Ascendis Pharma A/S

Tuborg Boulevard 12
DK-2900 Hellerup
Central Business Registration No. 29 91 87 91

Annual Report 2025

(January 1 – December 31)

Adopted at the Annual General Meeting of Shareholders on March 17, 2026.

_____
Lars Lüthjohan Jensen
Chairman of the General Meeting

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Company Information

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Central Business Registration No. 29 91 87 91
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Board of Directors

Albert Cha, Chairman
Lisa Jane Morrison
William Carl Fairey Jr.
Lars Holtug
Siham Imani
Jan Møller Mikkelsen

Executive Board

Jan Møller Mikkelsen, Chief Executive Officer
Michael Wolff Jensen, Chief Legal Officer
Scott Thomas Smith, Chief Financial Officer
Anni Lotte Kirstine Pedersen, Chief Administration Officer

External Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S

Statement by Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the annual report of Ascendis Pharma A/S for the financial year January 1 to December 31, 2025.

The annual report is presented 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"). The financial statements include additional disclosures for reporting class C large sized enterprises as required by the Danish Executive Order on Adoption of IFRS as issued in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at December 31, 2025, and of their financial performance and cash flows for the financial year January 1 to December 31, 2025.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hellerup, February 11, 2026

Executive Board

Jan Møller Mikkelsen
Chief Executive Officer

Scott Thomas Smith
Chief Financial Officer

Michael Wolff Jensen
Chief Legal Officer

Anni Lotte Kirstine Pedersen
Chief Administration Officer

Board of Directors

Albert Cha
Chairman

William Carl Fairey Jr.

Lisa Jane Morrison

Siham Imani

Lars Holtug

Jan Møller Mikkelsen

Independent Auditor’s Report

To the shareholders of Ascendis Pharma A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Ascendis Pharma A/S for the financial year January 1 to December 31, 2025, which comprise statements of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at December 31, 2025, and of the results of their operations and cash flows for the financial year January 1 to December 31, 2025 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with requirements of the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit.
- We remain solely responsible for our audit opinion.

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

Copenhagen, February 11, 2026

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Niels Skannerup Vendelbo
State-Authorised Public Accountant
Identification No (MNE) 34532

Rie Merete Kjær Larsen
State-Authorised Public Accountant
Identification No (MNE) 43596

Management Commentary

Unless the context otherwise requires, references to the “Company,” “Group,” “we,” “us” and “our” refer to Ascendis Pharma A/S and its subsidiaries.

Information and disclosure specifically addressing the Parent Company Ascendis Pharma A/S are described separately in the notes. Additionally, references to “Ascendis Pharma A/S” and “Parent Company” solely refer to the Parent Company Ascendis Pharma A/S.

Consolidated Key Figures

(EUR'000)	2025	2024	2023	2022	2021
Revenue	720,132	363,641	266,718	51,174	7,778
Operating Profit/(Loss)	(136,271)	(278,763)	(455,541)	(561,814)	(451,792)
Finance Income/(Expenses) (net)	(92,688)	(74,418)	(208)	1,694	55,807
Profit/(Loss) for the Year	(228,034)	(378,084)	(481,447)	(583,194)	(383,577)
Cash and Cash Equivalents	616,041	559,543	392,164	444,767	446,267
Total Assets	1,302,570	1,179,495	825,587	1,089,738	1,084,921
Equity	(162,821)	(105,706)	(145,697)	263,348	883,635
Investments in Property Plant & Equipment*	75,576	8,929	6,848	21,680	33,894
Return on Equity (%)**	169.8	(300.8)	(818.4)	(101.7)	(445.0)
Equity Ratio (%)**	(12.5)	(9.0)	(17.6)	24.2	81.4

*including IFRS 16 right of use assets.

**Key ratios are calculated as follows:

Return on Equity: (Profit / (Loss) for the Year x 100) / Average Equity

Equity Ratio: (Equity x 100) / Total Assets

Ascendis Pharma in Brief

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 Organization

Certain of our operations are conducted through our following wholly-owned subsidiaries:

Wholly-owned subsidiaries	Domicile
Ascendis Pharma GmbH	Germany
Ascendis Pharma Endocrinology GmbH	Germany
Ascendis Pharma, LLC	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 S.R.L.	Italy
Ascendis Pharma Sverige AB	Sweden
Ascendis Pharma Switzerland GmbH	Switzerland
Ascendis Pharma Belgium BV	Belgium
ASND Portugal, Unipessoal, Lda.	Portugal

The Company has increased its number of employees to 1,189 at the end of 2025 compared to 1,017 at the end of 2024. Employees engaged with selling, general, and administration increased, primarily due to commercial activities, and extension of corporate functions to support those activities.

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, which include:

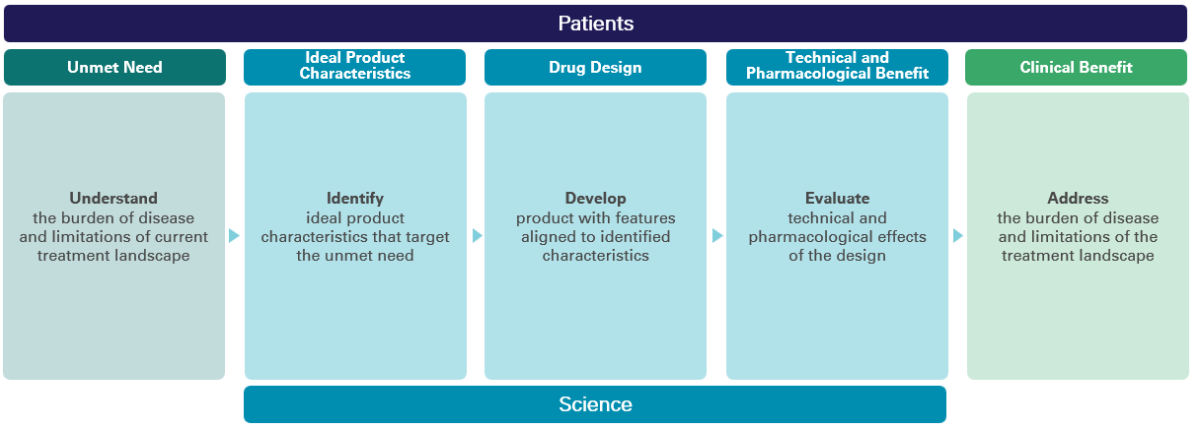
- Be the Leading Endocrinology Rare Disease Company
  - Achieve >€5B for TransCon PTH, TransCon hGH, and TransCon CNP through worldwide commercialization
  - Be the leader in growth disorders and hypoparathyroidism, pursuing clinical conditions, innovative life cycle management, and complementary patient offerings
  - Expand pipeline with Endocrinology Rare Disease blockbuster product opportunities
- Create Value in Additional Therapeutic Areas through Innovative Business Models
  - Obtain accelerated approval in oncology with registrational trials ongoing
  - Pursue TransCon product opportunities in >€5B indications
  - Maximize value creation of these product opportunities through collaboration with therapeutic area market leaders
- Differentiate with Ascendis Fundamentals
  - Outperform industry drug development benchmarks with Ascendis' product innovation algorithm
  - Remain independent as a profitable biopharma through lean and flexible ways of working
  - Let our values Patients, Science, Passion drive our decisions to success

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

We apply our TransCon technologies using our algorithm for product innovation 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

Ascendis Approach to Patient Centric Drug Design



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. When the indication is identified we make use of patient centric drug design to optimally apply our TransCon technologies to address the unmet medical need.

Program Summaries

We currently have two marketed products and a diversified portfolio consisting of four product candidates in clinical development in the areas of Endocrinology Rare Disease and Oncology. One of the four product candidates, TransCon CNP (navepegritide), is currently under review in the United States and European Union for the treatment of children with achondroplasia. Additionally, we are working to apply our TransCon technology platform in additional therapeutic areas such as metabolic diseases, where we believe we have designed a potentially best-in-class, once-monthly glucagon-like peptide 1 (“GLP-1”) product.

- YORVIPATH® (palopegteriparatide), was developed as TransCon PTH and was approved by the U.S. Food & Drug Administration ("FDA"), and authorized by the European Commission ("EC") and other regulatory agencies for the treatment of adults with hypoparathyroidism. In the European Union ("EU"), YORVIPATH is commercially available for prescription in Germany, Austria, Spain and Luxembourg and is also available in other countries through named patient programs. In the United States, YORVIPATH has been commercially available for prescription since December 2024. In Japan, YORVIPATH has been commercially available for prescription since November, 2025, through our partner Teijin Limited ("Teijin"). YORVIPATH has also been authorized by other regulatory authorities globally. Through December 31, 2025, more than 5,300 unique patients have been prescribed YORVIPATH by nearly 2,400 prescribing healthcare providers in the U.S.

- SKYTROFA® (lonapegsomatropin-tcgd) was developed as TransCon hGH and approved by the FDA 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") and for the replacement of endogenous growth hormone in adults with GHD. SKYTROFA has been commercially available for prescription in the United States since October 2021. In addition, the EC has authorized SKYTROFA (lonapegsomatropin) in the EU for the treatment of children and adolescents (3 – 18 years) with growth failure due to GHD. In the EU, SKYTROFA has been commercially available for prescription in Germany since September 2023. SKYTROFA has also been authorized by other regulatory authorities globally including in China through our strategic collaboration partner, VISEN Pharmaceuticals ("VISEN") in January 2026.

- *Endocrinology Rare Disease Pipeline* – Two product candidates in our Endocrinology Rare Disease portfolio are currently in development for additional indications and geographies. These product candidates are TransCon hGH (lonapegsomatropin) for children with Turner syndrome and TransCon CNP (navepegritide) for infants, children, and adolescents with achondroplasia. We are also investigating the combination of TransCon CNP and TransCon hGH in children with achondroplasia and other indications. In addition, we are investigating TransCon hGH in other established daily growth hormone indications and TransCon CNP, alone and in combination with TransCon hGH, for the treatment of children with hypochondroplasia, a related FGFR3-driven skeletal dysplasia. Through our strategic collaboration, Teijin is developing and, if approved, plans to commercialize TransCon hGH, and TransCon CNP for endocrinology rare diseases in Japan. In addition, VISEN is developing and, if approved, plans to commercialize TransCon PTH, and TransCon CNP for endocrinology rare diseases in the People's Republic of China, Hong Kong, Macau, and Taiwan ("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 β/γ (onvapegleukin alfa) for systemic delivery, which is designed for prolonged exposure to an IL-2 variant that selectively activates IL-2 β/γ with minimal binding to IL-2Rα. 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 β/γ.

TransCon Product Candidates Pipeline

Other than the rights we have granted to Eyconis Inc. ("Eyconis"), Novo Nordisk A/S ("Novo Nordisk"), Teijin, and VISEN as noted in this report, we hold worldwide rights to our TransCon technologies and, other than our royalty financing arrangements with Royalty Pharma as noted in this report, we owe no third-party royalty or milestone payment obligations with respect to our TransCon technologies, TransCon hGH, TransCon PTH, TransCon CNP, or any of our other product candidates.

Endocrinology Rare Diseases		Indication	Status	Region
Lead indication	**TransCon CNP**	Achondroplasia (children aged 2–11)	NDA and MAA Accepted [1]	Multinational
	TransCon CNP	Achondroplasia (children)	Long-Term Extension Trial [2]	Multinational
Label Expansion	**TransCon hGH**	Turner syndrome (children aged 1–10)	Phase 2 [3]	U.S.
	TransCon hGH	Multi-Indication (children aged 2-17)	Phase 3 [4]	Multinational
	TransCon PTH	Hypoparathyroidism (adults)	Phase 3 [5]	U.S
	TransCon PTH	Hypoparathyroidism (adolescents)	Phase 3 [6]	Multinational
	TransCon CNP	Achondroplasia (infants)	Pivotal Phase 2 [7]	Multinational
	TransCon CNP	Achondroplasia (adolescents)	Pivotal Phase 2b [8]	Multinational
	TransCon CNP	Hypochondroplasia (children aged 2-17)	Phase 3 [9]	Multinational
	TransCon CNP + TransCon hGH	Achondroplasia (children aged 2–11)	Phase 2 [10]	Multinational
	TransCon CNP + TransCon hGH	Achondroplasia (children aged 2–17)	Phase 3 [11]	Multinational
	TransCon CNP + TransCon hGH	Hypochondroplasia (children aged 2-17)	Phase 3 [12]	Multinational
	TransCon hGH	Pediatric GHD	Phase 3 [13]	Japan
	TransCon PTH	Hypoparathyroidism (adults)	Completed Phase 3 [14]	China
	TransCon CNP	Achondroplasia	Completed Phase 2 [15]	China
	TransCon CNP	Achondroplasia	Phase 3 [16]	Japan
Oncology		**Indication**	**Status**	**Region**
Lead Indication	**TransCon IL-2 β/γ**	Various tumor types	Phase 2 [17]	Multinational

Note: The above chart lists our current clinical interventional trials related to the disclosed indication. Other ongoing clinical or observational studies not expected to directly support regulatory submissions are not disclosed

1. *ApproaCH Trial (NCT05598320). Priority Review granted by U.S. FDA, PDUFA goal date February 28, 2026.*
2. *AttaCH Trial (NCT05929807). Includes patients from ACcomplisH and ApproaCH.*
3. *New InsiGHTS Trial (NCT05690386).*
4. *HighLiGHts Trial (NCT07221851).*
5. *PaTHway60 Trial (NCT07081997).*
6. *PaTHway Adolescent Trial (NCT05203198).*
7. *reACHin Trial (NCT06079398).*
8. *teACH Trial (NCT06732895).*
9. *Hypochondroplasia Monotherapy Trial (NCT pending).*
10. *COACH Trial (NCT06433557).*
11. *Trial Protocol filed (NCT pending),*
12. *Hypochondroplasia Combination Trial (NCT pending).*
13. *Japanese riGHt Trial.*
14. *PaTHway China Trial (NCT05387070).*
15. *ACcomplisH China Trial (NCT05246033).*
16. *Japanese ApproaCH Trial.*
17. *IL-Believe Trial (NCT05081609).*

We maintain an intellectual property portfolio comprising over 465 granted patents and over 625 patent applications as of December 31, 2025, 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 or product candidates, TransCon hGH, TransCon PTH, TransCon CNP, 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, 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, YORVIPATH and SKYTROFA. Our U.S. organization includes various departments, including sales, market access, patient support, and medical affairs teams. The sales team engages with healthcare providers to present products, usage, and safety guidelines in accordance with the label. Our market access team engages with health authorities, insurance companies, and payers to support patients in need of gaining access to our products. Our patient support team facilitates reimbursement support and out-of-pocket assistance and provides educational resources and product training. Our medical affairs team engages in scientific exchange with the physician and medical community. We have also established a network of specialty pharmacies to support product distribution.

In Europe, we have established our presence by building integrated organizations to commercialize our approved Endocrinology Rare Disease products in select countries, which we call "Europe Direct." Our Europe Direct country clusters include DACH (Germany, Austria, and Switzerland), France & BeNeLux (Belgium, the Netherlands, and Luxembourg), Iberia (Portugal and Spain), Italy, Nordics (Denmark, Norway, Sweden, Iceland, and Finland), and the United Kingdom & Ireland.

Beyond the U.S. and Europe Direct, we are expanding global reach for our Endocrinology Rare Disease products through exclusive sales and distribution agreements with geographic market leaders, which we call "International Markets." As of December 31, 2025, we have agreements covering over 75 countries.

Finally, we are making our Endocrinology Rare Disease products commercially available in China and Japan under exclusive license agreements with partners with local development and commercialization expertise and infrastructure, which we call strategic collaborations. In Japan, Teijin has exclusive license rights to develop and commercialize TransCon hGH, TransCon PTH, and TransCon CNP. In Greater China, VISEN has exclusive license rights to develop and commercialize TransCon hGH, TransCon PTH, and TransCon CNP.

Demand for our products has not been subject to material seasonal changes.

On April 2, 2025, an executive order was issued in the United States implementing "Reciprocal Tariffs" on most U.S. trading partners, with a 10% baseline tariff on imports from most trading partners and an additional individualized reciprocal tariff on countries with larger trade deficits. After a series of pauses in implementation, on August 7, 2025, these tariffs went into effect. Some goods will not initially be subject to the Reciprocal Tariffs, including pharmaceuticals. While there can be no assurance that pharmaceuticals will remain free from Reciprocal Tariffs or other trade barriers in the future, we currently believe the impact of the Reciprocal Tariffs on our operations will be immaterial. As the Reciprocal Tariffs remain subject to ongoing scrutiny, including ongoing review by the Supreme Court of the United States, we continue to monitor and assess the possible impacts of existing and potential tariffs on our operations.

TransCon Technologies

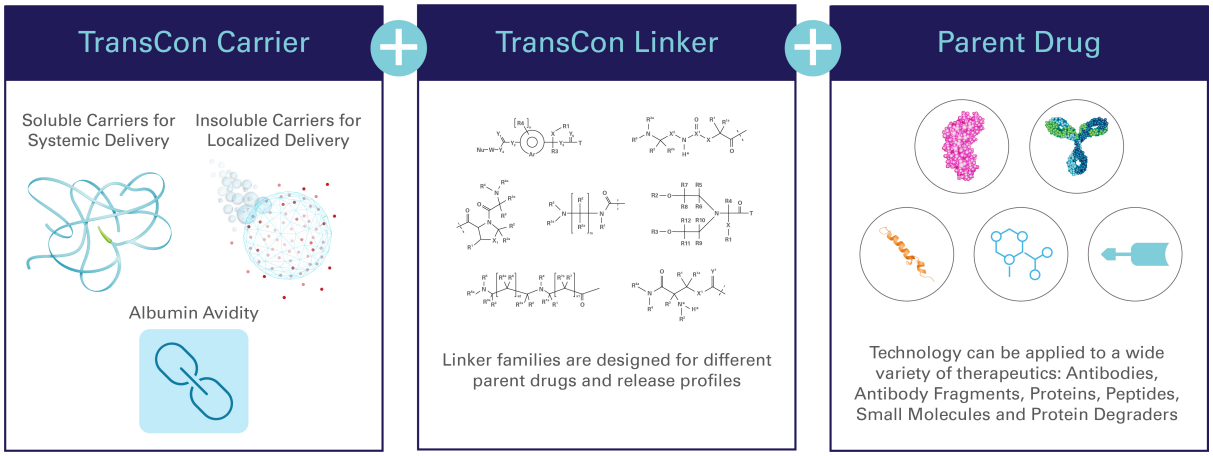
Overview

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 prodrugs can have up to three components: a parent drug, an inert TransCon carrier that protects it, and a TransCon linker that temporarily binds the two. When bound in prodrug form, the carrier inactivates the parent drug and shields it from receptor uptake, renal clearance, and enzymatic degradation. When injected into the body, physiologic pH and temperature conditions initiate sustained release of the active, unmodified parent drug at a predictable rate.

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

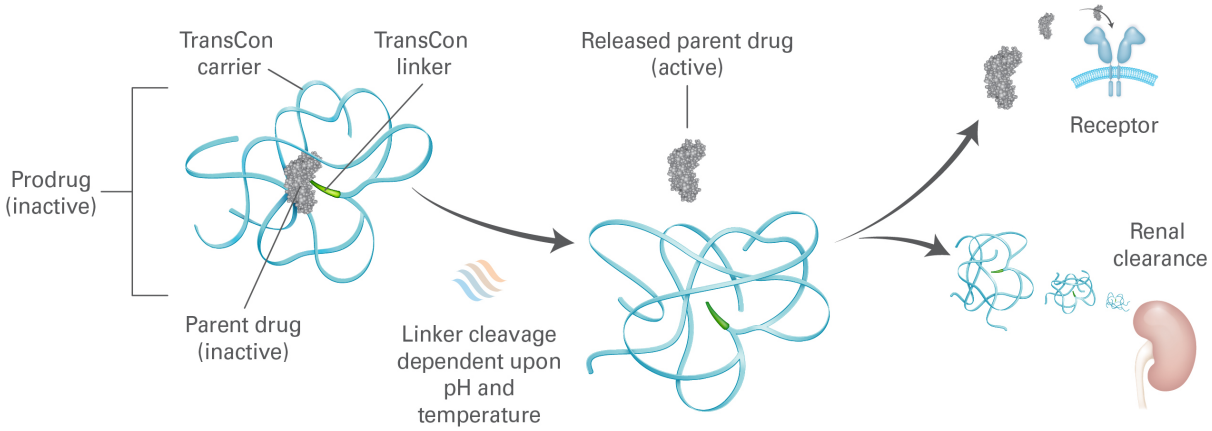


TransCon Technology Components

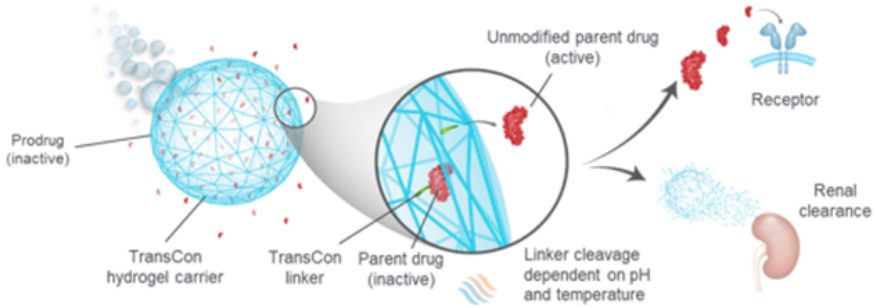
TransCon Carriers

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. 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 and Product Candidates - Endocrinology Rare Disease

Hypoparathyroidism

Overview of Hypoparathyroidism

Hypoparathyroidism is a rare endocrine disease caused by insufficient levels of parathyroid hormone ("PTH"). As reported in a 2016 paper by Clarke BL, et al. (J Clin Endocrinol Metab. 2016 Jun;101(6):2284-99), 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 by Hadker et al. (Endocrine Pr. 20(7), 671–679), 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 by Brod et al. (Qual of Life Res. 2021 Jan; 30(1):277-291), 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. According to a retrospective review (Chen K, et al. *J Med Econ*. Nov 2019;22(11):1141-1152) 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. In December 2025, Takeda announced that the NATPARA Special Use Program would permanently close on December 31, 2025, after which no patients would have access to NATPARA in the United States.

Other companies and groups are developing therapies for hypoparathyroidism at the clinical stage, including Calcilytix (a BridgeBio company), Entera Bio/Opko Health, Extend Biosciences, 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 more than 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 more than 100,000 patients in the rest of Europe.

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.

TransCon PTH for the Treatment of Hypoparathyroidism

In November 2025, Teijin announced that YORVIPATH is commercially available for prescription.

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 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 January 2024, we announced commercial availability of YORVIPATH in Germany and Austria, and we began shipping to customers in February 2024.

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 and provides ten years of market exclusivity.

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.

Clinical Development of TransCon PTH for Treatment of Hypoparathyroidism in Adults

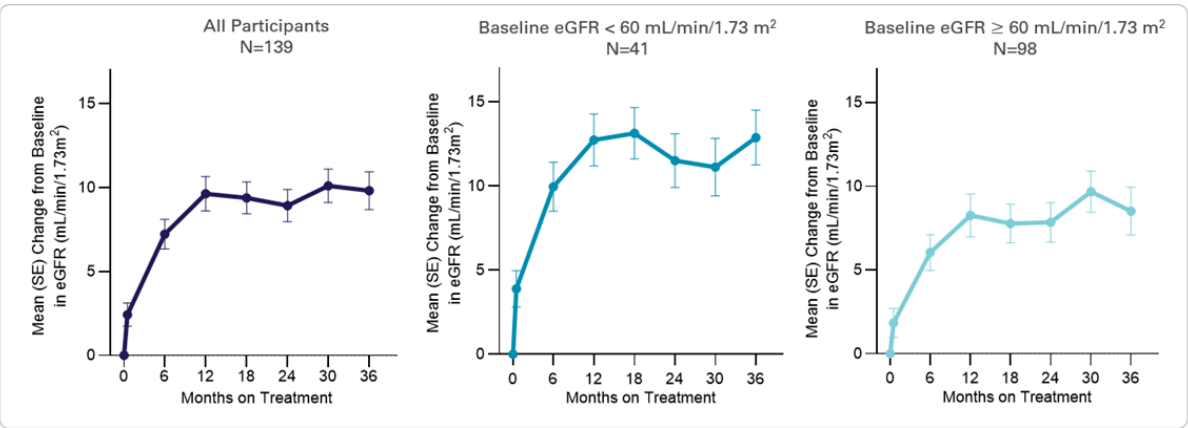
TransCon PTH was evaluated for the treatment of hypoparathyroidism in adults in the Phase 3 PaTHway Trial, Phase 3 PaTHway Japan Trial (open label extension ongoing), and the Phase 2 PaTH Forward Trial.

The PaTHway Trial completed with 73 of 82 patients originally enrolled and dosed completing the 3.5-year trial. Nine patients withdrew from the trial for reasons unrelated to safety.

The PaTH Forward Trial recently completed with 56 patients out of 59 patients originally enrolled and dosed completing the five-year trial. Three patients withdrew from the trial for reasons unrelated to safety or efficacy of the study drug.

In November 2025, we presented a new pooled analysis showing sustained and clinically meaningful improvements in renal function in adults with hypoparathyroidism treated with TransCon PTH (palopegteriparatide) through Year 3 of our Phase 2 PaTH Forward and Phase 3 PaTHway trials.

Sustained Improvements in eGFR From Baseline



The trials included a combined 141 adults with hypoparathyroidism, 139 of whom (mean age 49 years) are represented in the pooled analysis. The PaTH Forward and PaTHway trials comprised randomized, double-blind, placebo-controlled periods through Weeks 4 and 26 and open-label extension periods through Weeks 266 and 182, respectively. An eGFR ≥30 mL/min/1.73 m^2 was required for trial eligibility. The three-year data were analyzed post-hoc and included evaluation of the long-term impact of TransCon PTH on renal function as assessed by eGFR. Mean (SD) baseline eGFR in the trials was 69 (17) mL/min/1.73 m^2. The pooled analysis included 41 patients with baseline eGFR <60 mL/min/1.73 m^2 and 98 patients with baseline >60 mL/min/1.73 m^2. Safety assessments included 24-hour urine calcium excretion and treatment-emergent adverse events (TEAEs).

At Year 3, ≥91% of patients receiving palopegteriparatide in both trials were independent from conventional therapy (defined as taking no active vitamin D and ≤600 mg/day of calcium) and ≥84% patients had normocalcemia (8.3-10.6 mg/dL). Sustained and clinically meaningful improvements in eGFR (≥5 mL/ min / 1.73 m^2) were observed in 70.3%, with numerically greater improvements observed in those with lower baseline eGFR. The greatest increases in eGFR were observed in the first 6 months of treatment with TransCon PTH, with a continued upward trend thereafter. Mean (SD) eGFR increased from baseline to Year 3 by 9.8 (10.9) mL/min/1.73 m^2 in PaTH Forward and by 8.8 (11.9) mL/min/1.73 m^2 in PaTHway.

In July 2025, we announced new data from Week 156 of our Phase 3 PaTHway Trial, confirming that long-term treatment with TransCon PTH (palopegteriparatide) continued to provide a durable response in adults with hypoparathyroidism regardless of its cause (post-surgical, autoimmune, genetic, or idiopathic), including improvements in biochemistries, kidney function, and quality of life. At Week 156, 64 patients (88%) had normal albumin-adjusted serum calcium levels and 70 patients (96%) were independent from conventional therapy (defined as taking < 600 mg/day of calcium and not taking active vitamin D). Reflecting clinically meaningful improvements in kidney function, improvements in eGFR from baseline were sustained through Week 156: mean eGFR increased by 8.76 mL/min/1.73 m^2 across all participants and by 13.98 mL/min/1.73 m^2 in participants with baseline eGFR < 60. Patients in the trial reported continued improvements from baseline in their hypoparathyroidism-related symptoms and health-related QOL and showed continued normalization of 24-hour urine calcium excretion through Week 156. In the trial, TransCon PTH treatment was generally well-tolerated, with no new safety signals identified. TEAEs were mostly mild or moderate and no serious TEAEs or discontinuations were related to study drug.

In May 2025, we announced four-year (Week 214) results from our Phase 2 PaTH Forward Trial showing that long-term treatment with TransCon PTH (palopegteriparatide) continued to provide a durable response in adults with hypoparathyroidism. At Week 214, nearly all patients (98%) continued to have normal albumin-adjusted serum calcium levels and 93% remained independent from conventional therapy (defined as taking < 600 mg/day of calcium and not taking active vitamin D). Bone turnover markers CTx and P1NP increased from the low end of normal at baseline, peaked by Week 26, then declined and remained stable above baseline levels through Week 214. The data also showed continued improvement in skeletal dynamics, with bone mineral density remaining within age- and sex-matched norms. In addition, at Week 214, most participants (67.8%) had a clinically meaningful (≥ 5 mL/min/1.73 m^2) increase in eGFR from baseline, with changes in eGFR evident at Week 4. In the trial, TransCon PTH treatment was generally well-tolerated, with no new safety signals identified. TEAEs were mostly mild or moderate and no serious TEAEs or discontinuations were related to study drug.

In September 2024, we announced results from the 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 PTH 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.

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/1.73m^2 (p<0.0001) from baseline at Week 52, sustained at Week 104 with a mean change from baseline of 9.0 mL/min/1.73m^2 (p<0.0001). Treatment was generally well-tolerated, with no new safety signals.

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. The open-label extension (“OLE”) of this trial has been extended, and all patients have transitioned into the Investigational Medical Product supply period designed to ensure continuous treatment through the launch of YORVIPATH in Japan. In November 2025, Teijin announced that YORVIPATH is commercially available for prescription.

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.

Growth Disorders

Market Opportunity for Recombinant Human Growth Hormone

GHD is a serious rare 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. *J Manag Care Spec Pharm.* 2021; 27(8):1118-1128). The observational retrospective cohort analysis utilized administrative claims data from two databases on more than 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 patients can experience reduced quality of life and increased risk of morbidity and mortality. In a retrospective observational study by Hoffman et al. (*Advances in Therapy, 2025;* 42(6):2853–2873) which analyzed electronic health records in the U.S. to identify patients with a high likelihood of adult GHD, 54,310 patients were identified as at risk for adult GHD, of which, only 3.1% 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.

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 authorized by the EC 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, JCR Pharmaceuticals Co., Ltd., Kexing Biopharm, Qianhon Biopharma (Zonhon) and Evive Biotech (Yifan).

TransCon Growth Hormone (hGH)

TransCon hGH (lonapegsomatropin) is a prodrug composed of somatropin that is transiently bound to a TransCon carrier by a proprietary TransCon 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 and Adult 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 July 2025, we announced that the FDA had approved SKYTROFA (lonapegsomatropin-tcgd; developed as TransCon hGH) for the replacement of endogenous growth hormone in adults with growth hormone deficiency (GHD), a rare disorder resulting from decreased or total loss of growth hormone production. Further, on October 22, 2025, we announced commercial availability of SKYTROFA (TransCon hGH) in broader dosing ranges in the United States for the replacement of endogenous growth hormone in adults with growth hormone deficiency.

Clinical Trial of TransCon hGH in Japanese Pediatric GHD

In the ongoing Phase 3 riGHt Trial, we are evaluating TransCon hGH (N=15) compared to somatropin (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 somatropin'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 address important patient needs.

TransCon Growth Hormone (hGH) for Other Indications

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 ("AHV") 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. As of December 31, 2025, 45 out of the 49 children are ongoing in the trial. TransCon hGH was generally safe and well tolerated, and with comparable safety and tolerability to daily somatropin, with four discontinuations from the trial for reasons unrelated to safety or efficacy of the study drug.

During the third quarter of 2025, we submitted the protocol for a basket trial evaluating additional growth disorder indications (planned for small for gestational age without catch-up growth; idiopathic short stature; SHOX deficiency (including Turner syndrome)). In addition, we are investigating potential combinations of TransCon hGH and TransCon CNP. For more information see the section entitled “Combination Therapy (TransCon CNP + TransCon hGH).”

Achondroplasia

Overview of Achondroplasia

Achondroplasia is a rare genetic condition arising from a systemic fibroblast growth factor receptor 3 (“FGFR3”) variant, which causes serious muscular, neurological, and cardiorespiratory complications in addition to the well-characterized skeletal dysplasia that leads to disproportionate short stature. Achondroplasia is associated with a well-delineated range of clinical complications and manifestations, occurring in about one in 10,000 to 30,000 newborns or more than 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 caused by gain-of-function variants of the FGFR3 gene resulting in constitutive activation of FGFR3 that leads to an imbalance between the effects of the FGFR3 and C-type natriuretic peptide (“CNP”) signaling . In achondroplasia, FGFR3 is constitutively activated, suppressing the differentiation of chondrocytes in the growth plate leading to poor endochondral bone growth and causing dysfunction in the skeletal muscle. Preclinical and clinical data show that therapeutic continuous CNP exposure helps to counteract the constitutively activated FGFR3 downstream.

In November 2021, BioMarin Pharmaceutical Inc.’s (“BioMarin”) 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 product candidate.

BioMarin has initiated certain legal proceedings aimed at delaying or preventing patient access to TransCon CNP. We believe BioMarin’s claims lack merit and that these actions threaten potential harm to patients by limiting or preventing access to a treatment option that has the potential to address multiple unmet clinical needs.

These legal proceedings include a case filed by BioMarin before the Unified Patent Court (“UPC”) in Munich related to alleged infringement against EP3175863 (the “‘863 patent”), along with a complaint filed with the U.S. International Trade Commission (“ITC”) related to alleged infringement of U.S. Reissue Patent No. 48,267. Trial in the ITC is set for April 2026. In response to the ITC action, we initiated legal action before the District Court in the U.S. Northern District of California. The District Court litigation has been stayed in view of the pending ITC proceedings.

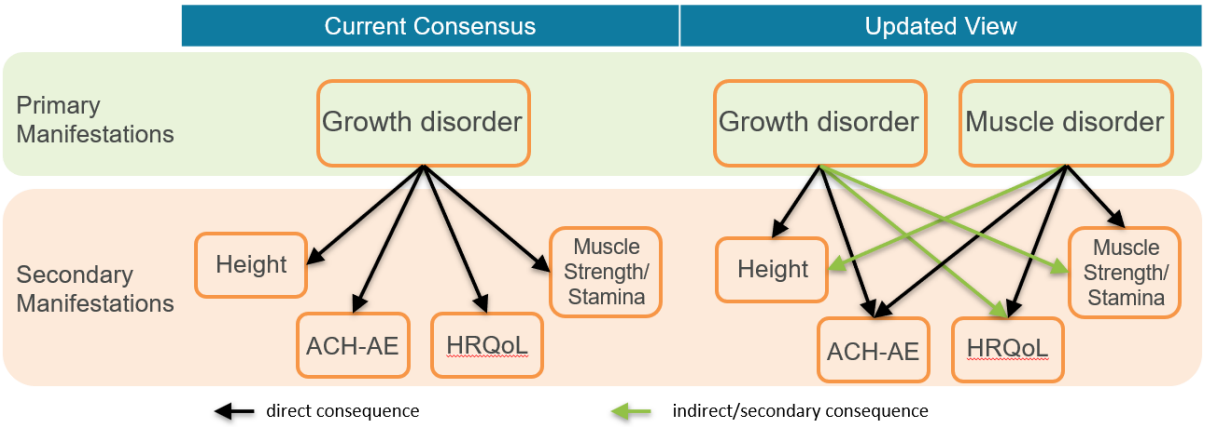
In the European case, we took the view that we did not infringe the ‘863 patent and that the patent was, in any event, invalid. Following opposition proceedings against the ‘863 patent that were initiated before the European Patent Office (“EPO”) in September 2022, the EPO Technical Boards of Appeal revoked the ‘863 patent in its entirety on October 16, 2025. As a consequence of the revocation, the UPC dismissed the infringement case on December 29, 2025, which included an agreement for BioMarin to reimburse Ascendis for certain legal expenses related to the case. In addition, we have instituted proceedings before the Danish Maritime and Commercial High Court, claiming entitlement to European patent applications EP21211450.8, EP25151367.7 and EP25175852.0, all of which are divisional applications of the revoked ‘863 patent. The EPO has granted a stay of proceedings with respect to these divisional applications.

On June 12, 2025, BioMarin also submitted a Citizen Petition to the FDA under Section 505(q) of the Federal Food, Drug and Cosmetic Act requesting that FDA refrain from approving any analog of human CNP as a treatment for achondroplasia until orphan-drug exclusivities applicable to

VOXZOGO expire. We submitted a response to the FDA in September 2025 and do not believe that our pending NDA for TransCon CNP (navepegritide) should be impacted by the Citizen Petition.
Also, on October 21, 2025, we filed a petition before the Korean Intellectual Property Trial and Appeal Board ("IPTAB") for the invalidation of BioMarin's Korean patent KR2033680.

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 QOL; Height; Reduced height. Muscle Strength/Stamina; Reduced muscular functionality, including reduced strength and stamina.

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, and release unmodified CNP (89-126), 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 while avoiding a high C_{max} to correlate with better therapeutic outcomes.

TransCon CNP for the Treatment of Achondroplasia

We submitted a New Drug Application ("NDA") for the treatment of children with achondroplasia on March 31, 2025 and the FDA has accepted for priority review our NDA for TransCon CNP (navepegritide). As a result of further information from the Company submitted to the FDA on November 5, 2025, related to the post-marketing requirement in response to the FDA's ongoing review of the NDA, the FDA has set a Prescription Drug User Fee Act ("PDUFA") goal date of February 28, 2026 to complete its review. In addition, we submitted a Marketing Authorisation Application ("MAA") to the European Medicines Agency ("EMA") for the treatment of children with achondroplasia on October 8, 2025.

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

Clinical Development of TransCon CNP for Achondroplasia

Our pivotal ApproaCH Trial, our Phase 2 ACcomplisH Trial, and our long-term extension trial AttaCH, 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). As of December 31, 2025, 80 children who completed the ApproaCH trial have rolled over into the AttaCH open-label extension trial and are all continuing treatment in the extension trial.

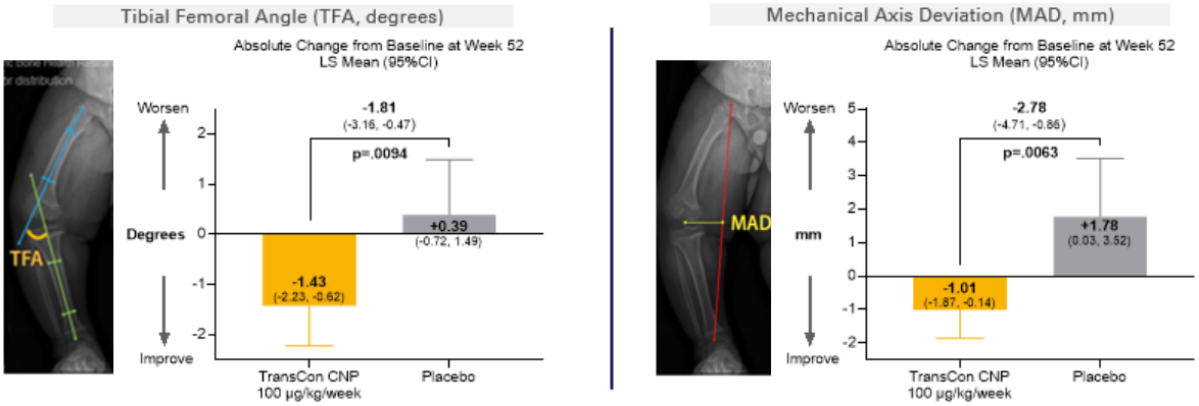
In November 2025, we announced that Week 52 results from the pivotal ApproaCH trial were published in *JAMA Pediatrics* titled "Once-Weekly Navepegritide in Children with Achondroplasia: The ApproaCH Randomized Clinical Trial."

The authors reported that treatment with TransCon CNP led to significantly higher annualized growth velocity (AGV) at Week 52 compared to placebo (primary endpoint), as well as improved lower limb alignment and body proportionality and positive changes in health-related QOL, with a safety and tolerability profile similar to placebo. The publication is available at Savarirayan R, et al. *JAMA Pediatr*. 2026;180(1):18-25. doi:10.1001/jamapediatrics.2025.4771.

In September 2025, we announced new analyses from the pivotal ApproaCH Trial were presented at the American Society for Bone and Mineral Research (ASBMR) Annual Meeting. The new analyses showed that children treated with TransCon CNP had improvements in the Physical Functioning domain of the Achondroplasia Child Experience Measure (ACEM-PF), with greatest benefits in younger children who had more severe genu varum (≥5°) at baseline, supporting benefits beyond linear growth. Further analyses showed correlations between improvements in physical functioning and improvements in lower limb alignment in these children, supporting the potential for TransCon CNP to provide benefits beyond linear growth.

In May 2025, we announced data demonstrating improvements in growth and bone morphometry from Week 52 of our pivotal ApproaCH Trial of TransCon CNP (navepegritide) in children with achondroplasia. TransCon CNP demonstrated superiority over placebo in annualized growth velocity (AGV), with a safety and tolerability profile comparable to placebo that included a low rate of injection site reactions, no treatment-related serious adverse events (SAEs), no cases of symptomatic hypotension, no fractures, and no acceleration of bone age versus chronological age. Analyses also showed that TransCon CNP improved aspects of bone morphometry at Week 52. This included improvement in lower limb alignment and proportional growth, as well as increases in spinal canal dimensions, versus placebo.

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 achondroplasia-specific height Z-score, children treated with TransCon CNP (n=57) demonstrated an LS mean change from baseline achondroplasia-specific 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-based 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

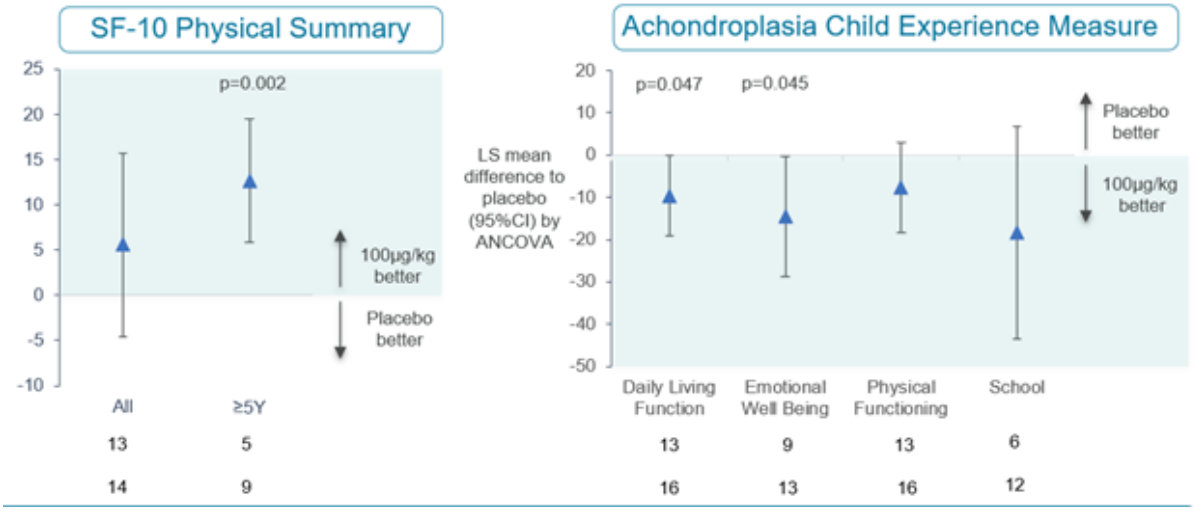
- TransCon CNP was generally well-tolerated and demonstrated safety profile similar to that observed in the placebo arm, with generally mild treatment emergent adverse events ("TEAEs"), no evidence of hypotensive effect, and a low frequency of injection site reactions (0.41 events per patient year), 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.

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 QoL 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 QOL, 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.

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During the third quarter of 2023, we filed an Investigational New Drug Application 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).

The ACcomplisH Trial completed in October 2024, with 55 of the original 57 children transitioning into AttaCH (n=53) a multicenter, long-term, open-label extension trial to continue treatment with TransCon CNP 100 µg/kg/week, and into COACH (n=2), a TransCon CNP and TransCon hGH combination therapy trial. Two children did not roll-over for reasons unrelated to safety or efficacy of the study drug. For more information, see section entitled, “Combination Therapy TransCon CNP + TransCon hGH.”

As of December 31, 2025, 53 children continue in AttaCH with three children withdrawn from treatment, for reasons unrelated to safety or efficacy of the study drug. Seven (n=7) children from AttaCH were enrolled and continue in COACH. There have been no withdrawals from COACH.

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.

Combination Therapy (TransCon CNP + TransCon hGH)

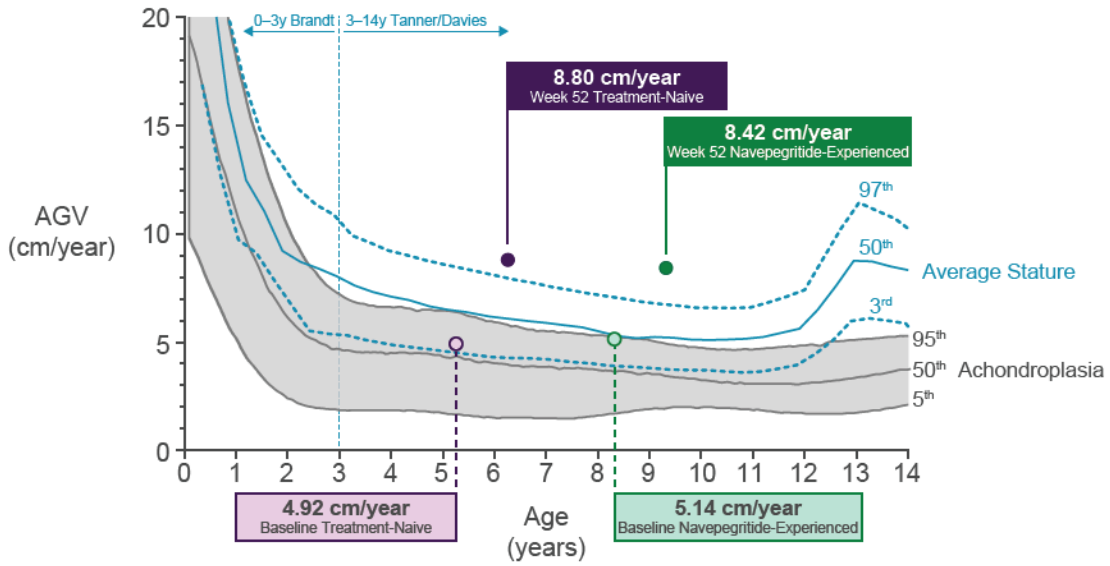
TransCon CNP has demonstrated improvement in linear growth and in benefits beyond height. Clinical use of daily growth hormone monotherapy has demonstrated some growth improvements in children with achondroplasia; however, without reports of benefits beyond height, as it does not address the underlying overactive FGFR3 signaling pathway.

We believe the combination of once-weekly TransCon CNP and TransCon hGH, through two independent and complementary mechanisms of action, may provide benefits beyond monotherapies in achondroplasia. The active CNP released from TransCon CNP continuously relieves the pre-hypertrophic block in the growth plate, enabling the strong complementary effect of unmodified somatropin released from TransCon hGH.

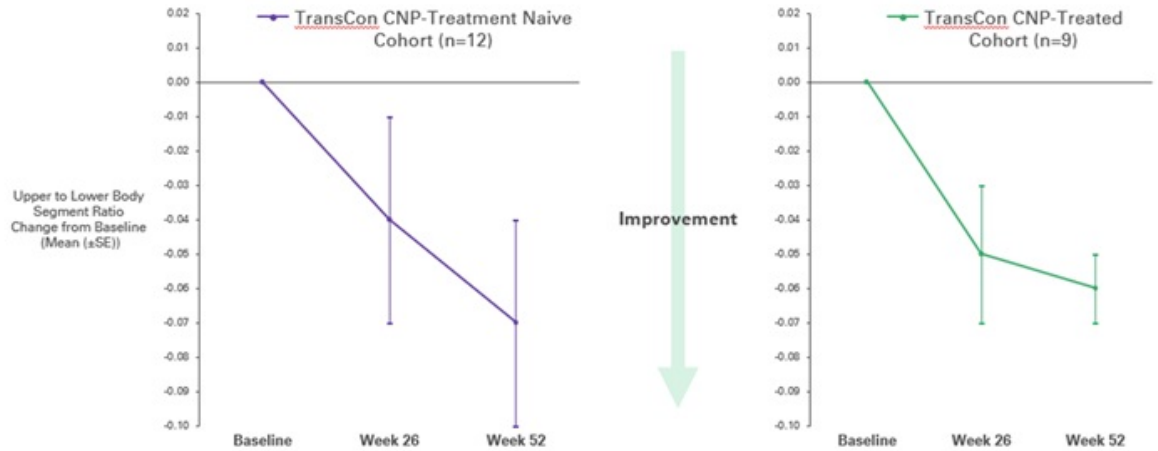
COACH, a Phase 2 open-label single-arm trial is the first clinical trial to evaluate combination treatment with once-weekly investigational TransCon CNP (navepegritide) and once-weekly TransCon hGH (lonapegsomatropin) in children with achondroplasia (age 2 to 11 years). The primary objective is to evaluate 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 enrolled 21 children (treatment naïve, n=12; prior treatment with TransCon CNP (100 µg/kg/week) for at least 1 year, n=9).

In January 2026, we announced topline results from Week 52 of COACH, the first Phase 2 clinical trial to evaluate combination therapy with once-weekly TransCon CNP (navepegritide) and once-weekly TransCon hGH (lonapegsomatropin) in children with achondroplasia. Annualized growth velocity exceeded the 97th percentile of average stature children and the improvement in achondroplasia-specific height Z-score indicated a tripling of efficacy compared to TransCon CNP monotherapy. Additionally, combination therapy demonstrated benefits beyond linear growth with improvements in body proportionality and arm span, aligning with the increase in linear growth. The combination therapy was generally well tolerated, with generally mild TEAEs, consistent with TransCon CNP and TransCon hGH monotherapies.

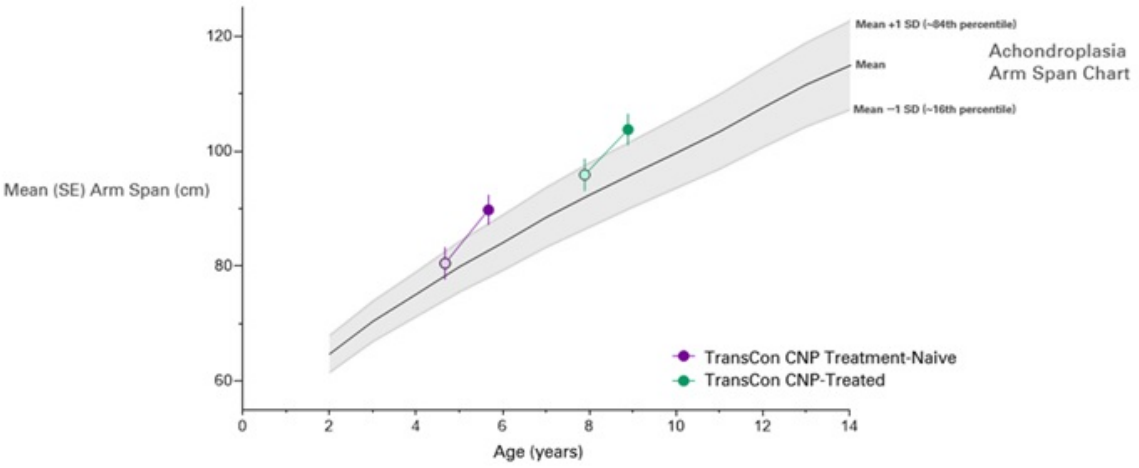
At week-52, the mean AGV with TransCon CNP and TransCon hGH combination treatment continued to exceed the 97th percentile of average-stature children.



At week-52, TransCon hGH + TransCon CNP treatment demonstrated accelerated improvement in body proportionality, aligning with the increase in linear growth.



At week-52, arm span of children treated with combination therapy improved beyond the 84th-percentile of children with achondroplasia.



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 potentially improve 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 HER2+ breast cancer, platinum resistant ovarian cancer and melanoma. Aside from Proleukin being the only approved IL-2, TransCon IL-2 β/γ may face competition from other IL-2 type drug candidates in development, including those being developed by Anaveon, Asher Bio, Aulos, Dragonfly, GI Innovation, Hanmi Pharmaceutical, Innovent, Medicenna, Roche, Synthekine, and Werewolf. In addition, TransCon IL-2 β/γ may face competition from drug candidates in development for platinum resistant ovarian cancer, including Astra Zeneca, Corcept, Daiichi Sankyo, Eli Lilly, Genelux, Genmab, and Merck. In melanoma, TransCon IL-2 β/γ may face competition from drug candidates in development including from Immatics, Immunocore, Innovent, Replimune, Regeneron, and Philogen.

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 combinations 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 early clinical and 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 β/γ for Sustained Systemic Release

TransCon IL-2 β/γ (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 β/γ, with minimal binding to IL-2Rα. The IL-Believe Trial, a Phase 1/2 clinical trial to evaluate the safety and efficacy of TransCon IL-2 β/γ in locally advanced or metastatic solid tumors, alone or in combination with pembrolizumab or other anti-cancer therapies, has completed dose escalation and is enrolling patients in multiple indication-specific dose expansion cohorts, including platinum-resistant ovarian cancer ("PROC"), melanoma, and HER2+ breast cancer.

In October 2025, we reported updated results at the European Society for Medical Oncology ("ESMO") that further indicate clinical activity in late-line patients with PROC treated with TransCon IL-2 β/γ with weekly paclitaxel (Cohort 3, 3SK, and 14 in the IL-Believe Trial). As of data cutoff date of September 2, 2025, 70 patients (median 4 prior lines of therapy; 67% previously treated with at least 2 lines of taxane-containing therapy) were enrolled and 53 were efficacy-evaluable to-date, with 7 pending first post-baseline scan. Clinical responses were observed in 25% (13/53) of patients who had received two to ten prior lines of therapy (three confirmed and ten unconfirmed responses, with six of the unconfirmed continuing on study treatment). Data continued to suggest that TransCon IL-2 β/γ in combination with weekly paclitaxel is generally well-tolerated with the majority of TransCon IL-2 β/γ-related TEAEs being grade 1 or 2 in severity.

TransCon IL-2 b/g induced significant peripheral expansion of cytotoxic CD8+ T cells and natural killer cells with minimal expansion of regulatory T cells, despite concurrent chemotherapy. Proliferating antigen-experienced PD-1+CD8+ T cells expanded significantly at 1 week post dose. Expanded PD-1+CD8+ T cells predominantly exhibited stem-like or transitory states, with limited progression to terminally differentiated or exhausted phenotypes. In addition, clinical responses significantly correlated with peripheral CD8+ T cell expansion in PROC. Furthermore, significant increase in CD8+ T cells was observed in the tumor of paired on-treatment biopsies from all available paired pre-treatment and on-treatment tumor samples from IL Believe Trial as of September 2, 2025, dosed at 80 (n=2) or 120 µg/kg (n=11).

We expect to provide median overall survival ("OS") data for this cohort of 70 patients in the second quarter of 2026 as the dataset continues to mature.

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 β/γ. Data included the first presentation of Phase 2 dose expansion Cohort 4 (TransCon IL-2 b/gin 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 µg/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 β/γ 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 β/γ 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 recommended Phase 2 dose ("RP2D") determined at 120 µg/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 µg/kg IV every three weeks with 25 heavily pre-treated patients enrolled and a median of four prior lines of systemic therapies.

Strategic Collaborations and Investments

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 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 that was paid to us in January 2025. For each additional metabolic or cardiovascular disease product candidate, we are 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.

In January 2025, we announced that our multi-product collaboration with Novo Nordisk for TransCon technology-based therapies in obesity and metabolic diseases continues and that the lead program TransCon Semaglutide, remains on track to enter the clinic as anticipated.

Teijin Limited

In November 2023, we announced that we entered into an exclusive license agreement with Teijin 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, 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 November 2025, Teijin announced that YORVIPATH is commercially available for prescription.

VISEN Pharmaceuticals

In November 2018, we announced the formation of VISEN, a company established to develop 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 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 an additional $12.5 million in VISEN as part of VISEN's $150 million Series B financing.

On March 20, 2025, VISEN announced the pricing of its initial public offering ("IPO") on the Hong Kong Stock Exchange. The shares offered in the IPO were priced at HKD 68.80 per share and expected to result in gross proceeds of HKD 783,288,000 (approximately USD 100 million) plus a potential greenshoe of up to HKD 117,489,760 (approximately USD 15 million). This amount was calculated before deducting underwriting discounts, commissions, and other offering expenses. The IPO closed on March 21, 2025, and VISEN's shares began trading under the stock code 2561.HK. Ascendis Pharma holds 41,136,364 shares in VISEN. Following the IPO, the Company owned 39.2% in VISEN. The management and existing shareholders of VISEN, including Ascendis Pharma, have entered into customary lock-up agreements restricting the sale of VISEN shares for six months following the IPO; additionally, certain significant shareholders of VISEN, including Ascendis Pharma, are subject to an additional lock-up obligation during the period commencing on the date that is six months after the IPO and ending on the date that is 12 months after the IPO during which such shareholders may not sell shares of VISEN to an extent that would cause such shareholder to cease being a controlling shareholder of the VISEN pursuant to applicable listing rules. As of December 31, 2025 and 2024, the Company's ownership in VISEN was 39.2% and 43.9%, respectively. As of December 31, 2025, VISEN's share price at the Hong Kong Stock Exchange was HK$32.80, reflecting the market value of the Company's equity position of €147.5 million.

In January 2026, VISEN announced its biologics license application ("BLA") for lonapegsomatropin (TransCon hGH) was approved by the National Medical Products Administration ("NMPA") of China for the treatment of pediatric patients who have growth failure due to inadequate secretion of growth hormone in China.

In September 2025, VISEN announced that palopegteriparatide (TransCon PTH) was approved by the Hainan Medical Products Administration for clinical use in the Boao Lecheng Pilot Zone for the treatment of adults with chronic hypoparathyroidism.

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 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 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.

Eyconis, Inc

In January 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 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, 2025, and 2024, the Company’s ownership in Eyconis was 33.2% and 41.6%, respectively.

Financial Review

Compared to the year ended December 31, 2024, revenue for the year ended December 31, 2025, primarily benefited from the continued growth of YORVIPATH global sales. Operating loss was €136.3 million, representing an improvement of €142.5 million compared to December 31, 2024, which, in addition to an increase in revenue, was impacted by higher operating expenses related to commercial expansion. We had a net loss of €228.0 million for the year ended December 31, 2025, which, in addition to operating loss, was driven primarily by non-cash financial items. In addition, net loss was positively impacted by share of profit/(loss) of associates, which includes a non-cash gain of €35.7 million related to the Initial Public Offering of VISEN in March 2025.

Cash flows from operating activities were positive for the year ended December 31, 2025 representing an improvement of €360.1 million, compared to last year, attributable to improved operating performance. Refer to section “Liquidity and Capital Resources” for further information.

Foreign currency translation reduced reported revenue for the year ended December 31, 2025 by €38.9 million compared to last year´s exchange rate. Similarly, operating expenses decreased due to currency translation by €14.6 million compared to last year.

Our total equity presented a deficit of €162.8 million as of December 31, 2025, compared to a deficit of €105.7 million as of December 31, 2024.

Further details about our results of operations are described in the following sections.

All employees in Denmark (domicile country) are employed by the Parent Company, and accordingly, neither of the Danish subsidiaries have employees. Furthermore, all external, project related expenses, as well as site costs incurred by foreign subsidiaries are being financed by the Parent Company. All direct related project expenses are invoiced to subsidiaries that holds the license rights for the product candidates. In addition, the Parent Company provides services to subsidiaries, which are disclosed as revenue in the Parent Company’s separate financial statements. All intergroup transactions are made on an arms-length basis and eliminated in the consolidated financial statements.

Accordingly, operating results in the Parent Company highly depend on project related activities in the Group.

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 take 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 expenses (“R&D expenses”) 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.

Revenue

Revenue for the year ended December 31, 2025, was €720.1 million, representing an increase of €356.5 million compared to last year. This increase was primarily attributable to the continued growth of YORVIPATH global sales, partly offset by the recognition of a $100 million upfront payment in 2024 related to our exclusive license agreement with Novo Nordisk.

Cost of Sales

Cost of sales for the year ended December 31, 2025, was €94.9 million, representing an increase of €50.7 million compared to last year. This increase was primarily attributable to increased sales of commercial products and costs under our Strategic Collaborations.

Research and Development Expenses

R&D expenses for the year ended December 31, 2025, were €303.6 million representing a decrease of €3.4 million compared to last year. This decrease was primarily due to completion of certain clinical trials and development activities within our Endocrinology Rare Disease pipeline, partly offset by reversal (income) of prior period write-downs related to pre-launch inventories for Hypoparathyroidism in 2024 of €12.6 million due to the launch of YORVIPATH, and by higher employee costs to support future growth.

Selling, General, and Administrative Expenses

SG&A expenses for the year ended December 31, 2025, were €457.9 million representing an increase of €166.7 million compared to last year. This increase was primarily due to the continued impact from global commercial expansion, including global launch activities for YORVIPATH.

Finance Income and Finance Expenses

The development was driven primarily by remeasurement loss from financial liabilities, partly offset by translation net-gain 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.

Liquidity and Capital Resources

Our liquidity and capital resources comprise cash and cash equivalents. As of December 31, 2025, these amounted to €616.0 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 products and product candidates within Endocrinology Rare Disease and Oncology portfolios, the commercialization of YORVIPATH and SKYTROFA, and expenses made in anticipation of potential future product launches. We manage our liquidity risk by maintaining adequate cash reserves. The risk of shortage of funds is monitored, through the financial forecasting process, to ensure sufficient funds are available to settle liabilities as they fall due.

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). Refer to Note 17, “Financial Assets and Liabilities” for further information about our convertible notes and royalty funding agreements.

Cash flows from/(used in) Operating Activities

Cash flows from operating activities for the year ended December 31, 2025 were €53.9 million, representing an improvement of €360.1 million compared to last year, of which €182.0 million related to improved operating performance, primarily driven by commercial revenue growth, and €178.1 million related to working capital improvements, which include settlement of the upfront payment from our exclusive license agreement with Novo Nordisk of $100 million plus related indirect taxes.

Cash flows from/(used in) Investing Activities

Cash flows used in investing activities for the year ended December 31, 2025 were €8.5 million, representing an increase of €15.4 million compared to last year. This increase was primarily attributable to €7.3 million settlements of marketable securities in 2024 and from leasehold improvements in 2025.

Cash Flows from/(used in) Financing Activities

Cash flows from financing activities for the year ended December 31, 2025, were €36.3 million, representing a decrease of €407.6 million compared to the last year. This decrease was primarily due to:

- The follow-on public offering of ADSs with net proceeds of €290.6 million and the $150.0 million capped synthetic royalty funding agreement with Royalty Pharma, with net proceeds of €134.2 million, both completed in September 2024;
- Acquisition of treasury shares of €17.4 million in 2025; and
- Payment of withholding taxes under stock incentive programs of €11.4 million in 2025, partly offset by increased warrant exercise activity of €56.6 million in 2025.

Uncertainty Relating to Recognition and Measurement

When preparing the annual report, it is necessary that Management, in accordance with legislative provisions, makes a number of accounting judgements and estimates which form the basis for the annual report. The accounting judgements and estimates made by Management are described in Note 3, “Significant Accounting Judgements and Estimates.”

Risk Management

Business Risks

The Group is exposed to certain risks that are common across the biopharmaceutical industry, including but not limited to risks that pertain to research and development, regulatory approval, commercialization, intellectual property rights and access to financing, and some risks that are specific to the Group’s development programs and technology platform.

Some of these risks may significantly affect the Group’s ability to execute its strategy and in order to mitigate such risks, the Group has identified and categorized these risks as critical risks and has programs in place to ensure proactive identification, management and mitigation of such risks.

Financial Risks

We regularly monitor the access to domestic and international financial markets, manage the financial risks relating to our operations, and analyze exposures to risk, including market risk, such as currency risk and interest rate risk, credit risk and liquidity risk. Financial risk management is further described in Note 18, “Financial Risk Management.”

Corporate Responsibility

Ascendis Pharma A/S has established a framework of corporate policies and rules which governs compliance by the Company, employees and business partners with applicable laws and regulations, and the Ascendis Pharma Code of Business Conduct & Ethics.

The Ascendis Pharma A/S Corporate Responsibility & P|ESG Report 2025 defines our compliance with Section 99a (CSR) and Section 99d (Data ethics) of the Danish Financial Statements Act.

Find more detailed information in the Ascendis Pharma Corporate Responsibility & P|ESG Report 2025 at: *https://investors.ascendispharma.com/financial-and-filings/annual-general-meetings/sustainability-and-p-esg-report-2025*

Events after the Balance Sheet Date

On January 9, 2026, we announced that our Board has authorized a $120 million share repurchase program (the “Share Repurchase Program”). Purchases under the Share Repurchase Program may be made from time to time through a variety of methods, which may include open-market purchases, privately negotiated transactions, or other methods permitted under applicable securities laws. The timing and amount of any repurchases pursuant to the Share Repurchase Program will be determined based on market conditions, share price and other factors. The Share Repurchase Program does not require us to repurchase any specific number of shares, and may be modified, suspended or terminated at any time without notice.

No other events have occurred after the reporting date that would influence the evaluation of these financial statements.

Outlook

Having achieved pivotal milestones in 2025, we expect continued global commercial growth, mainly from YORVIPATH, and development of operating expenses to support growth.

The Company is listed under the symbol “ASND” in the United States on The Nasdaq Global Select Market, where the Company at the time of approval of this annual report, has not provided a quantitative financial outlook. Accordingly, and due to equal information to investors, no further outlook is disclosed in this annual report.

Statements of Profit or Loss and Other Comprehensive Income for the Years Ended December 31

(EUR'000, except per share data)	Notes	Group 2025	Group 2024	Parent 2025	Parent 2024
Statement of Profit or (Loss)					
Revenue	**4**	720,132	363,641	458,266	405,780
Cost of sales	**7, 12**	94,915	44,258	116,997	45,777
Gross profit		**625,217**	**319,383**	**341,269**	**360,003**
Research and development expenses	**7, 12**	303,621	307,004	94,335	80,596
Selling general and administrative expenses	**7, 12**	457,867	291,142	242,745	153,273
Operating profit/(loss)		**(136,271)**	**(278,763)**	**4,189**	**126,134**
Share of profit/(loss) of associates	**13**	16,308	(20,060)	—	—
Finance income	**17**	113,999	25,609	237,338	94,173
Finance expenses	**17**	206,687	100,027	143,368	45,567
Profit/(loss) before tax		**(212,651)**	**(373,241)**	**98,159**	**174,740**
Income taxes (expenses)	**10**	(15,383)	(4,843)	(39,692)	(40)
Net profit/(loss) for the year		**(228,034)**	**(378,084)**	**58,467**	**174,700**
Attributable to owners of the Company		(228,034)	(378,084)	58,467	174,700
Basic earnings/(loss) per share (€)	**5**	(3.76)	(6.53)	—	—
Diluted earnings/(loss) per share (€)	**5**	(3.76)	(6.53)	—	—
Statement of Comprehensive Income or (Loss)					
Net profit/(loss) for the year		**(228,034)**	**(378,084)**	**58,467**	**174,700**
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or (loss):					
Exchange differences on translating foreign operations		(3,538)	1,062	—	—
Other comprehensive income/(loss) for the year net of tax		**(3,538)**	**1,062**	**—**	**—**
Total comprehensive income/(loss) for the year net of tax		**(231,572)**	**(377,022)**	**58,467**	**174,700**
Attributable to owners of the Company		(231,572)	(377,022)	58,467	174,700

Statements of Financial Position as of December 31

(EUR'000)	Notes	Group 2025	Group 2024	Parent 2025	Parent 2024
Assets					
Non-current assets					
Intangible assets	**6, 11**	3,710	4,028	—	444
Property plant and equipment	**6, 12**	146,479	98,714	41,996	23,889
Investments in associates	**13**	32,526	13,575	—	—
Investments in group enterprises	**21**	—	—	163,648	156,306
Receivables from group enterprises	**17**	—	—	2,312,372	1,992,224
Other receivables	**17**	10,870	2,317	2,112	1,429
		193,585	**118,634**	**2,520,128**	**2,174,292**
Current assets					
Inventories	**14**	301,533	295,609	301,533	295,603
Trade receivables	**17**	141,333	166,280	6,898	120,643
Income tax receivables		1,781	1,775	1,475	738
Receivables from group enterprises	**17**	—	—	170,833	28,204
Other receivables	**17**	14,582	9,385	5,732	8,952
Prepayments		33,715	28,269	26,223	24,552
Cash and cash equivalents	**17, 18**	616,041	559,543	404,571	492,174
		1,108,985	**1,060,861**	**917,265**	**970,866**
Total assets		**1,302,570**	**1,179,495**	**3,437,393**	**3,145,158**
Equity and liabilities					
Equity					
Share capital	**18**	8,322	8,149	8,322	8,149
Distributable equity		(171,143)	(113,855)	2,617,173	2,384,422
Total equity		**(162,821)**	**(105,706)**	**2,625,495**	**2,392,571**
Non-current liabilities					
Borrowings	**17, 18**	385,254	365,080	25,759	9,223
Contract liabilities	**15**	1,123	5,000	1,123	—
Deferred tax liabilities	**10**	9,623	7,258	—	—
		396,000	**377,338**	**26,882**	**9,223**
Current liabilities					
Convertible notes matures in April 2028					
Borrowings	**17, 18**	429,391	458,207	429,391	458,207
Derivative liabilities	**17, 18**	256,231	150,670	256,231	150,670
		685,622	**608,877**	**685,622**	**608,877**
Other current liabilities					
Borrowings	**17, 18**	57,141	33,329	4,763	3,173
Contract liabilities	**15**	4,944	936	3,050	—
Trade payables and accrued expenses	**17, 18**	90,657	96,394	63,057	84,117
Payables to group enterprises	**17, 18**	—	—	5,196	2,085
Other liabilities		58,204	67,956	22,715	44,998
Income tax payables		6,427	1,222	—	—
Provisions	**16**	166,396	99,149	613	114
		383,769	298,986	**99,394**	**134,487**
		1,069,391	**907,863**	**785,016**	**743,364**
Total liabilities		**1,465,391**	**1,285,201**	**811,898**	**752,587**
Total equity and liabilities		**1,302,570**	**1,179,495**	**3,437,393**	**3,145,158**

Statements of Changes in Equity - Group

(EUR'000)	Notes	Group					
		Distributable Equity					
		Share Capital	Share Premium	Treasury Shares	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Equity as of January 1 2024		**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	8	—	—	—	—	95,512	95,512
Transfer under stock incentive programs	18	—	—	33	—	(33)	—
Capital increase	18	400	340,392	—	—	—	340,792
Cost of capital increase		—	(19,291)	—	—	—	(19,291)
Equity as of December 31 2024		**8,149**	**2,444,175**	**(113)**	**1,783**	**(2,559,700)**	**(105,706)**
Net profit / (loss) for the year		—	—	—	—	(228,034)	(228,034)
Other comprehensive income/(loss) net of tax		—	—	—	(3,538)	—	(3,538)
Total comprehensive income/(loss)		**—**	**—**	**—**	**(3,538)**	**(228,034)**	**(231,572)**
Transactions with Owners							
Share-based payment	8	—	—	—	—	116,171	116,171
Acquisition of treasury shares	18	—	—	(16)	—	(17,380)	(17,396)
Transfer under stock incentive programs	18	—	—	49	—	(49)	—
Net settlement under stock incentive programs		—	—	—	—	(11,396)	(11,396)
Capital increase	18	173	86,905	—	—	—	87,078
Equity as of December 31 2025		**8,322**	**2,531,080**	**(80)**	**(1,755)**	**(2,700,388)**	**(162,821)**

Statements of Changes in Equity - Parent

(EUR'000)	Notes	Parent					
		Distributable Equity					
		Share Capital	Share Premium	Treasury Shares	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Equity as of January 1 2024		**7,749**	**2,123,074**	**(146)**	**(53)**	**(329,766)**	**1,800,858**
Net profit / (loss) for the year		—	—	—	—	174,700	174,700
Total comprehensive income/(loss)		**—**	**—**	**—**	**—**	**174,700**	**174,700**
Transactions with Owners							
Share-based payment	**8**	—	—	—	—	95,512	95,512
Acquisition of treasury shares		—	—	33	—	(33)	—
Capital increase	**18**	400	340,392	—	—	—	340,792
Cost of capital increase		—	(19,291)	—	—	—	(19,291)
Equity as of December 31 2024		**8,149**	**2,444,175**	**(113)**	**(53)**	**(59,587)**	**2,392,571**
Net profit / (loss) for the year		—	—	—	—	58,467	58,467
Other comprehensive income/(loss) net of tax		—	—	—	—	—	—
Total comprehensive income/(loss)		**—**	**—**	**—**	**—**	**58,467**	**58,467**
Transactions with Owners							
Share-based payment	**8**	—	—	—	—	116,171	116,171
Acquisition of treasury shares		—	—	(16)	—	(17,380)	(17,396)
Transfer under stock incentive programs	**18**	—	—	49	—	(49)	—
Net settlement under stock incentive programs		—	—	—	—	(11,396)	(11,396)
Capital increase	**18**	173	86,905	—	—	—	87,078
Equity as of December 31 2025		**8,322**	**2,531,080**	**(80)**	**(53)**	**86,226**	**2,625,495**

Cash Flow Statements for the Years Ended December

(EUR'000)	Notes	Group 2025	Group 2024	Parent 2025	Parent 2024
Operating activities					
Net profit/(loss) for the year		**(228,033)**	**(378,084)**	**58,467**	**174,700**
Reversal of finance income		(113,999)	(25,609)	(237,338)	(94,173)
Reversal of finance expenses		206,687	100,027	143,368	45,567
Reversal of (gain)/loss on disposal of property plant and equipment		—	(91)	—	—
Reversal of income taxes		15,383	4,843	39,692	40
Adjustments for non-cash items:					
Non-cash consideration relating to revenue		(5,630)	(27,069)	—	—
Share of (profit)/loss of associates		(16,308)	20,060	—	—
Share-based payment		116,171	95,512	68,319	61,038
Depreciation		17,206	17,247	6,116	4,918
Impairment of property plant and equipment		5,283	—	—	—
Amortization		490	467	444	445
Changes in working capital:					
Inventories		(5,920)	(86,678)	(5,920)	(86,678)
Receivables		15,588	(118,607)	116,587	(111,199)
Receivables from group enterprises		—	—	(277,089)	(145,433)
Prepayments		(6,051)	10,392	(1,670)	11,363
Contract liabilities		131	(1,197)	4,173	—
Trade payables accrued expenses and other liabilities		(10,373)	26,965	(42,292)	23,563
Payables to group enterprises		—	—	3,111	2,072
Provisions		77,585	61,968	499	114
Cash flows generated from/(used in) operations		**68,210**	**(299,854)**	**(123,533)**	**(113,663)**
Finance income received		15,302	14,374	10,406	11,825
Finance expenses paid		(22,935)	(15,205)	(12,645)	(12,196)
Income taxes received/(paid)		(6,679)	(5,512)	—	738
Cash flows from/(used in) operating activities		**53,898**	**(306,197)**	**(125,772)**	**(113,295)**
Investing activities					
Investment in group enterprises		—	—	—	(67)
Proceeds from disposal of property plant and equipment		—	950	—	—
Acquisition of intangible assets and property plant and equipment		(8,485)	(1,427)	(3,013)	(394)
Settlement of marketable securities		—	7,353	—	7,353
Cash flows from/(used in) investing activities		**(8,485)**	**6,876**	**(3,013)**	**6,892**
Financing activities					
Repayment of borrowings		(21,958)	(11,365)	(3,071)	(2,834)
Net proceeds from borrowings	17	—	134,158	—	—
Proceeds from exercise of warrants		87,078	30,514	87,078	30,514
Proceeds from follow-on public offering		—	309,913	—	309,913
Costs of follow-on public offering		—	(19,291)	—	(19,291)
Acquisitions of treasury shares, net of transactions costs		(17,396)	—	(17,396)	—
Payment of withholding taxes under stock incentive programs		(11,396)	—	(11,396)	—
Cash flows from/(used in) financing activities		**36,328**	**443,929**	**55,215**	**318,302**
Increase/(decrease) in cash and cash equivalents		**81,740**	**144,608**	**(73,570)**	**211,899**
Cash and cash equivalents at January 1		559,543	392,164	492,174	263,909
Effect of exchange rate changes on balances held in foreign currencies		(25,242)	22,771	(14,032)	16,366
Cash and cash equivalents at December 31		**616,041**	**559,543**	**404,571**	**492,174**

Notes to the 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 financial statements on February 11, 2026. The financial statements can be obtained from *https://datacvr.virk.dk/*

Note 2 – Summary of Material Accounting Policies

Basis of Preparation

The financial statements, which include the consolidated financial statements and the parent financial statements of Ascendis Pharma A/S, are prepared in accordance with the IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and as adopted by the E uropean Union ("EU"). The financial statements include additional disclosures for reporting class C large sized enterprises as required by the Danish Executive Order on Adoption of IFRS as issued in accordance with the Danish Financial Statements Act.

The accounting policies applied when preparing the 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 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

In August 2023, the IASB amended IAS 21, "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability," to help entities determine whether a currency is exchangeable into another currency and which spot exchange rate to use when it is not. These new requirements apply for annual reporting periods beginning on or after January 1, 2025. The Company has assessed this amendment and concluded that this did not have an impact on its operations or financial statements for the year ended December 31, 2025.

No other new and amended standards and interpretations applied for the first time in 2025.

Going Concern

These consolidated financial statements have been prepared on a going concern basis. Management has assessed the Company's ability to continue as a going concern and has concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue in operational existence for at least twelve months after the reporting date.

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 21, “Investments in Group Enterprises and Associates”.

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 and other comprehensive income of the associates since the acquisition or establishment date. The Company discontinues recognition of further losses when its interest in an associate is reduced to nil, except where the Company has legal or constructive obligations to cover such losses.

Share of profit/(loss) of associates in 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.

When the Company’s interest in an associate is reduced but significant influence is retained, the transaction is accounted for as a partial disposal. A gain or loss is recognized in profit or loss for the portion of the investment derecognized including the proportionate share of amounts previously recognized in other comprehensive income that relates to the disposed interest. Any increase in the associate’s net assets arising from the issuance of new shares is reflected in share of profit/(loss) of associates. The retained interest continues to be accounted for using the equity method.

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 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

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 highly 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.

Sales-based royalty and sales-based milestone income promised in exchange for a license of intellectual property, which is interdependent with sale of goods under such license agreements, is recognized as revenue from commercial products upon occurrence of the later of subsequent sale or satisfaction of the performance obligation.

Other Revenue

Other revenue relates to collaboration and license agreements (or “Strategic Collaborations”), where the counterparts are considered customers of the Company. When contracts with these 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, depending on the specific terms and conditions in the agreements.

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 Expenses

Research and development expenses 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 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) and any reversal of such write-downs.

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 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 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 8, “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.

The Parent Company, together with its subsidiaries have entered into group share-based payment arrangements. The Parent Company incurs share-based payment transactions, whereas subsidiaries receive the services, and the Parent Company incur an obligation to settle the transaction with the subsidiaries. While the obligations are settled in the Parent Company's own equity instruments, group share-based payments are in the Parent Company's separate financial statements recognized as cost of investment in subsidiaries with a corresponding increase in equity over the vesting period. Where applicable, subsidiaries settle share-based payment transactions with the Parent Company, which are off-set to investments in subsidiaries.

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 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 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 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 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 expenses, and selling, general and administrative expenses, as appropriate. Expenditures that do not meet the criteria above are recognized as an expense as incurred.

Other Intangible Assets

Intangible assets comprise acquired intellectual property rights in the form of patents and licenses, which are measured at cost less accumulated amortization and accumulated impairment losses. Cost comprises the acquisition price and costs directly attributable to the acquisition of the asset. The amortization period is determined based on the expected economic and technical useful life of the asset, and amortization is recognized on a straight-line basis over the expected useful life of 5-10 years depending on the planned use of the specific asset and the lifetime of the patents protecting the intellectual property rights. Subsequent costs to maintain the intangible assets are recognized as expenses in the period to which they relate.

Property, Plant and Equipment

Property, plant and equipment primarily comprise 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 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 expenses. Plant and equipment acquired for research and development activities, which have no alternative use, is recognized as research and development expenses 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	3-15 years
Right-of-use assets	2-15 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 of Non-current Assets” section below. Depreciation and impairment losses of property, plant and equipment is recognized in the statement of profit or loss as cost of sales, research and development expenses 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 expenses or as selling, general, and administrative expenses, as appropriate.

Investments in Group Enterprises – Parent Company

Investments in group enterprises are recognized and measured at cost. Investments 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.

Investments are written down to the lower of recoverable amount and carrying amount which is further described below in the section “Impairment."

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 the same profit or loss line item as the original write-down was recognized, 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 expenses. If marketing approval is obtained, prior write-downs of pre-launch inventories are reversed through research and development expenses.

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, lease 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.

Where the Company acts as an intermediate lessor and a sublease is classified as a finance lease, the Company recognize a net investment in the lease (lease receivable) and derecognize the portion of the asset that is subject to the sublease. The lease receivable is initially measured at the present value of lease payments receivable plus any unguaranteed residual value. Any difference on derecognition of the right-of-use asset is recognized in the consolidated statement of profit or loss. Subsequently, finance income is recognized using the effective interest method. Further the lease receivable is reduced by lease payments received.

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 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 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 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 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 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 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.

Short-term Leases and Leases of Low-value Assets

Expenses related to short-term leases (12 months or less) and leases of low-value assets are recognized on a straight-line basis through profit or loss.

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 statement of profit or loss when the relevant performance obligation, to which the deferred income relates, is satisfied.

Statement of Cash Flows

The statement of cash flows 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 statements of cash flows, 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 adjusted for 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 number of treasury shares during the year, and the dilutive effect of outstanding warrants, RSUs, PSUs, and convertible notes, if any.

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 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.

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 to any of the years presented in these consolidated financial statements compared to December 31, 2024.

Significant accounting judgements which have a significant impact on the consolidated financial statements, and 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, 2025, provisions for sales deductions and product returns were €166.4 million compared to €99.1 million, as of December 31, 2024. The development in total provisions is disclosed in Note 16, “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 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 expenses 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 €23.0 million, and €19.7 million for the years ended December 31, 2025, and 2024, respectively. Changes to inputs applied to the Black-Scholes option pricing model could affect the warrant compensation cost. Refer to Note 8, “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, 2025, the valuation of the derivative liabilities was €256.2 million compared to €150.7 million as of December 31, 2024. Changes in assumptions relating to these factors could affect the reported fair value of derivative liabilities. Refer to Note 17 "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, 2025, the carrying amount of the royalty funding liabilities was €290.9 million compared to €305.4 million as of December 31, 2024. 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 17 "Financial Assets and Liabilities" for additional details.

Note 4 – Revenue

Revenue has been recognized in the statements of profit or loss with the following amounts:

	Group		Parent	
(EUR'000)	**2025**	**2024**	**2025**	**2024**
Revenue				
Commercial products	683,572	225,728	118,189	47,940
Services and clinical supply	18,008	15,570	340,077	252,566
Licenses	5,630	122,343	—	105,274
Milestones	12,922	—	—	—
Total revenue	**720,132**	**363,641**	**458,266**	**405,780**
Specified per geographical area				
United States [1]	546,388	233,115	45,670	394
Europe [2]	120,946	123,336	387,882	405,386
Rest of world [1]	52,798	7,190	24,714	—
Total revenue	**720,132**	**363,641**	**458,266**	**405,780**

(1) From 2025, revenue related to the United States has been disclosed separately. Comparatives for the United States and Rest of World have been restated for comparative purposes.

(2) For the years ended December 31, 2025 and December 31, 2024 Denmark, the country of domicile, contributed with €12.9 million and €95.4 million of revenue (Parent Company €381.8 million and €405.0 million for 2024) respectively.

Commercial Products

Revenue from sale of commercial products were as follows:

(EUR'000)	Group 2025	2024
Revenue from commercial products		
YORVIPATH®	477,412	28,727
SKYTROFA®	206,160	197,001
Total revenue from commercial products	**683,572**	**225,728**

In the U.S., the Company has established an integrated organization to commercialize the Company's approved Endocrinology Rare Disease products, YORVIPATH® and SKYTROFA®. In Europe, the Company has established its presence by building integrated organizations in select countries ("Europe Direct"), where the Company has launched YORVIPATH and SKYTROFA. Beyond the U.S. and Europe Direct, YORVIPATH and SKYTROFA may also be sold through exclusive sales and distribution agreements with geographic market leaders ("International Markets") and under Strategic Collaborations.

YORVIPATH and SKYTROFA is approved by the U.S. Food and Drug Administration ("FDA") and authorized by the European Commission ("EC") and other regulatory agencies. The Company began selling YORVIPATH in Europe in the first quarter of 2024 and in the U.S. in December 2024. The Company began selling SKYTROFA in the U.S. in the fourth quarter of 2021 and in Europe in the third quarter of 2023.

For the year ended December 31, 2025 two and for the year ended December 31 2024, four commercial customers represented more than 10% of revenue from commercial products.

Other Revenue

Other revenue is attributable to the Company's Strategic Collaborations, and relates to Novo Nordisk A/S ("Novo Nordisk"), Eyconis, Inc. ("Eyconis"), Teijin Limited ("Teijin") and VISEN Pharmaceuticals ("VISEN").

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.

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.

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. In Japan, YORVIPATH has been commercially available for prescription since November 6, 2025, through Teijin.

VISEN

In November 2018, the Company entered into three exclusive license agreements with VISEN, and includes rendering of services, sale of clinical supply and commercial products.

Note 5 – Earnings Per Share

The following table reflects the earnings and share data used in the basic and diluted earnings per share calculations:

	Group	
(EUR'000 except per share data)	2025	2024
Earnings		
Net profit/(loss) for the year	**(228,034)**	**(378,084)**
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**60,607,131**	**57,891,570**
Basic earnings per share (€)	(3.76)	(6.53)
Diluted earnings per share (€) [1]	(3.76)	(6.53)

(1) For the years ended December 31, 2025, December 31, 2024 and December 31, 2023, outstanding warrants, restricted stock units and performance stock units 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. Similarly, 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. Refer to Note 8 "Share-based Payment" and Note 17, "Financial Assets and Liabilities," for further information about the share-based incentive programs and convertible notes, respectively.

Note 6 – 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 non-current segment assets, which comprise intangible assets, and property, plant and equipment, and investments in associates, are located by region as follows:

	Group	
(EUR’000)	2025	2024
Non-current segment assets [1]		
North America	74,651	76,677
Europe [2]	108,064	39,640
Total non-current segment assets	**182,715**	116,317

(1) From 2025, non-current segment assets include investments in associates. Comparatives have been restated for comparative purposes.

(2) As of December 31, 2025 and December 31, 2024, intangible assets and property, plant and equipment of €33.6 million and €27.9 million, respectively, is located in Denmark, the country of domicile. In addition, as of December 31, 2025 and December 31, 2024, intangible assets and property, plant and equipment of €71.8 million and €11.6 million, respectively, is located in Germany.

Note 7 – Employee costs

	Group		Parent	
(EUR’000)	2025	2024	2025	2024
Employee costs				
Wages and salaries	227,118	173,474	92,871	76,448
Share-based payment	116,171	95,512	68,319	61,038
Pensions (defined contribution plans)	6,921	4,485	3,068	1,766
Social security costs	21,134	15,003	765	633
Other employee costs	5,221	4,061	2,497	2,133
Total employee costs	**376,565**	**292,535**	**167,520**	**142,018**
Included in the profit or loss				
Cost of sales [1]	20,474	16,487	20,474	16,487
Research and development expenses	145,673	131,867	74,303	66,073
Selling general and administrative expenses	210,418	144,181	72,743	59,458
Total employee costs	**376,565**	**292,535**	**167,520**	**142,018**
Average number of employees	**1,103**	**892**	**520**	**445**

(1) Includes employee costs capitalized as part of inventories.

Key Management Personnel comprises the Board of Directors and the Executive Board and Non-executive Senior Management ("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 8, “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	
(EUR’000)	2025	2024	2025	2024	2025	2024
Compensation						
Wages and salaries	442	482	5,466	4,148	6,466	3,286
Share-based payment	2,425	2,169	18,568	18,334	14,464	10,266
Pensions (defined contribution plans)	—	—	73	57	136	98
Social security costs	—	—	598	118	316	52
Other employee cost	—	—	20	20	40	25
Total compensation	**2,867**	**2,651**	**24,725**	**22,677**	**21,422**	**13,727**

(1) The Board of Directors comprised six persons in 2025 and 2024.

(2) The Executive Board comprised four persons in 2025 and 2024.

Note 8 – 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 Restricted Stock Unit ("RSU") program adopted in December 2021, and a Performance Stock Unit ("PSU") program adopted in February 2023, which are all classified as equity-settled share-based payment transactions. Share-based compensation costs are determined using the grant date fair value and are recognized over the vesting period as research and development expenses, selling, general and administrative expenses, or cost of sales.

Restricted Stock Unit Program

RSUs are granted by the Board to members of Senior Management, other employees and members of the Board (the "RSU-holders"), as stipulated in the program. In addition, RSUs may be granted to select consultants.

One RSU represents a right for the RSU-holder to receive one ADS representing ordinary shares of Ascendis Pharma A/S upon vesting, if the vesting conditions are met.

Performance Stock Unit Program

PSUs are granted by the Board to certain members of Senior Management (the "PSU-holders"), as stipulated in the program. In addition, PSUs may be granted to other employees, select consultants and members of the Board. One PSU represents a right for the PSU-holder to receive one ADS representing ordinary shares of Ascendis Pharma A/S upon vesting.

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. 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 PSUs granted in 2023, and 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 outstanding:

(Number)	Restricted Stock Units	Performance Stock Units	Total
Outstanding			
January 1, 2024	**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)
December 31, 2024	**993,807**	**156,667**	**1,150,474**
Granted during the year [1]	634,589	73,583	708,172
Settled during the year	(60,056)	(15,716)	(75,772)
Transferred during the year	(321,351)	(46,588)	(367,939)
Forfeited during the year	(67,161)	(2,688)	(69,849)
December 31, 2025	**1,179,828**	**165,258**	**1,345,086**
Specified by vesting date			
2026	566,011	86,659	652,670
2027	411,030	54,066	465,096
2028	202,787	24,533	227,320
December 31, 2025	**1,179,828**	**165,258**	**1,345,086**

(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 €150.40 and €141.01 for the years ended December 31, 2025 and December 31, 2024, 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. 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.

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 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.

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:

(Number)	Warrants (number)	Weighted Average Exercise Price (EUR)
Outstanding January 1, 2024	**6,523,784**	**86.38**
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
December 31, 2024	**6,204,122**	**93.25**
Vested at the reporting date	**5,226,643**	**89.33**
Granted during the year	434,883	148.06
Exercised during the year[1]	(1,287,921)	68.76
Forfeited during the year	(128,243)	109.52
Expired during the year	(250)	15.68
December 31, 2025	**5,222,591**	**103.24**
Vested at the reporting date	**4,419,487**	**97.98**

(1) The weighted average share price (listed in $) at the date of exercise was €162.08 and €135.86 for the years ended December 31, 2025 and 2024, respectively.

At December 31, 2025, the Board was authorized to grant up to 1,725,233 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, 2025 per grant year.

	Outstanding Warrants (number)	Weighted Average Exercise Price (EUR)	Weighted Average Remaining Life (months)
Granted before January 1, 2023	4,208,147	97.25	50
Granted in 2023	175,231	92.48	89
Granted in 2024	430,190	122.52	102
Granted in 2025	409,023	149.15	113
Outstanding at December 31, 2025	**5,222,591**	**103.24**	**61**

At December 31, 2025, the exercise prices of outstanding warrants under the Company's warrant programs range from €11.98 to €180.65 depending on the grant dates.

The range of exercise prices for outstanding warrants was €11.98 to €145.50 for the year ended December 31, 2024. The weighted average remaining life for outstanding warrants was 65 months for the year ended December 31, 2024.

Warrant Compensation Costs

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.

The following table summarizes the input to the Black-Scholes option pricing model and the calculated fair values for warrant grants in 2025 and 2024:

		2025	2024
Expected volatility		49 % - 50 %	50 %
Risk-free interest rate		2.00 % - 2.32 %	1.71 % - 2.57 %
Expected life of warrants (years)		6.0	6.0
Weighted average exercise price	€	148.06	122.48
Fair value of warrants granted in the year	€	56.45 - 87.55	50.86 - 70.39

Note 9 – 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.

	Group	
(EUR'000)	2025	2024
Principal accountant fees and services		
Audit fees	840	811
Audit-related fees	11	147
Tax fees	—	91
Total principal accountant fees and services	**851**	**1,049**

Note 10 – Tax on Profit/(Loss) for the Year and Deferred Tax

(EUR'000)	Group 2025	Group 2024	Parent 2025	Parent 2024
Tax on profit/(loss) for the year				
Current tax (expense)/income	(12,556)	(3,289)	(39,692)	—
Current tax, adjustments to prior years	513	(126)	—	(40)
Deferred tax, movement for the year	(3,410)	(2,035)	—	—
Deferred tax, adjustments to prior years	70	607	—	—
	(15,383)	**(4,843)**	**(39,692)**	**(40)**
Tax for the year can be explained as follows				
Profit/(loss) before tax	(212,651)	(373,241)	98,159	174,740
Tax at the Danish corporation tax rate of 22%	**46,783**	**82,113**	**(21,595)**	**(38,443)**
Tax effect of:				
Non-deductible costs	29,358	(9,740)	4,880	(14,900)
Additional tax deductions	37,715	3,161	4,584	670
Impact from associates	3,588	(4,413)	—	—
Prior year adjustments	583	481	—	—
Other effects including effect of different tax rates	(2,121)	182	—	(40)
Deferred tax assets not recognized	(131,289)	(76,627)	(27,561)	52,673
Tax on profit/(loss) for the year	**(15,383)**	**(4,843)**	**(39,692)**	**(40)**
Effective tax rate	**7.23%**	**1.30%**	**(40.44)%**	**(0.02)%**

(EUR'000)	Group 2025	Group 2024	Parent 2025	Parent 2024
Development in deferred tax assets/(liabilities)				
January 1	(7,258)	(5,830)	—	—
Deferred income tax (expense)/income through profit or loss	(3,340)	(1,428)	—	—
Foreign exchange translation	975	—	—	—
December 31	**(9,623)**	**(7,258)**	**—**	**—**
Tax deductible losses	430,011	434,997	—	9,522
Other temporary differences assets	291,759	164,479	77,618	38,391
Deferred tax assets not recognized	(721,631)	(599,476)	(77,618)	(47,913)
Other temporary differences liabilities	(9,762)	(7,258)	—	—
Total Deferred Tax Assets/(Liabilities) at December 31	**(9,623)**	**(7,258)**	**—**	**—**

Deferred Tax Assets, Not Recognized

Deferred tax assets have not been recognized in the consolidated statements of financial position as of December 31, 2025, due to uncertainty relating to future utilization. The majority of the deferred tax assets can be carried forward without timing limitations, however tax credits can only be deducted in future payable taxes over a period up to 20 years.

As of December 31, 2025, the Company has tax losses carried forward and other temporary deductible differences with a gross amount of €3,280.0 million (Parent Company €352.7 million). The deferred tax assets, not recognized of €721.6 million (Parent Company €77.6 million), mainly attributable to tax-losses carried forward, future R&D depreciations, future tax deductions related to share based payments, additional tax deductions related to up-lift on R&D expenses and additional tax deductions related to tax credits.

The Company had tax losses carried forward of €1,954.6 million (Parent Company €0 million) at December 31, 2025, and €1,946.2 million (Parent Company €43.2 million) as of December 31, 2024,

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, 2025December 31, 2025 and 20242024.

Other temporary differences include future 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, 2025, the future tax deductions have been estimated to have a tax value of €67.0 million (Parent Company €38.0 million) compared to €21.7 million (Parent Company €21.0 million) for the year ended December 31, 2024, respectively. These future tax deductions depend on the future share price, timing and amounts of warrants/RSUs/PSUs exercises/transfers, and accordingly, the future tax deductions are subject to uncertainties. Refer to Note 8, “Share-based Payment,” regarding a description of warrant and RSU/PSU programs.

For the year ended December 31, 2025, the Company is entitled to additional future tax deduction related to uplift on R&D deductions and tax credits with a total tax value of €29.7 million (Parent Company €2.9 million) compared to €24.8 million (Parent Company €2.4 million) for the year ended December 31, 2024. Additional future tax deductions are included in other temporary differences.

International Tax Reform - Pillar Two Model Rules

On May 23, 2023, the IASB issued “International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12,” which clarifies 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/G20 Inclusive Framework on Base Erosion and Profit Shifting Pillar Two model rules. The Company has adopted these amendments; however, they are not applicable for the year ended December 31, 2025, as the Company’s consolidated revenue is currently below the threshold of €750 million.

Uncertain Tax Positions

The Company operates across numerous tax jurisdictions with complex, interpretative legislation. Management evaluates uncertain tax positions to ensure proper recognition and measurement of tax assets and liabilities.

Note 11 – Intangible Assets

	Group		
(EUR’000)	**Goodwill**	**Software**	**Total**
Cost			
January 1 2024	**3,495**	**2,296**	**5,791**
Additions	—	76	**76**
December 31 2024	**3,495**	**2,372**	**5,867**
Additions	—	172	172
December 31 2025	**3,495**	**2,544**	**6,039**
Amortization and impairment			
January 1 2024	**—**	**(1,372)**	**(1,372)**
Amortization charge	—	(467)	(467)
December 31 2024	**—**	**(1,839)**	**(1,839)**
Amortization charge	—	(490)	(490)
December 31 2025	**—**	**(2,329)**	**(2,329)**
Carrying amount			
December 31 2024	**3,495**	**533**	**4,028**
December 31 2025	**3,495**	**215**	**3,710**

(EUR'000)	Parent		
	Software	Acquired intellectual property	Total
Cost			
January 1 2024	**2,222**	**1,326**	**3,548**
December 31 2024	**2,222**	**1,326**	**3,548**
Additions	—	—	—
December 31 2025	**2,222**	**1,326**	**3,548**
Amortization and impairment			
January 1 2024	**(1,333)**	**(1,326)**	**(2,659)**
Amortization charge	(445)	—	(445)
December 31 2024	**(1,778)**	**(1,326)**	**(3,104)**
Amortization charge	(444)	—	(444)
December 31 2025	**(2,222)**	**(1,326)**	**(3,548)**
Carrying amount			
December 31 2024	**444**	**—**	**444**
December 31 2025	**—**	**—**	**—**

At the reporting date, no internally generated intangible assets from development of pharmaceutical drug candidates have been recognized. Thus, all related research and development expenses incurred for the years ended December 31, 2025, and 2024, were recognized in the 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 12 – Property, Plant and Equipment

(EUR'000)	Group				
	Plant and Machinery	Other Equipment	Leasehold Improve-ments	Right-of-Use Assets	Total
Cost					
January 1 2024	**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**
Additions	996	5,704	1,678	78,646	87,024
Transferred [1]	(162)	(1,311)	(13,658)	(21,264)	(36,395)
Foreign exchange translation	(2)	(517)	(1,271)	(9,299)	(11,089)
December 31 2025	**22,765**	**14,852**	**7,047**	**178,237**	**222,901**
Depreciation and impairment					
January 1 2024	**(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)**
Depreciation charge	(2,325)	(1,301)	(1,230)	(12,350)	(17,206)
Impairment charge	—	(196)	(618)	(6,694)	(7,508)
Impairment reversal	16	201	2,008	—	2,225
Transferred [1]	529	731	11,667	12,797	25,724
Foreign exchange translation	(18)	368	793	3,847	4,990
December 31 2025	**(11,728)**	**(7,387)**	**(165)**	**(57,142)**	**(76,422)**
Carrying amount:					
December 31 2024	**12,003**	**3,786**	**7,513**	**75,412**	**98,714**
December 31 2025	**11,037**	**7,465**	**6,882**	**121,095**	**146,479**

(1) Includes transfer from right-of-use assets to finance lease receivables. For further details, refer to Note 17, "Financial Assets and Liabilities."

The impairment charge for the year ended December 31, 2025, relates to change in activities at one of the Company´s sites. The site is partially subleased (commencing in 2026) and is recognized as a right-of-use asset with a carrying amount of €30.9 million as of December 31, 2025. The impairment charge represents the difference between the carrying amount of the right-of-use subleased asset and the lease receivable, subsequently recognized at the lease commencement date.

Depreciation charges are specified below:

(EUR'000)	Group	
	2025	2024
Depreciation charges		
Cost of sales[1]	1,835	3,197
Research and development expenses	8,468	7,453
Selling general and administrative expenses	6,903	6,597
Total depreciation charges	**17,206**	**17,247**

(1) Includes depreciation charges capitalized as part of inventories.

(EUR'000)	Parent				
	Plant and Machinery	Other Equipment	Leasehold Improve-ments	Right-of-Use Assets	Total
Cost					
January 1 2024	**7,730**	**2,594**	**3,030**	**30,684**	**44,038**
Additions	-	268	76	49	**393**
Disposals	-	-	-	(88)	**(88)**
December 31 2024	**7,730**	**2,862**	**3,106**	**30,645**	**44,343**
Additions	-	1,989	1,024	21,210	**24,223**
December 31 2025	**8,092**	**4,388**	**4,147**	**51,855**	**68,566**
Depreciation and impairment					
January 1 2024	**(638)**	**(2,159)**	**(727)**	**(12,100)**	**(15,624)**
Depreciation charge	(787)	(247)	(296)	(3,588)	**(4,918)**
Disposals	-	-	-	88	**88**
December 31 2024	**(1,425)**	**(2,406)**	**(1,023)**	**(15,600)**	**(20,454)**
Deprecation charge	(821)	(408)	(405)	(4,482)	**(6,116)**
December 31 2025	**(2,246)**	**(2,814)**	**(1,428)**	**(20,082)**	**(26,570)**
Carrying amount					
December 31 2024	**6,305**	**456**	**2,083**	**15,045**	**23,889**
December 31 2025	**5,846**	**1,574**	**2,719**	**31,773**	**41,996**

Depreciation charges are specified below:

(EUR'000)	Parent	
	2025	2024
Depreciation charges		
Cost of sales[1]	1,835	3,197
Research and development expenses	2,997	1,053
Selling general and administrative expenses	1,284	668
Total depreciation charges	**6,116**	**4,918**

(1) Includes depreciation charges capitalized as part of inventories.

Note 13 – 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.

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. As of December 31, 2025 and 2024, the Company's ownership in Eyconis was 33.2% and 41.6%, respectively. As of December 31, 2025 and 2024, the carrying amount of Eyconis using the equity method was €9.2 million and €13.6 million, respectively.

VISEN

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. On March 20, 2025, VISEN Pharmaceuticals ("VISEN") announced the pricing of its initial public offering ("IPO") on the Hong Kong Stock Exchange. The IPO closed on March 21, 2025, and VISEN's shares began trading under the stock code 2561.HK. Prior to the IPO the Company's ownership in VISEN was 43.9%. Following the IPO, the Company's ownership in VISEN was 39.2%. As a result, a non-cash gain of €35.7 million was recognized in the consolidated statement of profit or loss as part of share of profit/(loss) of associates. The IPO did not change the accounting treatment of VISEN. As of December 31, 2025 and 2024 the Company's ownership in VISEN was 39.2% and 43.9%, respectively. As of December 31, 2025 VISEN's share price at the Hong Kong Stock Exchange was HK$32.80, reflecting the market value of the Company's equity position of €147.5 million. As of December 31, 2025 and 2024, the carrying amount of VISEN using the equity method was €23.3 million and €0.0 million, respectively.

The management and existing shareholders of VISEN, including Ascendis Pharma, have entered into customary lock-up agreements restricting the sale of VISEN shares for six months following the IPO; additionally, certain significant shareholders of VISEN, including the Company, are subject to an additional lock-up obligation during the period commencing on the date that is six months after the IPO and ending on the date that is 12 months after the IPO during which such shareholders may not sell shares of VISEN to an extent that would cause such shareholder to cease being a controlling shareholder of VISEN pursuant to applicable listing rules.

Financial Statement Information from Associates

The aggregated profit or loss, total comprehensive income as per the associates latest available interim financial statements, transactions and outstanding balances with associates as of December 31, 2025 and 2024 were as follows.

	Group	
(EUR'000)	**2025**	**2024**
Statement of profit or (loss)		
Profit/(loss) for the year from continuing operations	**(47,507)**	**(59,235)**
Total comprehensive income	**(47,490)**	**(59,218)**
Transactions and outstanding balances as of December 31		
Invoicing of goods and services to associates	31,808	18,225
Trade receivables from associates	824	1,759
Contract liabilities	4,944	5,936

Note 14 – Inventories

Inventories are specified below:

	Group and Parent	
(EUR'000)	**2025**	**2024**
Inventories		
Raw materials and consumables	19,083	17,596
Work in progress	253,494	235,688
Finished goods	28,956	42,325
Total inventories	**301,533**	**295,609**

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 €24.9 million and €15.7 million for the years ended December 31, 2025 and 2024 respectively.

Note 15 – Contract Liabilities

At December 31, 2025, 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 €5.9 million (Parent Company: €— million) and €1.4 million (Parent Company: €— million) for the years ended December 31, 2025 and 2024, respectively.

Note 16 – Provisions

Development in provisions is specified below:

(EUR'000)	Group	Parent
	2025	
Provisions		
January 1	99,149	114
Additions related to prior years	3,936	—
Net additions for the year	74,288	499
Reversals and other adjustments	(639)	—
Foreign exchange translation	(10,338)	—
December 31	**166,396**	**613**

Note 17 – Financial Assets and Liabilities

Financial assets and liabilities comprise the following:

(EUR'000)	Group		Parent	
	2025	2024	2025	2024
Financial assets by category				
Trade receivables	141,333	166,280	6,898	120,643
Receivables from group enterprises	—	—	2,483,205	2,020,428
Other receivables (excluding indirect tax receivables)				
Lease receivables	10,268	—	—	—
Other receivables	9,322	3,964	4,541	3,035
Cash and cash equivalents	616,041	559,543	404,571	492,174
Financial assets measured at amortized cost	**776,964**	**729,787**	**2,899,215**	**2,636,280**
Total financial assets	**776,964**	**729,787**	**2,899,215**	**2,636,280**
Classified in the statement of financial position				
Non-current assets	10,870	2,317	2,314,484	1,993,653
Current assets	766,094	727,470	584,731	642,627
Total financial assets	**776,964**	**729,787**	**2,899,215**	**2,636,280**
Financial liabilities by category				
Borrowings				
Convertible senior notes	429,391	458,207	429,391	458,207
Royalty funding liabilities	290,871	305,379	—	—
Lease liabilities	151,524	93,030	30,522	12,396
Trade payables and accrued expenses	90,657	96,394	63,057	84,117
Payables to group enterprises	—	—	5,196	2,085
Other liabilities (excluding indirect tax and employee related payables)	1,046	311	—	—
Financial liabilities measured at amortized cost	**963,489**	**953,321**	**528,166**	**556,805**
Derivative liabilities	256,231	150,670	256,231	150,670
Financial liabilities measured at fair value through profit or loss	**256,231**	**150,670**	**256,231**	**150,670**
Total financial liabilities	**1,219,720**	**1,103,991**	**784,397**	**707,475**
Classified in the statement of financial position				
Non-current liabilities	385,254	365,080	25,759	9,223
Current liabilities	834,466	738,911	758,638	698,252
Total financial liabilities	**1,219,720**	**1,103,991**	**784,397**	**707,475**

Finance income and expenses are specified below:

(EUR'000)	Group		Parent	
	2025	2024	2025	2024
Finance income				
Interest income	15,301	14,361	10,406	11,812
Interest income from group enterprises	—	—	183,566	82,361
Remeasurement gain of financial liabilities	20,469	11,248	—	—
Foreign exchange translation (net)	78,229	—	43,366	—
Total finance income	**113,999**	**25,609**	**237,338**	**94,173**
Finance expenses				
Interest expenses	80,647	65,504	37,807	36,493
Interest expenses to group enterprises	—	—	—	13
Remeasurement loss of financial liabilities	126,040	7,374	105,561	7,374
Foreign exchange translation (net)	—	27,149	—	1,687
Total finance expenses	**206,687**	**100,027**	**143,368**	**45,567**

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 offering expenses. 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. 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 (i) each of 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.

On December 31, 2025, the carrying amount of the convertible notes was €429.4 million, and the disclosed fair value was €426.4 million. Fair value cannot be measured based on quoted prices in active markets or other observable input, and accordingly the fair value was, from 2025, measured by using input from the private placement market. Up until 2024, the fair value the fair value was measured by using an estimated market rate for an equivalent non-convertible instrument.

Royalty Funding Liabilities

The Company has entered into capped synthetic royalty funding agreements with Royalty Pharma (the “Purchaser”), which is 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.

On December 31, 2025, the carrying amount of the royalty funding liabilities was €290.9 million, and the disclosed fair value was €296.9 million. Fair value cannot be measured based on quoted prices in active markets or other observable input, and accordingly the fair value was measured by using an estimated market rate for an equivalent instrument.

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 offices 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 ten years, in addition to the non-cancellable periods. These lease arrangements are recognized as right-of-use assets and lease liabilities ("lease activities"). In addition, the Company enter into various lease arrangements of assets with low value and/or on short term basis (12 months or less).

The following expenses related to lease activities were recognized in the statements of profit or loss:

	Group		Parent	
(EUR'000)	2025	2024	2025	2024
Lease expenses				
Depreciation	12,350	12,312	4,482	3,588
Lease interest	4,186	3,303	1,065	376
Total lease expenses	**16,536**	**15,615**	**5,547**	**3,964**

Financing Activities

The development in borrowings related to financing activities is specified below:

	Group							
		Cash payments		Non-cash items				
(EUR'000)	Beginning of year	Repay-ments	Net proceeds	Additions/ (disposals)	Remeasure-ments	Accretion of interest	Foreign exchange translation	End of year
Financing activities December 31 2025								
Borrowings (excluding lease liabilities)	763,586	(29,065)	—	—	10	76,247	(90,516)	720,262
Lease liabilities	93,030	(15,548)	—	78,517	—	4,186	(8,661)	151,524
Total financing activities	**856,616**	**(44,613)**	**—**	**78,517**	**10**	**80,433**	**(99,177)**	**871,786**
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**

	Parent					
		Cash payments	Non-cash items			
(EUR'000)	Beginning of year	Repayments	Additions/ (disposals)	Accretion of interest	Foreign exchange translation	End of year
Financing activities December 31, 2025						
Borrowings (excluding lease liabilities)	458,207	(11,513)	—	36,675	(53,978)	429,391
Lease liabilities	12,396	(4,068)	21,129	1,065	—	30,522
Total financing activities	**470,603**	**(15,581)**	**21,129**	**37,740**	**(53,978)**	**459,913**
Financing activities December 31, 2024						
Borrowings (excluding lease liabilities)	407,095	(11,819)	—	36,116	26,815	458,207
Lease liabilities	15,187	(3,216)	49	376	—	12,396
Total financing activities	**422,282**	**(15,035)**	**49**	**36,492**	**26,815**	**470,603**

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 (48.9% and 49.6% as of December 31, 2025 and December 31, 2024, respectively).

For additional description of fair values, refer to the following section "Fair Value Measurement."

Sensitivity Analysis

On December 31, 2025, all other inputs and assumptions held constant, a 10% relative increase in volatility, will increase the fair value of derivative liabilities by approximately €13.2 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, 2025, all other inputs and assumptions held constant, a 10% increase in the share price, will increase the fair value of derivative liabilities by approximately €50.8 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 of lease liabilities are not disclosed. Fair value compared to carrying amount of 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.

	Group				
	2025		2024		
(EUR'000)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Level
Convertible senior notes	429,391	426,429	458,207	438,288	2
Royalty funding liabilities	290,871	296,899	305,379	305,673	3
Financial liabilities measured at amortized cost	**720,262**	**723,328**	**763,586**	**743,961**	
Derivative liabilities	256,231	256,231	150,670	150,670	3
Financial liabilities measured at fair value through profit or loss	**256,231**	**256,231**	**150,670**	**150,670**	

	Parent				
	2025		2024		
(EUR'000)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Level
Convertible senior notes	429,391	426,429	458,207	438,288	2
Financial liabilities measured at amortized cost	**429,391**	**426,429**	**458,207**	**438,288**	
Derivative liabilities	256,231	256,231	150,670	150,670	3
Financial liabilities measured at fair value through profit or loss	**256,231**	**256,231**	**150,670**	**150,670**	

The following table specifies movements in level 3 fair value measurements:

	Group and Parent	
(EUR'000)	2025	2024
Derivative liabilities		
January 1	150,670	143,296
Remeasurement recognized in financial income or expense	105,561	7,374
December 31	**256,231**	**150,670**

Note 18 – 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 61,977,408 fully paid shares at a nominal value of DKK 1, all in the same share class, and which includes 597,096 ordinary shares represented by ADSs held by Ascendis Pharma A/S.

The development in outstanding shares of the Company was as follows:

	2025	2024	2023	2022	2021
			(Number)		
Changes in share capital					
January 1	60,689,487	57,707,439	57,152,295	56,937,682	53,750,386
Increase through cash contributions	1,287,921	2,982,048	555,144	214,613	3,187,296
December 31	**61,977,408**	**60,689,487**	**57,707,439**	**57,152,295**	**56,937,682**

Capital increases in 2024 and 2021 were impacted by follow-on public offerings with net proceeds of €290.6 and €367.9 million, respectively.

Treasury Shares Reserve

The development in the holding of treasury shares was as follows:

	Nominal value	Holding	Holding in % of total outstanding shares
Treasury shares	(EUR'000)	(Number)	
January 1 2024	146	1,093,054	
Transferred under stock incentive programs	(33)	(247,167)	
December 31 2024	**113**	**845,887**	**1.4%**
Acquired from third parties	16	119,148	
Transferred under stock incentive programs	(49)	(367,939)	
December 31 2025	**80**	**597,096**	**1.0%**

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, inflation 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.

	Group			
	Hypothetical impact on consolidated financial statements			
(EUR'000)	**Nominal positions (net)**	**Increase in foreign currency exchange rate**	**Profit/(loss) before tax**	**Equity before tax**
USD/EUR				
December 31 2025	(508,858)	10%	(50,886)	(50,886)
December 31 2024	(735,064)	10%	(73,506)	(73,506)

	Parent			
	Hypothetical impact on separate financial statements			
(EUR'000)	**Nominal positions (net)**	**Increase in foreign currency exchange rate**	**Profit/(loss) before tax**	**Equity before tax**
USD/EUR				
December 31 2025	(323,576)	10%	(32,358)	(32,358)
December 31 2024	(374,691)	10%	(37,469)	(37,469)

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. All material counterparties are considered creditworthy. While the concentration of credit risk may be significant, the credit risk for each individual counterpart is considered to be low. 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 majority of cash and cash equivalents are held in accounts at major financial institutions, and the 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 cash and cash equivalents are held, there can be no assurance that uninsured funds are accessible in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect the business and financial position. 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. As of December 31, 2025, the Company do not hold marketable securities.

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. The risk of shortage of funds is monitored, through the financial forecasting process, to ensure sufficient funds are available to settle liabilities as they fall due. Besides long term deposits on leases and finance lease receivables, 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:

(EUR'000)	Group <1 year	1-5 years	>5 years	Total contractual cash-flows	Carrying amount
Financial liabilities December 31 2025					
Borrowings (excluding lease liabilities)	51,081	812,294	140,555	1,003,930	720,262
Lease liabilities	20,438	82,299	93,898	196,635	151,524
Trade payables accrued expenses and other liabilities	91,703	—	—	91,703	91,703
Total financial liabilities	**163,222**	**894,593**	**234,453**	**1,292,268**	**963,489**
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**

(EUR'000)	Parent <1 year	1-5 years	>5 years	Total contractual cash-flows	Carrying amount
Financial liabilities December 31 2025					
Borrowings (excluding lease liabilities)	11,011	505,878	—	516,889	429,391
Lease liabilities	4,841	19,775	12,862	37,478	30,522
Payables to group enterprises	5,196	—	—	5,196	5,196
Trade payables accrued expenses and other liabilities	63,057	—	—	63,057	63,057
Total financial liabilities	**84,105**	**525,653**	**12,862**	**622,620**	**528,166**
Financial liabilities December 31 2024					
Borrowings (excluding lease liabilities)	12,453	584,603	—	597,056	458,207
Lease liabilities	3,203	6,532	3,814	13,549	12,396
Payables to group enterprises	2,085	—	—	2,085	2,085
Trade payables accrued expenses and other liabilities	84,117	—	—	84,117	84,117
Total financial liabilities	**101,858**	**591,135**	**3,814**	**696,807**	**556,805**

"Borrowings (excluding lease liabilities)" comprise convertible notes and royalty funding liabilities. 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 19 – Commitments and Contingencies

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.

The Parent Company is jointly registered for VAT purposes with its Danish subsidiaries and is jointly liable for the payment thereof.

Letter of Support – Parent Company

The Parent Company has provided letters of support to five of it´s wholly-owned subsidiaries Ascendis Pharma Ophthalmology Division A/S, Ascendis Pharma Endocrinology Division A/S, Ascendis Pharma Bone Diseases A/S, Ascendis Pharma Growth Disorders A/S and Ascendis Pharma Oncology Division A/S.

At December 31, 2025, Ascendis Pharma Ophthalmology Division A/S, Ascendis Pharma Endocrinology Division A/S, Ascendis Pharma Bone Diseases A/S, Ascendis Pharma Growth Disorders A/S and Ascendis Pharma Oncology Division A/S have negative net assets. To support the five companies, the Parent Company has confirmed the technical and financial support that it has committed and further will commit for the period until at least June 30, 2027.

Ascendis Pharma A/S undertakes to make all reasonable technical efforts to support the companies to conduct all pre-clinical, manufacturing, clinical and regulatory activities with their product candidates for the period. In addition, Ascendis Pharma A/S undertakes to provide the companies with the necessary funds to ensure that the companies can conduct their activities for the period in compliance with Danish company regulation and to ensure that the companies can meet their financial obligations as they fall due during the period.

Applied Exception - Subsidiary

Ascendis Pharma Bone Disease A/S has prepared its statutory financial statements for 2025 pursuant to section 78(a) of the Danish Financial Statements Act, thereby reporting under the requirements for enterprises of reporting class B instead of reporting class C medium.

Note 20 – Related Party Transactions

The Board of Directors and 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 7, “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 13, “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 10, “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.

Transactions with subsidiaries are specified below:

	Parent	
(EUR'000)	**2025**	**2024**
Rendering of services	326,759	252,443
Sale of products	89,695	47,540
Milestone payments	—	10,000
Total revenue	**416,454**	**309,983**
License expenses	(100)	(100)
Purchase of services	(94,895)	(28,901)
Total expenses	**(94,995)**	**(29,001)**
Interest income	183,566	82,361
Interest expenses	—	(13)
Net financial income	**183,566**	**82,348**

Note 21 – Investments in Group Enterprises and Associates

Ascendis Pharma A/S's (Parent Company) investments in group enterprises and associates at December 31, 2025, comprise:

Subsidiaries	**Domicile**	**Ownership**
Ascendis Pharma GmbH	Germany	100%
Ascendis Pharma Endocrinology GmbH	Germany	100%
Ascendis Pharma, LLC	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 S.R.L.	Italy	100%
Ascendis Pharma Sverige AB	Sweden	100%
Ascendis Pharma Switzerland GmbH	Switzerland	100%
Ascendis Pharma Belgium BV	Belgium	100%
ASND Portugal, Unipessoal, Lda.	Portugal	100%

Associates	**Domicile**	**Ownership**
VISEN Pharmaceuticals	Cayman Island	39.2%
Eyconis Inc.	USA	33.2%

Note 22 – 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, 2025:

- 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
- Entities affiliated with Capital International Investors

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 23 – Subsequent Events

On January 9, 2026, the Company announced that our Board has authorized a $120 million share repurchase program (the "Share Repurchase Program"). Purchases under the Share Repurchase Program may be made from time to time through a variety of methods, which may include open-market purchases, privately negotiated transactions, or other methods permitted under applicable securities laws. The timing and amount of any repurchases pursuant to the Share Repurchase Program will be determined based on market conditions, share price and other factors. The Share Repurchase Program does not require the Company to repurchase any specific number of shares, and may be modified, suspended or terminated at any time without notice.

No other events have occurred after the reporting date that would influence the evaluation of these financial statements.