis Pharma Individuals, including any limited liability companies, corporations, partnerships, or trusts, and transactions by these entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the account of an Ascendis Pharma Individual.

For purposes of clarity, this Policy, including, without limitation, the preclearance policy, blackout periods and prohibited transactions, does not apply to venture capital entities or other institutional investors that may be affiliated with a board member of Ascendis Pharma or for Company equity securities that a board member may be deemed to have beneficial ownership of by virtue of such affiliation.

For purposes of clarity, with the exception of the preclearance requirement, this Policy continues to apply to transactions in Ascendis Pharma's securities even after termination of service to Ascendis Pharma. If you are in possession of material non-public information when your service terminates, you may not trade in Ascendis Pharma's securities until that information has become public or is no longer material.

4 Explanation of "Insider Trading"

4.1 What is Insider Trading?

"Insider Trading" refers to the purchase or sale of a Security by a person while in possession of "material," "non-public" information relating to that security. Insider trading is illegal and governed by US securities laws

"Purchase" and "sale" are defined broadly under applicable US securities laws. "Purchase" includes not only the actual purchase of a security, but also any contract to purchase or otherwise acquire a security. "Sale" includes not only the actual sale of a security, but also any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-share transactions, conversions, the exercise of warrants, transfers, gifts and acquisitions and exercises of options or puts, calls or other derivative securities.

The laws and regulations concerning insider trading are complex, and Ascendis Pharma Individuals are encouraged to seek guidance from the Chief Legal Officer prior to considering a transaction in Company securities.

It is generally understood that Insider Trading includes the following:

- trading by Insiders while in possession of material, non-public information;
- trading by persons other than Insiders while in possession of material, non-public information, if the information either was given in breach of an Insider's duty to keep it confidential or was misappropriated; and
- communicating or tipping material, non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

4.2 What information is "material"?

Information is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security, or if the information is likely to have a significant effect on the market price of the security.

Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security, debt or equity.

Also, information that something is likely to happen in the future—or even just that it may happen—could be deemed material.

Examples of material information include (but are not limited to) information about:

- the results of clinical trials;
- communications sent to, or received from, the European Medicines Agency or the U.S. Food and Drug Administration, or any other marketing authorization government body;
- dividends;
- corporate earnings or earnings forecasts;
- mergers, acquisitions, tender offers or dispositions;

major new products or product developments;
important business developments such as major contract awards or cancellations;
developments regarding strategic collaborators, including VISEN Pharmaceuticals;
the status of regulatory submissions;
management or control changes;
significant borrowing or financing developments including pending public sales or offerings of debt or equity securities;
defaults on borrowings;
bankruptcies;
cybersecurity or data security incidents; and
significant litigation or regulatory actions.

Moreover, material information does not have to be related to a company's business. For example, the contents of a forthcoming newspaper column that is expected to affect the market price of a security can be material.

Questions regarding material information should be directed to Ascendis Pharma's Chief Legal Officer.

In all cases, individuals subject to this Policy bear full responsibility for ensuring their compliance with this Policy, and also for ensuring that members of their household (and individuals not residing in their household but whose transactions are subject to their influence or control) and entities under their influence or control are in compliance with this Policy.

4.3 What is "non-public" information?

Information is "non-public" if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors in a Regulation FD(fair disclosure)-compliant method, such as through a press release, a filing with the SEC or a Regulation FD-compliant conference call. The Chief Legal Officer shall have sole discretion to decide whether information is public for purposes of this Policy.

The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination. In addition, even after a public announcement, a reasonable period of time may need to lapse in order for the market to react to the information. Generally, one should allow one full trading day following release of the information to the public as a reasonable waiting period before such information is deemed to be public.

4.4 Who is an Insider?

Insiders include Ascendis Pharma Individuals and anyone else within Ascendis Pharma who has material, non-public information about a company.

5 Procedures

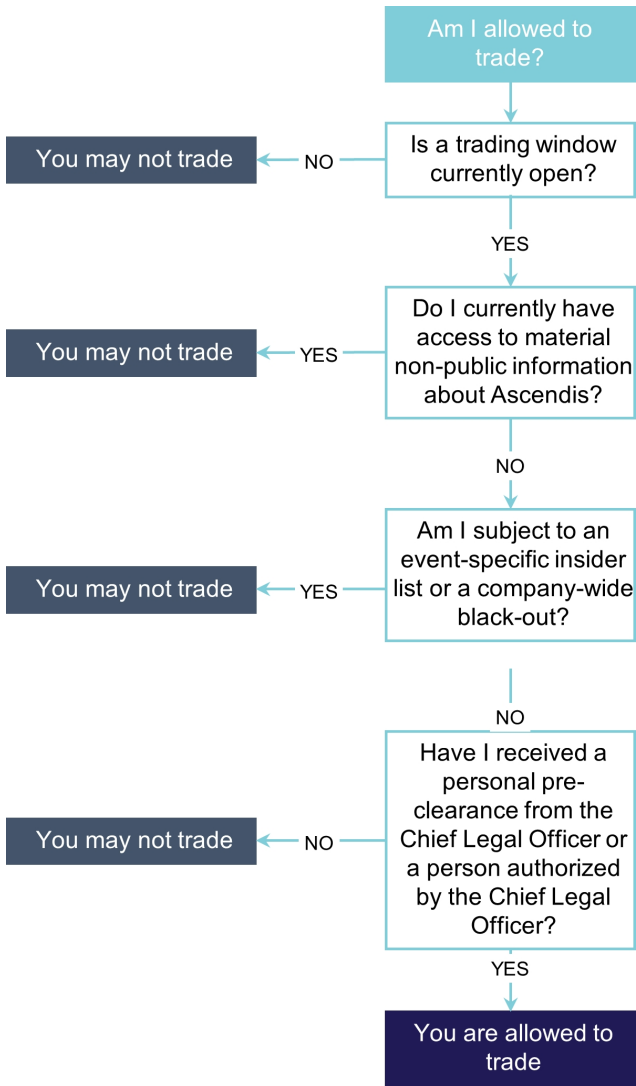
5.1 Supporting requirements

To minimize the risk of Insider Trading, Ascendis Pharma has put in place below requirements relating to:

- Periodic Trading Windows (see 5.1.1)
- Event-specific Blackouts (see 5.2)
- Specific personal pre-clearance procedures for senior management and select functions (see 5.2.2)

General handling of material non-public information (see 5.2.3)

The prohibition against Insider Trading and the further instructions contained in sections 5.1.1 - 5.2.2 may be summarized and illustrated in the decision tree shown on the following page (Illustration 1).



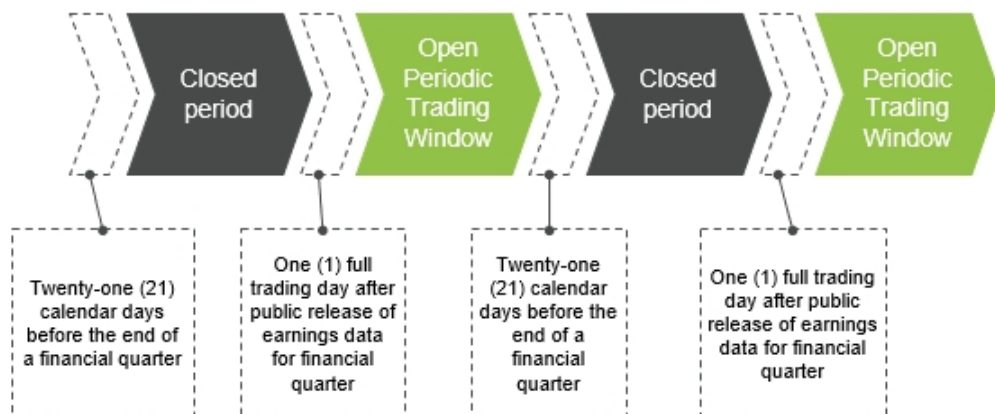
Review of this chart is not a substitute for reading and understanding this Policy.

5.1.1 Periodic Trading Windows

Ascendis Pharma Individuals may only trade during open Periodic Trading Windows. Periodic Trading Windows open on the date falling one (1) full trading day after the public release of earnings data for any financial quarter and close on the date falling twenty-one (21) calendar days prior to the last date of each financial quarter (each, a **“Periodic Trading Window”**). For purposes of the foregoing sentence, a **“trading**

day” is a day on which U.S. national stock exchanges are open for trading. If, for example, Ascendis Pharma were to make an announcement on Monday prior to 9:30 a.m. Eastern Time, then the Periodic Trading Window would open after the close of trading on Tuesday. If an announcement were made on Monday after 9:30 a.m. Eastern Time, then the Periodic Trading Window would open after the close of trading on Wednesday.

The Periodic Trading Windows are illustrated below:



In other words: No Ascendis Pharma Individual nor any family members residing with Ascendis Pharma Individuals, anyone else living in the same household as an Ascendis Pharma Individual, nor any family members not living with Ascendis Pharma Individuals whose transactions in Ascendis Pharma’s securities are directed by Ascendis Pharma Individuals, or subject to their influence and control, shall purchase or sell any security of Ascendis Pharma outside of open Periodic Trading Windows. Exceptions to Periodic Trading Windows may be approved only by Ascendis Pharma’s Chief Legal Officer or, in the case of exceptions for the Chief Legal Officer, the Chief Financial Officer or, in the case of exceptions for directors, the Board of Directors or Audit Committee of the Board of Directors.

5.2 Prohibition against Insider Trading

No Ascendis Pharma Individual, nor any family members residing with Ascendis Pharma Individuals, anyone else living in the same household as an Ascendis Pharma Individual, nor any family members not living with Ascendis Pharma Individuals whose transactions in Ascendis Pharma’s securities are directed by Ascendis Pharma Individuals, shall purchase or sell any type of security while in possession of material, non-public information relating to the security, whether the issuer of such security is Ascendis Pharma or any other company.

5.2.1 Event-Specific Blackouts:

From time to time, whether during a closed period or an open trading window cf. above 5.1.1, the Board of Directors, the Chief Legal Officer or the Chief Financial Officer of Ascendis Pharma determine to suspend trading in Ascendis Pharma’s securities by some or all Ascendis Pharma Individuals or others because of developments that have not yet been disclosed to the public. Such suspension is referred to as an **“Event-Specific Blackout”**. During an Event-Specific Blackout, all individuals affected should not trade in Ascendis

Pharma's securities and should not disclose to others that Ascendis Pharma has implemented an Event-Specific Blackout or otherwise suspended trading.

In case of an Event-Specific Blackout, the Ascendis Pharma Individuals subject to the specific blackout will receive an e-mail notification from the Chief Legal Officer or a person authorized by the Chief Legal Officer. Once Ascendis Pharma Individuals are no longer subject to such Event-Specific Blackout, they will receive an e-mail notification confirming the removal of the trading restrictions.

For the avoidance of doubt, if Ascendis Pharma Individuals do not receive an e-mail notification regarding an Event-Specific Blackout, but are in possession of material non-public information, such Ascendis Pharma Individuals may not trade. Failure by Ascendis Pharma to provide notice does not relieve Ascendis Pharma Individuals of their obligations under this Policy.

5.2.2 Pre-Clearance of all trades by employees in the departments Group Legal and Regulatory, and all senior management (VPs and above management levels) in Ascendis Pharma

All transactions in Ascendis Pharma's securities by employees in the departments Group Legal and Regulatory, and all senior management (VPs and above management levels) in Ascendis Pharma, other than Excluded Transactions must be pre-cleared by Ascendis Pharma's Chief Legal Officer or a person authorized by the Chief Legal Officer.

Preclearance should not be understood to represent the legal advice by Ascendis Pharma that the proposed transaction complies with law. Preclearance does not relieve an individual of their responsibility under SEC rules, and none of Ascendis Pharma, the Chief Legal Officer or Chief Financial Officer, or Ascendis Pharma's other employees assume any liability for the legality or consequences of such transaction to the person engaging in such transaction, nor will any of the foregoing have any liability for any delay in reviewing, or refusal of, a request for preclearance submitted pursuant to this Section 5.2.2.

To request a pre-clearance, Ascendis Pharma Individuals must confirm that they are not aware or in possession of material non-public information either i) by filling out, dating and signing a Pre-Clearance form, which is available on the Ascendis Pharma intranet or through the Computershare portal, and submit it via Ascendis Pharma email to either Ascendis Pharma's Chief Legal Officer, or an authorized individual as per directions from the Chief Legal Officer, or ii) by accepting a statement to that effect when using online tools administered by Ascendis Pharma, if applicable.

Preclearance may be granted for a period of up to five (5) trading days but may also be granted for a shorter period of time. The preclearance period will be indicated in the preclearance email. Notwithstanding receipt of preclearance, if the preclearance person becomes aware of material non-public information, becomes subject to an Event-Specific Blackout or the Period Trading Window closes before the transaction is effected, the transaction may not be completed. Transactions under a previously established Trading Plan (as defined in Section 7) that has been precleared in accordance with this Policy are not subject to further preclearance.

5.2.3 General handling of Material Non-Public Information

Access to material non-public information about Ascendis Pharma, including Ascendis Pharma's business, earnings or prospects, should be limited to Ascendis Pharma Individuals on a need-to-know basis.

In addition, such information should not be communicated to anyone outside Ascendis Pharma under any circumstances (except in accordance with the Confidentiality Procedure).

Material non-public information must be handled in accordance with our Confidentiality Procedure.

5.2.4 Prohibited Transactions

Ascendis Pharma has determined that there is a heightened legal risk and the appearance of improper or inappropriate conduct if persons subject to this Policy engage in certain types of transactions. Therefore, Ascendis Pharma Individuals shall comply with the following requirements with respect to certain transactions in Ascendis Pharma securities:

5.2.4.1 Short Sales

Short sales of Ascendis Pharma's Securities are prohibited by this Policy. Short sales of Ascendis Pharma's Securities, or sales of shares that the seller does not own at the time of sale, or sales of shares against which the seller does not deliver the shares within 20 days after the sale, evidence an expectation on the part of the seller that the Securities will decline in value, and, therefore, signal to the market that the seller has no confidence in Ascendis Pharma or its short-term prospects.

5.2.4.2 Options

Transactions in puts, calls, or other derivative securities involving Ascendis Pharma's equity securities, on an exchange, on an over-the-counter market, or in any other organized market, are prohibited by this Policy. A transaction in options is, in effect, a bet on the short-term movement of Ascendis Pharma's shares and, therefore, creates the appearance that an Ascendis Pharma Individual is trading based on material non-public information. Transactions in options, whether traded on an exchange, on an over-the-counter market, or any other organized market, may also focus an Ascendis Pharma Individual's attention on short-term performance at the expense of Ascendis Pharma's long-term objectives.

5.2.4.3 Hedging Transactions

Hedging transactions involving Ascendis Pharma's Securities, such as prepaid variable forward sale contracts, equity swaps, collars and exchange funds, or other transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of Ascendis Pharma's equity Securities, are prohibited by this Policy. Such transactions allow the Ascendis Pharma Individual to continue to own the covered Securities, but without the full risks and rewards of ownership. When that occurs, the Ascendis Pharma Individual may no longer have the same objectives as Ascendis Pharma's other shareholders.

5.2.4.4 Margin Accounts and Pledging

Ascendis Pharma Individuals are prohibited from pledging Ascendis Pharma Securities as collateral for a loan, purchasing Company Securities on margin (i.e. borrowing money to purchase the securities) or placing Company Securities in a margin account. This prohibition does not apply to cashless exercises of warrants under Ascendis Pharma's equity plans or to situations approved in advance by the Chief Legal Officer or Chief Financial Officer.

5.2.4.5 Partnership Distributions

Nothing in this Policy is intended to limit the ability of an investment fund, venture capital partnership or other similar entity with which a director is affiliated to distribute Company Securities to its partners, members, or

other similar persons. It is the responsibility of each affected director and the affiliated entity, in consultation with their own counsel (as appropriate), to determine the timing of any distributions, based on all relevant facts and circumstances, and applicable securities laws.

6 Rule 10b5-1 Trading Plans

The trading restrictions set forth in this Policy, other than those transactions described under “Prohibited Transactions” in Section 5.2.4 of this Policy, do not apply to transactions under a previously established contract, plan or instruction to trade in Ascendis Pharma’s Securities entered into in accordance with Rule 10b5-1 (a “**Trading Plan**”) that:

has been submitted to and preapproved by Ascendis Pharma’s Chief Legal Officer or, in the case of exceptions for the Chief Legal Officer, the Chief Financial Officer, or such other person(s) as the Board of Directors may designate from time to time (each, an “**Authorizing Officer**”);

includes a “**Cooling Off Period**” for:

- o directors and officers that extends to the later of 90 days after adoption or modification of a Trading Plan or two business days after filing the Form 20-F or Form 6-K disclosing financial results covering the fiscal quarter in which the Trading Plan was adopted, up to a maximum of 120 days; and
- o employees and any other persons, other than Ascendis Pharma, that extends 30 days after adoption or modification of a Trading Plan;

for directors and officers, includes a representation in the Trading Plan that the director or officer is (1) not aware of any material non-public information about Ascendis Pharma or its securities; and (2) adopting the Trading Plan in good faith and not as part of a plan or scheme to evade Rule 10b-5;

has been entered into in good faith at a time when the Ascendis Pharma Individual was not in possession of material non-public information about Ascendis Pharma and not otherwise in a blackout period (*i.e.*, during a Periodic Trading Window and not during an Event-Specific Blackout), and the person who entered into the Trading Plan has acted in good faith with respect to the Trading Plan;

either (1) specifies the amounts, prices, and dates of all security transactions under the Trading Plan, (2) provides a written formula, algorithm, or computer program for determining the amount, price, and date of the transactions, and (3) prohibits the individual from exercising any subsequent influence over the transactions; and

complies with all other applicable requirements of Rule 10b5-1.

The Authorizing Officer may impose such other conditions on the implementation and operation of the Trading Plans as he or she deems necessary or advisable. Individuals may not adopt more than one Trading Plan at a time except under the limited circumstances permitted by Rule 10b5-1 and subject to preapproval by the Authorizing Officer.

Ascendis Pharma Individuals may only modify a Trading Plan outside of a blackout period (*i.e.*, during a Periodic Trading Window and not during an Event-Specific Blackout) and, in any event, when the individual does not possess material non-public information.

Modifications to and terminations of a Trading Plan are subject to preapproval by the Authorizing Officer and modifications of a Trading Plan that change the amount, price, or timing of the purchase or sale of the securities underlying a Trading Plan will trigger a new Cooling-Off Period.

Ascendis Pharma reserves the right to publicly disclose, announce, or respond to inquiries from the media regarding, the adoption, modification, or termination of a Trading Plan and non-Rule 10b5-1 trading arrangements, or the execution of transactions made under a Trading Plan. Ascendis Pharma also reserves the right from time to time to suspend, discontinue, or otherwise prohibit transactions under a Trading Plan if the Authorizing Officer or the Board of Directors, in its discretion, determines that such suspension, discontinuation, or other prohibition is in the best interests of Ascendis Pharma.

Compliance of a Trading Plan with the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, and none of Ascendis Pharma, the Authorizing Officer, or Ascendis Pharma's other employees assumes any liability for any delay in reviewing and/or refusing to approve a Trading Plan submitted for approval, nor the legality or consequences relating to a person entering into, informing Ascendis Pharma of, or trading under, a Trading Plan.

7 Interpretation, Amendment, and Implementation of this Policy

The Chief Legal Officer shall have the authority to interpret and update this Policy and all related policies and procedures. In particular, such interpretations and updates of this Policy, as authorized by the Chief Legal Officer, may include amendments to or departures from the terms of this Policy, to the extent consistent with the general purpose of this Policy and applicable securities laws.

Actions taken by Ascendis Pharma, the Chief Legal Officer, or any other Company personnel do not constitute legal advice, nor do they insulate you from the consequences of noncompliance with this Policy or with securities laws. Overvej en section som beskriver implementation – at alle Ascendis Pharma Individuals skal og har Confirmed compliance with this Policy by Read and Understood in Ascendis Pharma compliance system

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jan Møller Mikkelsen, certify that:

1. I have reviewed this annual report on Form 20-F of Ascendis Pharma A/S (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a 15(f) and 15d 15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: February 12, 2025

By: /s/ Jan Møller Mikkelsen

Name: Jan Møller Mikkelsen

Title: Chief Executive Officer

**CERTIFICATION BY THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Scott T. Smith, certify that:

1. I have reviewed this annual report on Form 20-F of Ascendis Pharma A/S (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a 15(f) and 15d 15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: February 12, 2025

By: /s/ Scott T. Smith

Name: Scott T. Smith

Title: Chief Financial Officer and Principal Financial Officer

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C.
SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002***

In connection with the Annual Report on Form 20-F of Ascendis Pharma A/S (the "Company") for the year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Jan Møller Mikkelsen, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 12, 2025

By: /s/ Jan Møller Mikkelsen

Name: Jan Møller Mikkelsen

Title: Chief Executive Officer

**CERTIFICATION BY THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C.
SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002***

In connection with the Annual Report on Form 20-F of Ascendis Pharma A/S (the “Company”) for the year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), the undersigned Scott T. Smith, as Chief Financial Officer and Principal Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 12, 2025

By: /s/ Scott T. Smith

Name: Scott T. Smith

Title: Chief Financial Officer and Principal Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-228576, 333-203040, 333-210810, 333-211512, 333-213412, 333-214843, 333-216883, 333-254101, 333-261550, 333-270088, 333-277519, and 333-281916 on Form S-8 and Registration Statement Nos. 333-209336 and 333-282196 on Form F-3 of our report dated February 12, 2025, relating to the financial statements of Ascendis Pharma A/S and the effectiveness of Ascendis Pharma A/S's internal control over financial reporting appearing in this Annual Report on Form 20-F for the year ended December 31, 2024.

/s/ Deloitte Statsautoriseret Revisionspartnerselskab

Copenhagen, Denmark

February 12, 2025
