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

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO SECTION 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of May, 2024

Commission File Number: 001-36815

Ascendis Pharma A/S
(Exact Name of Registrant as Specified in Its Charter)

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

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Furnished as Exhibit 99.1 to this Report on Form 6-K is the convening notice for the Annual General Meeting of Ascendis Pharma A/S (the "Company"), providing notice to the Company's shareholders of the Company's Annual General Meeting to be held on May 30, 2024 at 2:00 pm CET.

Furnished as Exhibit 99.2 to this Report on Form 6-K is an annual report of the Company for the year ended December 31, 2023, prepared in accordance with the disclosure requirements of the Danish Financial Statements Act.

Furnished as Exhibit 99.3 to this Report on Form 6-K is the Sustainability and P-ESG Report of the Company for the year ended December 31, 2023, prepared in accordance with Section 99a (CSR) and Section 99b (Diversity) of the Danish Financial Statements Act.

Exhibits

Exhibit No.	Description
99.1	Convening Notice to Shareholders.
99.2	Annual Report of the Company for the Year Ended December 31, 2023.
99.3	Sustainability and P-ESG Report for the Year Ended December 31, 2023.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Ascendis Pharma A/S

Date: May 2, 2024

By: /s/ Michael Wolff Jensen
Michael Wolff Jensen
Executive Vice President, Chief Legal Officer

Exhibit 99.1

Notice to convene Annual General Meeting 2024

Notice is hereby given that the annual general meeting of Ascendis Pharma A/S (the "Company") will be held on:

May 30th, 2024 at 2:00 pm CET

The annual general meeting will be held at:

Mazanti-Andersen, Amaliegade 10, DK-1256 Copenhagen K, Denmark

The agenda for the annual general meeting is as follows:

1. **Election of Chairman of the Meeting**
2. **Report on the Company's Activities during the Past Year**
3. **Presentation of Audited Annual Report with Auditor's Statement for Approval and Discharge of the Board of Directors and Management**
4. **Resolution on Application of Profits or Covering of Losses as per the Adopted Annual Report**
5. **Election of Board Members**
6. **Election of State-authorized Public Auditor**
7. **Other proposals from the Board of Directors and/or Shareholders**

Complete Proposals

Re 1

The Board of Directors proposes that attorney-at-law Lars Lüthjohan is elected as chairman of the general meeting.

Re 2

Chairman of the Board, Albert Cha, and Chief Executive Officer, Jan Møller Mikkelsen or Chief Legal Officer, Michael Wolff Jensen will report on the Company's activities for the year ended December 31, 2023.

Re 3

The Board of Directors recommends that the audited annual report (including Sustainability and P-ESG report) will be adopted and that a resolution will be passed to discharge the Board of Directors and Management from liability.

Re 4

The Board of Directors proposes that the consolidated loss for the year of EUR 481.4 million be carried forward to next year through recognition in accumulated deficit.

Re 5

Members of the current Class II of the Board of Directors are up for election. Pursuant to existing article 10 of the Articles of Association, board members shall be elected in accordance with the following rules:

"The board of directors shall with respect to the duration of the term which they severally hold office be classified into two classes as nearly equal in number as possible. Such classes shall originally consist of one class of directors ("Class I") who shall be elected at the annual general meeting held in 2015 for a term expiring at the annual general meeting to be held 2017; and a second class of directors ("Class II") who shall be elected at the annual general meeting held in 2015 for a term expiring at the annual general meeting to be held in 2016. The shareholders shall increase or decrease the number of directors, in order to ensure that the two classes shall be as nearly equal in number as possible; provided, however, that no decrease shall have the effect of shortening the term of any other director. At each annual general meeting beginning in 2016, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual general meeting held in the second year following the year of their election."

Currently, the Board of Directors is composed of the following members:

Class I, with a term expiring at this annual general meeting in 2025: Jan Møller Mikkelsen, Lisa Morrison, William Carl Fairey Jr and Siham Imani.

Class II, with a term expiring at the annual general meeting to be held in 2024: Albert Cha and Lars Holtug.

The Board of Directors proposes that the following persons are elected for Class II for a term expiring at the annual general meeting to be held in 2026; however, if the proposal from the Board of Directors under 7.a is adopted, the term will expire at the annual general meeting to be held in 2025:

Albert Cha (reelection for Class II)
Lars Holtug (reelection for Class II)

so that, if so decided by the shareholders, the Board of Directors will consist of the following:

Class I, with a term expiring at the annual general meeting to be held in 2025:

Jan Møller Mikkelsen
Lisa Jane Morrison
William Carl Fairey Jr
Siham Imani

Class II, with a term expiring at the annual general meeting to be held in 2026; however, if the proposal from the Board of Directors under 7.a is adopted, the term will expire at the annual general meeting to be held in 2025.

Albert Cha
Lars Holtug

Albert Cha and Lars Holtug have accepted to stand for reelection in accordance with the above. Information about the current board members is available on the Company's website www.ascendispharma.com.

Re 6

The Board of Directors proposes that Deloitte Statsautoriseret Revisionspartnerselskab be re-appointed as the Company's auditor.

Re 7

7.a Proposal from the Board of Directors

The Board of Directors proposes that the existing structure with two classes of members of the Board of Directors is discontinued and is replaced with a simpler structure under which all members of the board of directors are elected for one year and are up for election at each annual general meeting in accordance with the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

The Board of Directors proposes that the change shall take effect immediately, so that, if so decided, all members of the Board of Directors will be up for re-election first time at the annual general meeting to be held in 2025.

Specifically, the board of directors proposes to replace the existing wording of article 10 of the articles of association in its entirety with the below proposed new wording:

"The company shall be governed by the board of directors, consisting of no less than 3 and no more than 10 board members, elected by the shareholders at the general meeting. The members of the board of directors are elected for a term expiring at the first coming annual general meeting following their election.

Any board member shall retire from the board at the ordinary general meeting following immediately after such member attaining the age of 75.

The board of directors shall elect their chairman from their own number.

The board of directors shall adopt its own Rules of Procedure and ensure that the company conducts its activities in conformity with the articles of association and the legislation in force at any time.

The chairman shall convene board meetings whenever he finds it necessary, or when any board member or member of management so requests."

7.b Proposal from the board of directors

The current authorization contained in article 4 d (1) to the board of directors to increase the Company's share capital with pre-emptive subscription rights for the Company's expires 28 May 2024. The board of directors proposes that the authorization is renewed and adopted with the following wording:

The board of directors is until 29 May 2029 authorized at one or more times to increase the company's share capital with up to nominal DKK 9,000,000 with pre-emptive subscription rights for the company's shareholders. Capital increases according to this authorisation shall be carried out by the board of directors by way of cash contributions. The board of directors is authorised to make the required amendments to the articles of association if the authorization to increase the share capital is used and to cause such shares to be deposited with a depositary bank and the simultaneous issuance of American Depositary Shares.

Reference is made to the existing article 4 d (3), which shall apply to shares issued pursuant to above authorization if adopted, and shall remain unchanged with the following wording:

§ 4 d (3) For shares issued pursuant to article 4 d (1) or 4 d (2) the following shall apply: The new shares shall be non-negotiable instruments issued in the name of the holder and registered in the name of the holder in the company's register of shareholders. The new shares shall not have any restrictions as to their transferability and no shareholder shall be obliged to have the shares re-deemed fully or partly. No partial payment is allowed. The shares shall be with the same rights as the existing share capital. The new shares shall give rights to dividends and other rights in the company from the time which are determined by the board of directors in connection with the decision to increase the share capital.

7.c Proposal from the board of directors

The board of directors proposes to amend the articles of association by renewing the authorisation to the board of directors to issue warrants.

The board of directors specifically proposes that the following wording is inserted as a new section 4j in the articles of association:

The board of directors is authorized, in accordance with the Danish Companies Act, Section 169, cf. Section 155, Subsection 2, during the period until 29 May 2029 on one or more occasions to issue warrants to members of the executive management and employees, advisors and consultants of the Company or its subsidiaries entitling the holder to subscribe shares for a total of up to nominal value of DKK 1,000,000 without pre-emptive rights for the Company's shareholders. The exercise price for the warrants shall be determined by the board of directors in consultation with the Company's advisors and shall at least be equal to the market price of the shares at the time of issuance. The board of directors shall determine the terms for the warrants issued and the distribution hereof.

At the same time, the board of directors is authorized in the period until 29 May 2029, on one or more occasions to increase the Company's share capital by up to a total nominal value of DKK 1,000,000 without pre-emptive rights for the existing shareholders by cash payment in order to implement the capital increase related to exercise of the warrants. In accordance with this clause the board of directors may increase the share capital with a minimum nominal value of DKK 1 and a maximum nominal value of DKK 1,000,000. The board is authorized to cause such shares to be deposited with a depositary bank and the simultaneous issuance of American Depositary Shares.

The new shares issued based on exercise of warrants shall be non-negotiable instruments issued in the name of the holder and registered in the name of the holder in the Company's register of shareholders. The new shares shall not have any restrictions as to their transferability and no shareholder shall be obliged to have the shares redeemed fully or partly. No partial payment is allowed. The shares shall be with the same rights as the existing share capital. The new shares shall give rights to dividends and other rights in the Company from the time which is determined by the board of directors in connection with the decision to increase the share capital.

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The proposals contained in items 1-6 may be adopted by a simple majority of the votes cast. The proposals contained in item 7 may be adopted by a majority of 2/3 of the votes cast and of the voting share capital represented at the general meeting.

The Company's nominal share capital currently amounts to DKK 58,224,419 consisting of 58,224,419 shares of DKK 1 nominal value. At the general meeting, each share amount of DKK 1 nominal value carries one vote.

Information: The following information is available at the Company's website www.ascendispharma.com as of May 2, 2024.

- Notice to convene the annual general meeting
- The aggregate number of shares and voting rights as at the date of the notice to convene the general meeting
- The documents that will be submitted at the general meeting, including the audited annual report
- The agenda and the complete proposals for adoption
- Forms for voting by proxy or by mail

The convening notice will also be forwarded in writing to all shareholders recorded in the register of shareholders who have requested such notification.

Shareholders may submit questions to the Company in writing regarding the agenda and/or the documents prepared for the general meeting.

A shareholder's right to attend general meetings and to vote at general meetings is determined on the basis of the shares that the shareholder owns on the registration date. The registration date is May 23, 2024. The shares which the individual shareholder owns are calculated on the registration date on the basis of the registration of ownership in the register of shareholders as well as notifications concerning ownership which the company has received with a view to update the ownership in the register of shareholders.

In addition, any shareholder who is entitled to attend a general meeting and who wishes to attend must have requested an admission card from the Company as described below.

Language: The meeting will be conducted in English according to section 7 of the articles of association.

Shareholders, proxies and any accompanying adviser must have an admission card to attend the general meeting. Admission cards may be ordered on the Company's website, www.ascendispharma.com or on the website of Computershare A/S, www.computershare.dk.

Admission cards must be ordered no later than May 24, 2024 at 23.59 p.m. (CET).

Proxy: For the general meeting, shareholders may vote by proxy by presenting an instrument of proxy, duly signed and dated. Proxy forms can be downloaded from the website of the Company, www.ascendispharma.com, and must be forwarded to Computershare A/S, Lottenborgsvej 26 D, 1st floor, DK-2800 Kgs. Lyngby, Denmark, by mail or by fax no. + 45 45 46 09 98. Computershare must receive completed proxy forms no later than May 24, 2024 at 23.59 p.m. (CET).

Proxies may also be granted electronically on the Company's website on the website of Computershare A/S, www.computershare.dk, by using a Computershare username and password. Usernames and passwords will be sent to all shareholders by email. Electronic proxies must be granted no later than May 24, 2024 at 23.59 p.m. (CET).

Voting by mail: Shareholders may - instead of voting in person at the ordinary general meeting - choose to vote by mail, i.e. voting in writing prior to the general meeting. Any shareholder who chooses to vote by mail shall send the absentee vote to Computershare A/S, Lottenborgsvej 26 D, 1st floor, DK-2800 Kgs. Lyngby, Denmark, by mail or by fax no. + 45 45 46 09 98.

Electronic voting: It is also possible to vote electronically on the website of Computershare A/S, www.computershare.dk, by using Computershare username and password.

In order to stay valid, the absentee vote, whether sent by mail or made electronically, must be received by Computershare A/S no later than May 29, 2024 at 10.00 a.m. (CET). Absentee voting forms can also be downloaded from the website of the Company, www.ascendispharma.com. Please note that an absentee vote cannot be withdrawn.

Please note that letters may be in the mail for several days or weeks.

Hellerup, May 2, 2024
On behalf of the board of directors

Albert Cha
Chair

Exhibit 99.2

Ascendis Pharma A/S
Tuborg Boulevard 12
DK-2900 Hellerup
Central Business Registration No. 29 91 87 91

Annual Report 2023
(January 1 – December 31)

Adopted at the Annual General Meeting of Shareholders on May 30, 2024.

Lars Lüthjohan Jensen
Chairman of the General Meeting

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Company Information

Ascendis Pharma A/S
Tuborg Boulevard 12
DK-2900 Hellerup
Central Business Registration No. 29 91 87 91
Registered in: Gentofte
Phone: +45 70 22 22 44
Internet: www.ascendispharma.com
E-mail: info@ascendispharma.com

Board of Directors

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

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

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, 2023.

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, 2023, and of their financial performance and cash flows for the financial year January 1 to December 31, 2023.

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 7, 2024

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, 2023, which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement 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, 2023, and of the results of their operations and cash flows for the financial yearJanuary 1 to December 31, 2023 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 the information required by 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

Copenhagen, February 7, 2024

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

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

Lars Hansen
State-Authorised Public Accountant
Identification No (MNE) 24828

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)	2023	2022	2021	2020	2019
Revenue	266,718	51,174	7,778	6,953	13,375
Operating Profit/(Loss)	(455,541)	(561,814)	(451,792)	(330,620)	(226,719)
Finance Income/(Expenses)	(208)	1,694	55,807	(79,030)	16,582
Profit/(Loss) for the Year	(481,447)	(583,194)	(383,577)	(418,955)	(218,016)
Cash and Cash Equivalents	392,164	444,767	446,267	584,517	598,106
Total Assets	825,587	1,089,738	1,084,921	979,793	676,732
Equity	(145,697)	263,348	883,635	838,711	597,114
Investments in Property, Plant & Equipment	2,442	14,489	23,704	19,860	5,159
Return on Equity (%)*	(818.4)	(101.7)	(44.5)	(58.4)	(49.7)
Equity Ratio (%)*	(17.6)	24.2	81.4	85.6	88.2

***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 applying our innovative TransCon technology platform to build a leading, fully integrated biopharma company focused on making a meaningful difference in patients' lives. Guided by our core values of patients, science and passion, we use our TransCon technologies to create new and potentially best-in-class therapies.

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, Inc.	USA
Ascendis Pharma Endocrinology, Inc.	USA
Ascendis Pharma Ophthalmology Division A/S	Denmark
Ascendis Pharma Endocrinology Division A/S	Denmark
Ascendis Pharma Bone Diseases A/S	Denmark
Ascendis Pharma Growth Disorders A/S	Denmark
Ascendis Pharma Oncology Division A/S	Denmark
Ascendis Pharma Nordics A/S	Denmark
Ascendis Pharma Europe A/S	Denmark
Ascendis Pharma UK Limited	United Kingdom
Ascendis Pharma Iberia S.L.	Spain

The Company has increased its number of employees to 879 at the end of 2023 compared to 797 at the end of 2022. Employees engaged with research and development have increased primarily due to advancement of our pipeline of endocrinology and oncology. In addition, the number of employees has increased due to pre-launch and launch 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. This includes:

- Be the Leading Endocrinology Rare Disease Company
  - Achieve blockbuster status (>$1B) for each of 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 combine our TransCon technologies with clinically validated parent drugs and pathways, with the goal of optimizing efficacy, safety, tolerability and convenience.

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

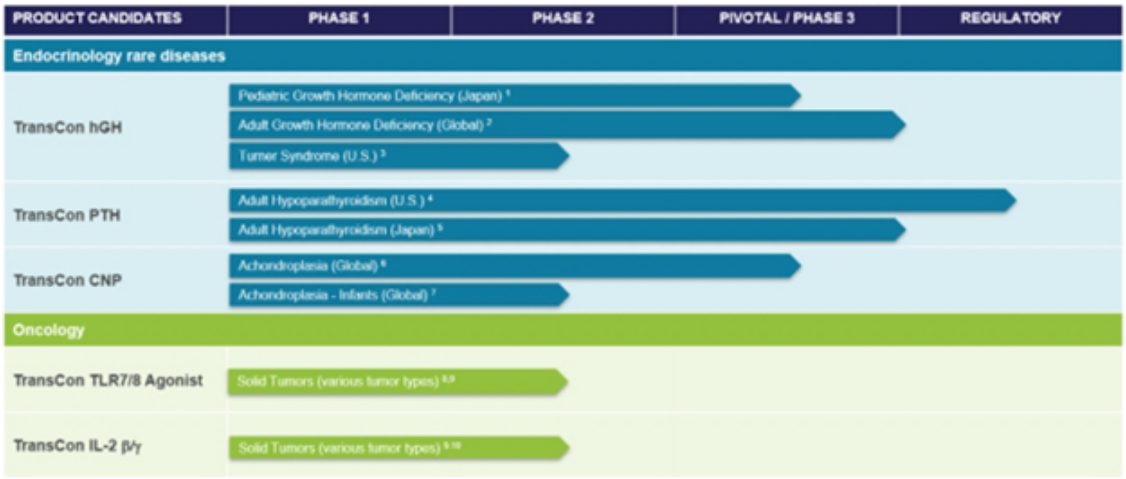
Ascendis Algorithm for Product Innovation

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

We currently have two marketed products and a diversified portfolio of five product candidates in clinical development in the areas of endocrinology rare diseases and oncology, and we are working to apply our TransCon technology platform in additional therapeutic areas such as the glucagon-like peptide 1 ("GLP-1") class where we believe we have designed a best-in-class, once-monthly program.

- *SKYTROFA* – Our first marketed product is SKYTROFA® (lonapegsomatropin-tcgd), developed as TransCon Growth Hormone ("TransCon hGH"), which received regulatory approval in the United States for the treatment of pediatric patients one year and older who weigh at least 11.5 kg and have growth failure due to inadequate secretion of endogenous growth hormone, also known as growth hormone deficiency ("GHD"). TransCon hGH is now commercially available for prescription in the United States under its brand name SKYTROFA (lonapegsomatropin-tcgd). In addition, TransCon hGH was granted marketing authorization in the European Union ("EU") as SKYTROFA (lonapegsomatropin), a once-weekly subcutaneous injection for the treatment of children and adolescents ages 3 to 18 years with growth failure due to insufficient secretion of endogenous growth hormone. SKYTROFA has been commercially available for prescription in Germany since September 2023.
- *YORVIPATH* – Our second marketed product is YORVIPATH® (palopegteriparatide), developed as TransCon PTH. In the EU, YORVIPATH was granted marketing authorization as a once-daily subcutaneous injection for the treatment of adults with chronic hypoparathyroidism. YORVIPATH has been commercially available for prescription in Germany and Austria since January 2024.
- *Endocrinology Rare Disease Pipeline* – We are developing three product candidates in our Endocrinology Rare Disease portfolio spanning multiple indications and geographies. These include TransCon hGH for pediatric GHD, adult GHD, and Turner syndrome; TransCon PTH for adults with chronic hypoparathyroidism; and TransCon CNP (navepegritide) for infants and children with achondroplasia.
- *Oncology* – 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 have initiated clinical development of two product candidates: TransCon TLR7/8 Agonist, an investigational, long-acting prodrug of resiquimod, a small molecule agonist of Toll like receptors ("TLR") 7 and 8 for intratumoral delivery and TransCon IL-2 b/g, for systemic delivery, which is designed for prolonged exposure to an IL-2 variant that selectively activates the IL-2 b/g, with minimal binding to IL-2Rα. Our clinical development program for these product candidates also includes evaluation of them as a potential combination therapy.
- *Ophthalmology* - In January 2023, we announced Ophthalmology as our third independent therapeutic area of focus for our TransCon technologies. In January 2024, we announced the formation of Eyconis, Inc., with institutional investors and entered into an exclusive license agreement with Eyconis to develop and commercialize TransCon ophthalmology products globally. We received an equity position in the newly formed company, and we are eligible to receive future milestone payments plus single digit royalties on global net sales of commercialized products, if any.

TransCon Product Candidates Pipeline



1. *riGHt Trial (jRCT2031200340)*
2. *foresiGHt Trial (NCT05171855)*
3. *New InsiGHts Trial (NCT05690386)*
4. *NDA resubmitted to U.S. FDA, PDUFA goal date May 14, 2024*
5. *PaTHway Japan Trial (jRCT2051210058)*
6. *Pivotal ApproaCH Trial (NCT05598320)*
7. *reACHin Trial (NCT06079398)*
8. *transcendIT-101 Trial (NCT04799054), includes 4 indication-specific cohorts*
9. *BelieveIT-201 Trial (NCT05980598)*
10. *IL-Believe Trial (NCT05081609)*

We maintain an intellectual property portfolio comprising over 300 issued patents and over 550 patent applications as of December 31, 2023, which includes patents and patent applications applicable to our product candidates with claims directed to composition of matter, process, formulation and/or methods-of-use for our product candidates, including a product-specific device and core TransCon technologies. Other than the rights we have granted to VISEN Pharmaceuticals ("VISEN"), Teijin Limited, and Eyconis as noted in this annual report, we hold worldwide rights to our TransCon technologies and, other than our royalty financing arrangement with Royalty Pharma as noted in this annual report, we owe no third-party royalty or milestone payment obligations with respect to our TransCon technologies, TransCon hGH or any of our other product candidates. While our TransCon prodrugs may incorporate already approved parent drugs, TransCon hGH 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 product candidates, if approved, to address patients' unmet medical needs.

In the U.S., we have established a multi-faceted organization to support the ongoing commercialization of SKYTROFA, which will also serve as the foundation for future Endocrinology Rare Disease product launches in the U.S.

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

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

- Specialised Therapeutics Asia Pte Ltd. (Australia, New Zealand, Singapore, Malaysia, Brunei, Thailand, and Vietnam)
- Er-Kim (Central & Eastern Europe and Turkey)
- Vector Pharma FZCO (Saudi Arabia, United Arab Emirates, Kuwait, Oman, Qatar, and Bahrain)

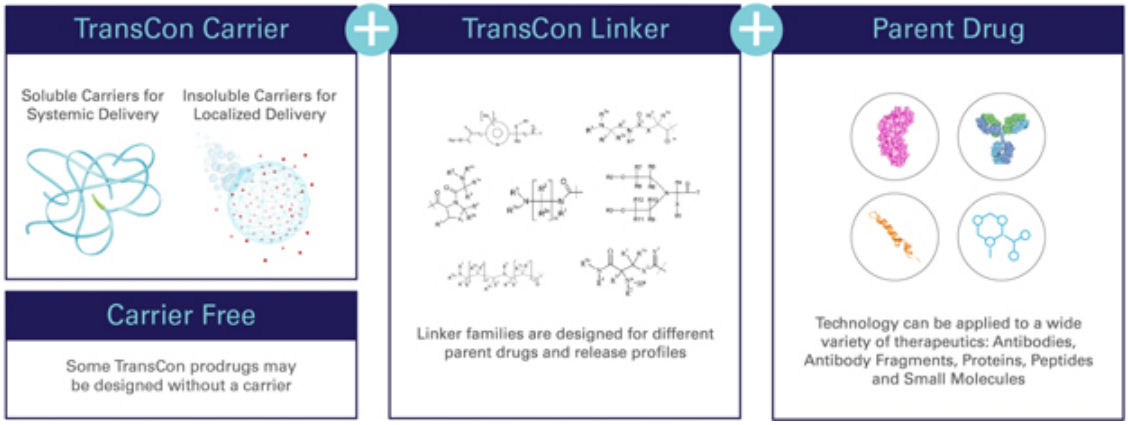
Finally, we are making our products commercially available in select markets through exclusive license agreements with partners with local expertise and infrastructure. We plan to also make our product candidates commercially available, if approved, through these exclusive license agreements. In China, VISEN has exclusive license rights to develop and commercialize TransCon hGH, TransCon PTH, and TransCon CNP. In Japan, Teijin has exclusive license rights to develop and commercialize TransCon hGH, TransCon PTH, and TransCon CNP.

TransCon Technologies

Overview

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

TransCon molecules can have up to three components: a parent drug, an inert carrier that protects it, and a linker that temporarily binds the two. When bound, the carrier inactivates and shields the parent drug from clearance. When injected into the body, physiologic pH and temperature conditions initiate the release of the active, unmodified parent drug in a predictable release manner. Depending upon the type of TransCon carrier we employ, we can design our TransCon prodrugs for sustained localized or systemic delivery.

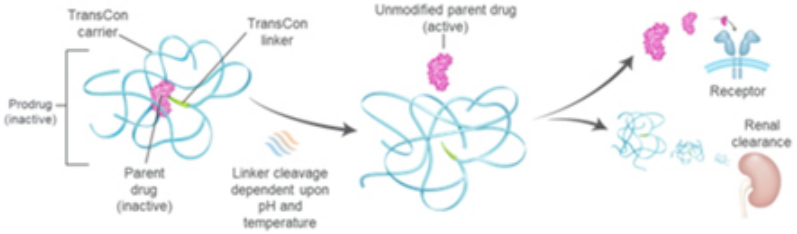


TransCon Technology Components

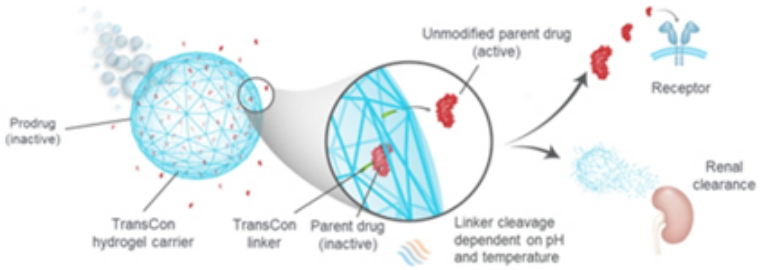
TransCon Carriers

Our TransCon technologies incorporate two 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 methoxy polyethylene glycol ("mPEG") or other natural or synthetic polymers. 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:



- In 2023, we developed a novel TransCon prolongation technology. The new TransCon technology may support expansion of TransCon technology into new therapeutic areas.

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 potentially best-in-class long-acting product candidates 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 generate a pipeline of product candidates to address significant unmet medical needs and to become potential sources of significant revenue for our company. Because our TransCon technologies leverage clinically validated parent drugs or pathways, we believe we may benefit from a higher development and regulatory success rate compared to development of drug compounds without established biology.

TransCon Products – Endocrinology Rare Disease

TransCon Growth Hormone (hGH)

Market Opportunity in Recombinant Human Growth Hormone

Growth hormone deficiency ("GHD") is a serious orphan disease that affects both children and adults. Children with GHD are characterized by short stature, metabolic and cardiovascular abnormalities, cognitive deficiencies, and poor quality of life. GHD in adults is associated with increased adiposity, or fat mass, as well as psychiatric-cognitive, cardiovascular, muscular, metabolic and skeletal abnormalities. The current standard of care for GHD is daily subcutaneous injections of somatropin, a recombinant human growth hormone ("hGH"). 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. 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. in the Journal of Managed Care and Specialty Pharmacy. The observational retrospective cohort analysis utilized administrative claims data from two databases on over 20,000 pediatric patients diagnosed with GHD. Approximately 68% of commercial patients and approximately 63% of Medicaid patients received daily growth hormone treatment, whereas approximately 32% of commercial patients and approximately 37% of Medicaid patients were untreated. In addition, mean adherence as measured by proportions of days covered which is defined as the number of days covered by any daily growth hormone prescription during the follow-up period was approximately 60% in the commercial cohort and approximately 50% in the Medicaid cohort. Only 32% of commercial and 18% of Medicaid patients reported adherence rates greater than 80%.

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

Since the introduction of hGH in 1981, a number of the world's largest pharmaceutical companies have developed and marketed daily-administered hGH products. All currently marketed daily hGH products in the United States – Norditropin® (Novo Nordisk A/S), Humatrope® (Eli Lilly and Company), Nutropin AQ® (Genentech, a Roche company), Genotropin® (Pfizer Inc.), Zomacton® (Ferring Pharmaceuticals, Inc.) and Omnitrope ® (Sandoz GmbH) – contain unmodified somatropin (hGH) 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, Merck KGaA, and Roche, which together account for most of the global market share.

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 current total hGH market, of which approximately half is for pediatric GHD.

Competitive Landscape for Long-Acting Growth Hormone Therapies

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

- Unmodified somatropin (hGH): 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 in 1999 and later withdrawn; Somatropin Biopartners (LB03002), was approved by the European Medicines Agency ("EMA") in 2013, and later withdrawn. We believe that the lack of market acceptance was a result of the various safety and tolerability issues that tend to arise with encapsulation technologies.
- Permanent modification of growth hormone: Modification technologies prolong activity in the body by creating analogs of growth hormone through permanent modification of the growth hormone molecule. This modification may alter the molecular size and interaction with the growth hormone receptor and/or change the natural association affinity to endogenous proteins, as well as the distribution in the body. These changes may alter and reduce the efficacy of these drugs compared to unmodified daily somatropin (hGH) 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®) for replacement of endogenous growth hormone in adult patients with GHD 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 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, and JCR Pharmaceuticals Co., Ltd.

Our Solution: TransCon hGH

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

TransCon Growth Hormone (hGH) for pediatric GHD

TransCon hGH, marketed under the brand name SKYTROFA® (lonapegsomatropin-tcgd), received regulatory approval in the U.S. for the treatment of pediatric patients one year and older who weigh at least 11.5 kg and have growth failure due to inadequate secretion of endogenous growth hormone, also known as growth hormone deficiency. SKYTROFA has been commercially available for prescription in the United States since October 2021. In the EU, 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 ages 3 to 18 years with growth failure due to insufficient secretion of endogenous growth hormone. SKYTROFA has been commercially available for prescription in Germany since September 2023.

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

Clinical Trial of TransCon hGH in Japanese Pediatric GHD

In our ongoing Phase 3 riGHt Trial, we are evaluating TransCon hGH as a treatment in Japanese children with GHD. The primary objective of the riGHt Trial is to evaluate and compare the annualized height velocity of approximately 40 Japanese prepubertal children with GHD treated with once-weekly TransCon hGH to that of children treated with a commercially available daily hGH formulation at 52 weeks. Enrollment in the riGHt trial was completed during the fourth quarter of 2023.

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 has a single, low-volume injection for the majority of patients of less than 0.6 mL and requires a thin, 31-gauge needle that is only 4 millimeters in length, which is comparable to needles used to administer daily hGH. We are also working on strategies that will enable the auto-injector to integrate with the digital healthcare system, including Bluetooth connectivity features to allow for easy tracking of dosing adherence over time.

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

TransCon Product Candidates – Endocrinology Rare Diseases

TransCon Growth Hormone (hGH) for Other Indications

Clinical Development in Adults

We are currently conducting the foresiGHt Trial, a global Phase 3 trial that aims to demonstrate the metabolic benefits of TransCon hGH in adults and with the primary objective to evaluate change in trunk fat percentage.

In December 2023, we announced positive topline results from foresiGHt, a Phase 3 randomized, parallel-arm, placebo-controlled (double-blind) and active-controlled (open-label) trial to compare the efficacy and safety of TransCon hGH with placebo and daily hGH in adults with GHD.

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

- TransCon hGH demonstrated superiority on its primary efficacy endpoint at Week 38:
  - Change from baseline in trunk percent fat as measured by dual x-ray absorptiometry (TransCon hGH -1.67% vs. placebo +0.37%, LS mean difference = -2.04%, $p < 0.0001$)
- TransCon hGH demonstrated superiority on its key secondary efficacy endpoints at Week 38:
  - Change from baseline in total body lean mass (TransCon hGH +1.60 kg vs placebo -0.10 kg, LS mean difference = 1.70 kg, $p < 0.0001$)
  - Change from baseline in trunk fat mass (TransCon hGH -0.48 kg vs placebo +0.22 kg, LS mean difference = -0.70 kg, $p = 0.0053$)
- Exploratory post-hoc analysis at Week 38 demonstrated comparable treatment effect of TransCon hGH and daily hGH on target tissues. For patients with IGF-1 SDS levels ≤ 1.75 at Week 38:
  - Change from baseline in trunk percent fat (TransCon hGH -2.42% vs. daily hGH -2.59%)
  - Change from baseline in total body lean mass (TransCon hGH +1.70 kg vs daily hGH +1.37 kg)

    - Change from baseline in trunk fat mass (TransCon hGH -0.90 kg vs daily hGH -0.94 kg)
- TransCon hGH was generally safe and well tolerated, with no discontinuations related to study drug and with comparable safety and tolerability to daily hGH.

Other Development Plans

In June 2022, we initiated the Phase 2 New InsiGHTS Trial in the U.S. to evaluate TransCon hGH in Turner syndrome. In this trial, we are evaluating higher doses of TransCon hGH and daily hGH for Turner syndrome compared to doses for pediatric or adult GHD. Topline results from New InsiGHTS are expected in the fourth quarter of 2024. In addition, we are considering other potential indications for TransCon hGH where we believe a long-acting hGH therapy may offer benefits to patients with rare growth disorders, including in combination with our TransCon CNP product candidate in achondroplasia.

TransCon PTH

Market Opportunity in Hypoparathyroidism

Hypoparathyroidism is a rare endocrine disease characterized by insufficient levels of parathyroid hormone ("PTH"). Most patients with hypoparathyroidism develop the condition following damage to or accidental removal of the parathyroid glands during thyroid surgery. Post-surgical hypoparathyroidism accounts for the majority of cases (70-80%); other etiologies include autoimmune disorders, genetic disorders such as autosomal dominant hypocalcemia type 1 ("ADH1"), 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.

Short-term symptoms include weakness, severe muscle cramps (tetany), abnormal sensations such as tingling, burning and numbness (paresthesia), memory loss, impaired judgment, and headache. Patients often experience decreased quality of life, and, over the long term, prolonged use of conventional therapy may increase risk of major complications, such as calcium deposits in the brain, blood vessels, eye, and other soft tissues. According to a recent systematic literature review, chronic hypoparathyroidism treated with conventional therapy is associated with higher rates of renal complications compared to the general population, such as nephrolithiasis (up to 36%), nephrocalcinosis (up to 38%), and chronic kidney disease (up to 41%). Hypoparathyroidism remains among the few hormonal insufficiency states without a replacement therapy that restores the missing hormone at physiologic levels.

Hypoparathyroidism also poses a high burden on the healthcare system despite current conventional therapy. For example, one survey of 374 patients 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. Other studies showed that 79% of hypoparathyroidism cases require hospitalizations and that patients with the disease have a four-fold increase in the risk of renal disease compared to healthy controls. Patients often experience decreased quality of life. We conducted a survey of 42 patients which found that 100% of patients reported negative psychological impacts, interference with daily life and impact on physical functioning from HP, and that 76% were either no longer able to work or experienced interference with 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 who are 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.

Currently, an effective PTH replacement therapy that fully addresses the condition is not widely available to patients with hypoparathyroidism. In 2015, NATPARA® (parathyroid hormone) for injection 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 will discontinue manufacturing NATPARA/NATPAR globally by the end of 2024.

We are also aware of several academic groups and companies working on making longer-acting agonists of the PTH receptor ("PTH1R"). In addition, other companies and groups are developing or commercializing therapies for hypoparathyroidism, including Calcilytix (a BridgeBio company), Entera Bio, Extend Biosciences, Massachusetts General Hospital, Amolyt Pharma, and MBX Biosciences.

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 National Institutes of Health ("NIH") in subjects receiving continuous exposure to PTH (1-34), administered by an infusion pump, demonstrated simultaneous normalization of sCa and urinary calcium, as well as normalization of bone turnover.

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

Our Solution: TransCon PTH

TransCon PTH (palopegteriparatide) is an investigational prodrug of PTH (1-34) that is designed to be dosed once-daily to achieve and maintain a steady concentration of PTH in the bloodstream within the normal range, at levels similar to those observed in healthy individuals. TransCon PTH is designed to provide PTH in the physiological range for 24 hours per day, thereby more fully addressing all aspects of the disease, including normalizing serum and urinary calcium and serum phosphate levels.

With once-daily dosing, we believe this substantial half-life extension of PTH could more closely reflect the physiological levels of PTH observed in healthy individuals, thereby maintaining blood calcium levels and normalizing urinary calcium excretion. By providing steady levels of PTH in the physiological range, we believe TransCon PTH can address the fundamental limitations of PTH therapies with short half-life molecules and become a highly differentiated therapy for hypoparathyroidism.

In November 2023, TransCon PTH received regulatory approval in the EU and other territories and will be marketed in the EU as YORVIPATH®, a parathyroid hormone (PTH) replacement therapy indicated for the treatment of adults with chronic hypoparathyroidism.

In January 2024, we announced that YORVIPATH is commercially available in Germany and Austria.

Clinical Development of TransCon PTH for Adult Hypoparathyroidism

Our ongoing Phase 3 PaTHway Trial, Phase 3 PaTHway Japan Trial, and Phase 2 PaTH Forward Trial are evaluating TransCon PTH in adult patients with hypoparathyroidism. Following the primary outcome period, all three trials continue in the open-label extension portion to collect long-term data.

In December 2023, we announced that the FDA accepted for review our resubmitted New Drug Application (“NDA”) for TransCon PTH (palopegteriparatide) for the treatment of adult patients with hypoparathyroidism. The agency considered the resubmission a complete, class 2 response and set a PDUFA goal date of May 14, 2024. In the U.S., TransCon PTH (palopegteriparatide) is an investigational prodrug of parathyroid hormone (PTH [1-34]) for adult patients with hypoparathyroidism. The resubmission followed the Type A meeting held with the FDA in late August, held after the FDA’s issuance of a complete response letter (“CRL”) in May 2023 for the TransCon PTH (palopegteriparatide) NDA for the treatment of adults with hypoparathyroidism. In the CRL, the FDA cited concerns related to the manufacturing control strategy for variability of delivered dose in the TransCon PTH drug/device combination product. The FDA did not express concern in the CRL about the clinical data submitted as part of the NDA package and no new preclinical studies, or Phase 3 clinical trials to evaluate safety or efficacy, were requested in the letter.

In September 2023, we announced new post hoc analysis showing adults with hypoparathyroidism treated with TransCon PTH demonstrated substantial improvement in estimated glomerular filtration rate (“eGFR”), suggesting improved kidney function. In the Phase 3 PaTHway Trial, mean baseline eGFR was 67.3 and 72.7 mL/min/1.73m2 for subjects randomized to TransCon PTH and placebo, respectively. At Week 26, patients treated with TransCon PTH experienced a mean increase in eGFR of 7.9 mL/min/1.73m2 compared to baseline ($p<0.0001$) while those on placebo experienced a mean decrease in eGFR of -1.9 mL/min/1.73m2 compared to baseline ($p=0.3468$). By Week 52, patients treated with TransCon PTH, including those crossing over from placebo, experienced a mean increase in eGFR of 8.9 mL/min/1.73m2 compared to baseline ($p<0.0001$). The improvement at Week 52 was even greater, for patients with eGFR <60 at baseline, the threshold for impaired kidney function, experiencing a mean increase in eGFR of 11.5 mL/min/1.73m2.

PaTHway: eGFR Change from Baseline by eGFR Group

Study Arm	Baseline eGFR (mL/min/1.73m²)	Week 26 N	Week 26 Mean (p value)	Week 52 N	Week 52 Mean (p value)
TransCon PTH / TransCon PTH			+11.4		+11.5
	eGFR < 60	19	(p=0.0002)	19	(p=0.0003)
			+6.3		+8.2
	eGFR ≥ 60	41	(p=0.0002)	40	(p<0.0001)
			+7.9		+9.3
	All	60	(p< 0.0001)	59	(p<0.0001)
Placebo (first 26 weeks) / TransCon PTH*			+0.05		+11.7
	eGFR < 60	4	(p=0.9877)	4	(p=0.0018)
			-2.4		+6.5
	eGFR ≥ 60	15	(p=0.3280)	15	(p=0.0199)
			-1.9		+7.6
	All	19	(p=0.3468)	19	(p=0.0014)

*eGFR (an assessment of kidney filtering capacity) was calculated by the trial's central lab using the Modification of Diet in Renal Disease Study Group ("MDRD") equation (Levey, Ann Intern Med 2006). *Patients in the placebo arm switched to TransCon PTH following the Week 26 visit.* Among patients with baseline eGFR < 60 mL/min/1.73m^2 (considered the threshold for impaired kidney function), approximately 50% were able to improve their eGFR to > 60 mL/min/1.73m2 with TransCon PTH therapy.

	eGFR < 60 at Baseline (n)	Number of Responders* (n, %) Week 26	Number of Responders* (n, %) Week 52
TransCon PTH / TransCon PTH	n=19	n=12	n=10
		63%	53%
Placebo (first 26 weeks) / TransCon PTH**	n=4	n=0	n=3
		0%	75%
Total PaTHway Trial	n=23	n=12	n=13
		52%	57%

eGFR based on central lab data using the MDRD Study Group formula.
** Responders defined as moving from eGFR < 60 to eGFR ≥ 60. Units in (mL/min/1.73m²).*
*** Patients in the placebo arm switched to TransCon PTH following the Week 26 visit.*

In June 2023, we announced one-year (Week 52) data from the open-label extension ("OLE") portion of the Phase 3 PaTHway Trial of TransCon PTH in adults with hypoparathyroidism. PaTHway is a Phase 3 trial of TransCon PTH with a placebo-controlled 26-week blinded portion and a 156-week OLE portion, designed to evaluate the long-term efficacy and safety of TransCon PTH as a potential hormone therapy for adult patients diagnosed with hypoparathyroidism. Of the 82 study participants dosed, 79 completed blinded treatment and entered the OLE, and 78 (59 TransCon PTH/TransCon PTH, 19 placebo/TransCon PTH) completed Week 52. The data showed that treatment with TransCon PTH resulted in sustained improvements through Week 52, as well as safety and tolerability similar to that reported for the initial 26-week blinded portion of the trial. As of December 31, 2023, 75 out of 79 patients continue in the OLE and have exceeded two years of follow-up in the PaTHway Trial.

In June 2023, we announced that we started enrollment for a Compassionate Use Program ("CUP") in Germany for TransCon PTH (palopegteriparatide). The CUP was approved by Germany's Federal Institute for Drugs & Medical Devices (Bundesinstitut für Arzneimittel & Medizinprodukte). Through the CUP, treating physicians can request TransCon PTH (palopegteriparatide) for eligible adult patients with hypoparathyroidism whose clinical condition, in the opinion of the treating physician, requires PTH treatment with palopegteriparatide, and who cannot be adequately treated with currently approved products or participate in a palopegteriparatide clinical trial. Following the German commercial launch of YORVIPATH in January 2024, the CUP will draw to a close.

On January 8, 2023, we announced topline 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 topline results consistent with our trials in North America and the EU. Twelve out of thirteen patients met the primary composite endpoint, which was defined as serum calcium levels in the normal range (8.3–10.6 mg/dL) and independence from conventional therapy (active vitamin D and >600 mg/day of calcium supplements). In this trial, TransCon PTH was generally well-tolerated, with no discontinuations related to study drug. As of December 31, 2023, 12 patients continue in the ongoing 3-year extension portion of the PaTHway Japan Trial.

In December 2022, the FDA allowed us to initiate a U.S. expanded access program ("EAP") for TransCon PTH for eligible adult patients with hypoparathyroidism with prior PTH treatment experience. This EAP is open for enrollment, allowing U.S. physicians to request access to investigational TransCon PTH for their eligible patients.

In September 2022, we announced new Week 110 data from the Phase 2 PaTH Forward Trial showing that long-term therapy with TransCon PTH provided a durable response in adult patients with hypoparathyroidism, as evidenced by maintenance of normal mean serum calcium levels and 93% of patients achieving independence from conventional therapy with active vitamin D and oral calcium. As of December 31, 2023, 57 out of the 59 patients continued in the OLE portion of the trial, where they receive an individualized maintenance dose of TransCon PTH. In addition, all 57 subjects have exceeded three years of follow-up in the PaTH Forward Trial. Two patients withdrew from the trial for reasons unrelated to safety or efficacy of the study drug.

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 composite 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 (active vitamin D and >600 mg/day of oral 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.

In April 2020, we announced top-line data from the four-week fixed dose, double-blinded portion of PaTH Forward, a global Phase 2 trial evaluating the safety, tolerability and efficacy of TransCon PTH in adult subjects with hypoparathyroidism. A total of 59 subjects were randomized in a blinded manner to receive fixed doses of TransCon PTH at 15, 18 or 21 µg/day or placebo for four weeks using a ready-to-use prefilled pen injector planned for commercial presentation. All doses of TransCon PTH were well-tolerated, and no serious or severe treatment-related adverse events ("TEAEs"), were observed at any point. No treatment-emergent adverse events led to discontinuation of study drug, and the overall incidence of TEAEs was comparable between TransCon PTH and placebo. Additionally, there were no drop-outs during the four-week fixed dose period.

In June 2018, we were granted Orphan Drug Designation ("ODD") by the FDA, for TransCon PTH for the treatment of hypoparathyroidism. In October 2020, we were granted Orphan designation ("OD") by the EC for TransCon PTH for the treatment of hypoparathyroidism. In July 2021, the Ministry of Health, Labour and Welfare granted ODD to TransCon PTH for the treatment of hypoparathyroidism.

TransCon CNP

Market Opportunity in Achondroplasia

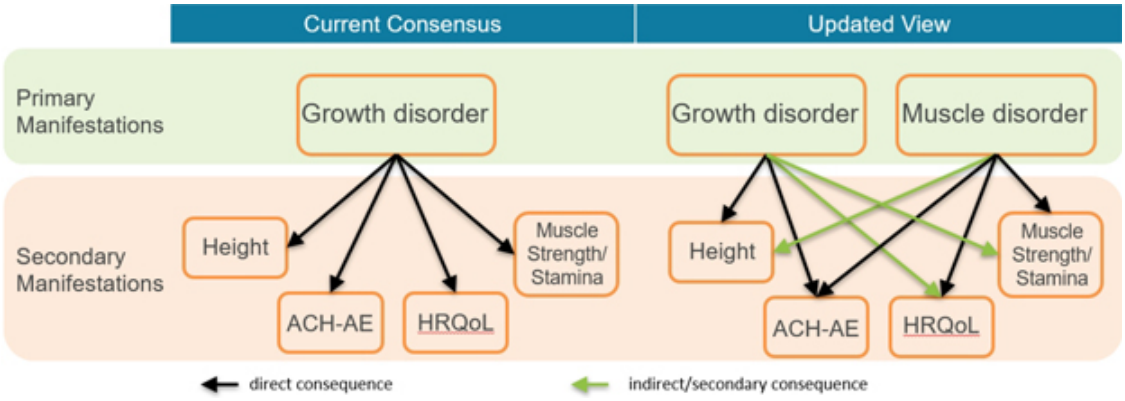
Achondroplasia is the most common genetic form of skeletal dysplasia leading to disproportionate short stature and is associated with a well-delineated range of clinical complications and manifestations, occurring in about one in 10,000 to 30,000 newborns or approximately 250,000 worldwide. Achondroplasia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

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

In November 2021, BioMarin Pharmaceutical Inc.'s VOXZOGO® (vosoritide) was approved by the FDA and is indicated to increase linear growth in pediatric patients with achondroplasia with open epiphyses. Other companies that are developing therapies for achondroplasia include QED Therapeutics (a BridgeBio company), Sanofi, Ribomic, Tyra Biosciences, and ProLynx.

Changing the Treatment Paradigm of Achondroplasia

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



ACH-AE: Increased incidence of Achondroplasia-related Adverse Events.
HRQoL: Reduced Health-Related Quality of Life; Height; Reduced height. Muscle Strength/Stamina; Reduced muscular functionality, including reduced strength and stamina.

Our Solution: TransCon CNP

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

Clinical Development of TransCon CNP for Achondroplasia

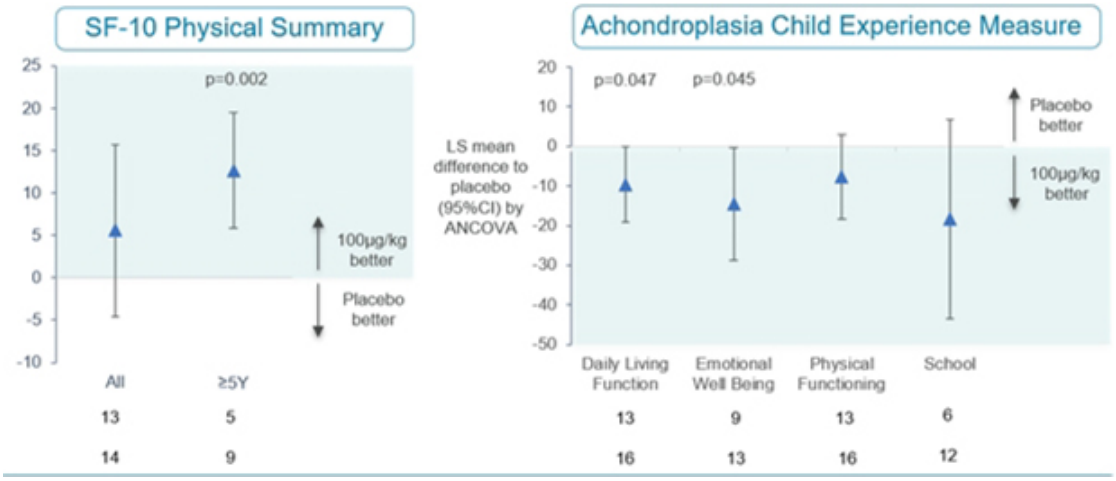
Our ongoing pivotal ApproaCH Trial, ACcomplisH trial, and our long-term extension trial AttaCH, are evaluating the safety and efficacy of TransCon CNP in children (aged 2 to eleven years) with achondroplasia.

In December 2023, we announced new analyses demonstrating benefits beyond linear growth from the blinded and ongoing OLE portions of ACcomplisH, a Phase 2 randomized, double-blind, placebo-controlled, dose-escalation trial of TransCon CNP in children ages 2-10 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 blinded or OLE part 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 significant improvements in health-related quality of life and disease impacts compared to those receiving placebo (data available for 5-13 patients).

Assessments were performed with the SF-10 (a 10-item non-disease specific survey of a child's functional health and well-being) and the Achondroplasia Child Experience Measure ("ACEM") a condition-specific clinical outcome measure that assesses the impact of achondroplasia on a child's health-related quality of life, with statistically significant improved outcome in TransCon CNP-treatment versus placebo for:

- SF-10 Physical Summary (p=0.002, ages 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.

During the fourth quarter of 2023, we filed a Clinical Trial Application for COACH, a Phase 2 open-label single-arm trial evaluating TransCon CNP and TransCon hGH in children with achondroplasia (age 2 to 11 years). The primary objective is to evaluate the treatment effect on linear growth and safety. Secondary objectives are to evaluate treatment effect on quality of life, radiological endpoints, physical functioning, and body composition. The trial plans to enroll approximately 18 patients (treatment naïve, n=18; prior treatment with TransCon CNP (100 mg/kg/week) for at least 1 year, n=6).

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

In September 2023, we announced completion of enrollment in ApproaCH with a total of 84 subjects randomized. U.S. and EU regulatory agencies have endorsed ApproaCH, a global randomized, double-blind, placebo-controlled trial in children ages 2–11 years with achondroplasia, as a pivotal Phase 3 trial. The primary endpoint of the trial is annualized growth velocity at 52 weeks with additional endpoints analyzing achondroplasia-related co-morbidities and quality of life. Topline results from the ApproaCH trial are expected in the fourth quarter 2024.

In November 2022, we announced topline 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 two to ten 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 annualized growth velocity (“AGV”) at 52 weeks (p=0.0218). All 57 randomized children completed the blinded portion of ACcomplisH and continued in the OLE portion of ACcomplisH at the 100 µg/kg/week dose. As of December 31, 2023, the first 25 patients completed the OLE portion of the ACcomplisH Trial and transitioned into the Phase 2 AttaCH Trial, a multicenter, long-term, open label extension and 24 continue treatment; 32 patients continue in OLE portion of ACcomplisH.

Additional highlights:

- TransCon CNP demonstrated a consistent dose-dependent increase in AGV across the four dose groups.
- Mean improvements in AGV for TransCon CNP-treated patients were consistent across age groups <5 years and >5 years, with dose response established.
- TransCon CNP at 100 µg/kg/week improved change in achondroplasia-specific height SDS compared to placebo (p=0.0283).
- TransCon CNP was generally well tolerated, with no discontinuations.
- No serious adverse events (“SAEs”) related to treatment were reported; two unrelated SAEs were reported.
- Injections were generally well tolerated with low frequency of injection site reactions (“ISRs”):
    - 11 mild ISRs (in 8 patients) out of >2,000 injections.
- Investigator-assessed achondroplasia-related AEs were less frequently reported among participants receiving TransCon CNP (31%; 13/42) compared with placebo (60%; 9/15).

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 is designed to evaluate growth velocity, body proportionality, and comorbidities over time in children with achondroplasia up to eight years old. No study medication will be administered in the ACHieve Study.

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

TransCon Product Candidates—Oncology

Market Opportunity in Oncology

Efficacy of many cancer treatments remains suboptimal and the incidence of cancer continues to rise. 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 or respond inadequately to current therapies. In addition to insufficient efficacy, many current treatments are limited by toxicities that result in dose reductions, treatment discontinuations, or long-term health risks to patients.

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

Another approach is to target the drug activity into tumors via intratumoral injection using our sustained localized release TransCon hydrogel technology, aiming for high activity in the tumor microenvironment while limiting systemic adverse events. While one intratumoral treatment has been approved for the local treatment of recurrent melanoma, the overall success of intratumoral treatments has been limited to date. This is likely partly due to lack of prolonged intratumoral exposure of active drug levels, and resulting in the potential need for more frequent dosing.

Our Solution: TransCon Technologies for Oncology

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

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

We are currently investigating two clinical-stage product candidates 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.

Similarly, with the potential to achieve sustained local release at predictable levels, we believe TransCon hydrogel product candidates may allow for improved efficacy and reduced dosing frequency of intratumorally administered therapies, potentially enabling treatments of multiple tumor types, including those that cannot be easily accessed for frequent injection.

Development of TransCon Product Candidates in Oncology

Our TransCon product candidates in oncology are designed to provide sustained systemic or intratumoral administration, which we believe could provide potent and durable anti-tumor efficacy. Our nonclinical studies have shown sustained activation of cytotoxic immune cells that resulted in robust anti-tumor responses by TransCon product candidates using infrequent administration.

Two of our oncology product candidates, TransCon TLR7/8 Agonist and TransCon IL-2 b/g, are now in clinical development. In addition, we believe that a combination of TransCon TLR7/8 Agonist and TransCon IL-2 b/g may have the potential to produce greater anti-tumor activity than either candidate alone.

TransCon TLR7/8 Agonist for sustained localized release

TransCon TLR7/8 Agonist is an investigational long-acting prodrug, designed for sustained intratumoral release of resiquimod, a small molecule agonist of TLR 7 and 8. It is designed to provide sustained and potent activation of the innate immune system in the tumor and tumor draining lymph node for weeks following a single intratumoral injection and to have a low risk of systemic toxicity. The transcendIT-101 Trial, a Phase 1/2 clinical trial to evaluate the safety and efficacy of TransCon TLR7/8 Agonist in locally advanced or metastatic solid tumors, alone or in combination with pembrolizumab, has completed dose escalation and is enrolling patients in four indication-specific cohorts where increased TLR7/8 activity has potential to improve innate and adaptive immune activation and host defense against cancers: head and neck squamous cell carcinoma (HNSCC), HPV-associated cancers, melanoma, and cutaneous squamous cell carcinoma (cSCC). Initial data from these cohorts are expected by the end of 2024.

In May 2023, we announced additional follow-up from the transcendIT-101 Trial indicating further clinical activity in patients receiving TransCon TLR7/8 Agonist as monotherapy or in combination with pembrolizumab. Enrollment continues in the Phase 2 portion of transcendIT-101 at the recommended Phase 2 dose (“RP2D”).

In November 2022, we announced new data (cutoff date of September 21, 2022) from the dose-escalation portion of transcendIT-101. All 23 of the patients enrolled in the dose escalation portion of the trial had advanced or metastatic solid tumors that had progressed on prior treatments, 9 in the monotherapy cohort (intratumoral TransCon TLR7/8 Agonist alone) and 14 in the combination therapy cohort (intratumoral TransCon TLR7/8 Agonist plus the check-point inhibitor pembrolizumab). Two dose levels were evaluated: 0.3 mg/lesion and 0.5 mg/lesion. The RP2D was declared at 0.5 mg/lesion for up to two lesions, which is being evaluated in four indication specific cohorts.

TransCon IL-2 b/g ***for sustained systemic release***

TransCon IL-2 b/g is an investigational long-acting prodrug designed to improve cancer immunotherapy through sustained release of an IL-2 variant that selectively activates IL-2 b/g,, with minimal binding to IL-2Rα. The IL-Believe Trial, a Phase 1/2 clinical trial to evaluate the safety and efficacy of TransCon IL-2 b/g in locally advanced or metastatic solid tumors, alone or in combination with pembrolizumab or standard of care chemotherapy, has completed dose escalation and is enrolling patients in multiple indication-specific dose expansion cohorts, including platinum-resistant ovarian cancer (PROC), cervical cancer, melanoma, non-small cell lung cancer (NSCLC), and small cell lung cancer (SCLC) at the RP2D. Initial data from these cohorts are expected by the end of 2024.

During the fourth quarter of 2023, the first patient was dosed with the combination of TransCon IL-2 b/g and TransCon TLR7/8 Agonist in the post PD-1 melanoma dose expansion cohort in the IL-Believe Trial.

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

In September 2023, we announced completion of Phase 1 dose escalation in combination with pembrolizumab of the IL-Believe Trial with a total of 21 patients enrolled and RP2D determined at 120 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.

Other Development Plans

To further evaluate safety and anti-tumor efficacy of TransCon TLR7/8 Agonist and TransCon IL-2 b/g, we are also evaluating these product candidates as neoadjuvant therapy in the ongoing randomized Phase 2 BelieveIT-201 trial in resectable locally advanced head and neck squamous cell carcinoma.

Strategic Collaborations

We also engage in strategic collaborations to further leverage our TransCon technologies in certain geographies 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.

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

Strategic Investments

VISEN Pharmaceuticals

In November 2018, we announced the formation of VISEN, a company established to develop and commercialize our endocrinology rare disease therapies in the People's Republic of China, Hong Kong, Macau, and Taiwan ("Greater China"). In connection with the formation of VISEN, we granted VISEN exclusive rights to develop and commercialize certain product candidates based on our proprietary TransCon technologies, including TransCon hGH, TransCon PTH and TransCon CNP, in Greater China for use in all human indications, subject to certain exceptions. As consideration for the rights granted to VISEN, we received 50% ownership in the outstanding shares of VISEN and concurrently with the rights we granted to VISEN, entities affiliated with Vivo Capital and Sofinnova Ventures purchased shares in VISEN for an aggregate purchase price of $40 million in cash. In January 2021, we invested additional $12.5 million in VISEN as part of VISEN's $150 million Series B financing. Following the Series B financing, we retained 43.93% of VISEN's issued and outstanding shares.

In November 2023, VISEN announced topline results from the Phase 2 ACcomplisH China Trial in children with achondroplasia aged 2 to 10 years. The trial met its primary objectives, demonstrating that TransCon CNP at 100 µg/kg/week was superior to placebo on the primary efficacy endpoint of AGV at 52 weeks (p=0.018).

In November 2022, VISEN announced data from its pivotal Phase 3 study of TransCon hGH in children with GHD in China. The trial achieved its primary endpoint; patients treated with TransCon hGH demonstrated greater annualized height velocity at 52-weeks (p=0.0010) compared to patients treated with daily growth hormone with comparable safety and tolerability to daily growth hormone.

In June 2022, VISEN announced it had completed enrollment of the Phase 3 PaTHway China Trial of TransCon PTH.

Market Opportunity in China

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

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

Rights Agreements

Under the Rights Agreements, VISEN must use diligent efforts to develop and commercialize licensed products in Greater China. Additionally, we and VISEN will conduct certain research and development activities allocated to the respective party under a research and technical development plan, and VISEN will reimburse us for costs of conducting such activities, including costs of our personnel committed to performing such activities in Greater China.

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

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

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

Amended and Restated Shareholders Agreement

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

Eyconis

In January 2024, we announced the formation and launch with Frazier Life Sciences of Eyconis, Inc., a separate company created to develop, manufacture, and commercialize TransCon ophthalmology assets globally, together with a $150 million commitment from an investor syndicate that includes 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 will be eligible to receive development, regulatory, and sales milestone payments, plus single digit royalties on global net sales of commercialized products, if any. Eyconis will initially be based in Redwood City, California, and certain employees of Ascendis are expected to join the newly formed company.

Financial Review

We had a consolidated net loss of €481.4 million for the year ended December 31, 2023 compared to a consolidated net loss of €583.2 million for the year ended December 31, 2022. Our total equity presented a negative balance of €145.7 million as of December 31, 2023, compared to a positive balance of €263.3 million as of December 31, 2022. 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.

Revenue from commercial product sales 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. Service fees are recognized as revenue when the services have been performed. License agreements, which transfer rights to our intellectual property ("IP") with significant stand-alone value are classified as "right-to-use", with revenue recognized at the point in time when the customer can use and benefit from the IP.

Our operating expenses relate to research and development activities and to selling, general and administration activities. Research and development costs ("R&D costs") consist primarily of product development and pre-commercial manufacturing costs, preclinical and clinical study costs and costs for process optimizations and improvements performed by Clinical Research Organizations ("CROs") and Contract Manufacturing Organizations ("CMOs"), salaries and other personnel costs including pension and share-based payment, the cost of facilities, professional fees, cost of obtaining and maintaining our intellectual property 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 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. The cost increase for the year ended December 31, 2023 compared to the year ended December 31, 2022, also reflects the impact from foreign currency development, primarily with respect to the U.S. Dollar. We do not enter into derivative financial instruments to manage our exposure to foreign exchange risks.

Main effects on the consolidated profit or loss, and cash flows are described in the following sections.

Revenue

Revenue for the year ended December 31, 2023 was €266.7 million, representing an increase of €215.5 million compared to the year ended December 31, 2022. This increase was primarily attributable to the higher commercial sales of SKYTROFA, higher revenue from rendering of services, as well as the $70 million upfront payment received from our exclusive license agreement with Teijin Limited.

Cost of Sales

Cost of sales for the year ended December 31, 2023 was €44.4 million, representing an increase of €32.3 million compared to the year ended December 31, 2022. This increase was primarily attributable to an increase in commercial products sold but also attributable to a higher level of rendering services.

Research and Development Costs

The development of R&D costs reflects the advancement of our pipeline of endocrinology and oncology, where we have multiple prodrug therapies in development, as well as ophthalmology.

R&D costs for the year ended December 31, 2023 was €413.5 million representing an increase of €33.8 million compared to the year ended December 31, 2022. This increase was primarily due to a €26.7 million increase in external project costs within our oncology programs, TransCon IL-2 b/g and TransCon TLR7/8 Agonist, primarily driven by a general increase in development activities and scale-up and transfer activities, as well as higher clinical trial costs. External project costs related to TransCon CNP increased by €16.5 million due to new clinical trial start-ups in 2023. External project costs related to TransCon hGH decreased by €34.5 million primarily driven by lower manufacturing costs and lower clinical trial activities, and external project costs related to TransCon PTH of €40.6 million were in line with the prior year. External project costs within ophthalmology increased by €13.6 million, driven by continued product development activities. Other research and development costs increased by €12.5 million, primarily reflecting a general increase in employee and other costs attributable to organizational growth, and also reflecting an impairment charge on leasehold improvements and equipment at one of our R&D sites, following change in planned activities.

Selling, General and Administrative Expenses

SG&A expenses for the year ended December 31, 2023 was €264.4 million representing an increase of €43.2 million compared to the year ended December 31, 2022. This increase was primarily due to higher external commercial expenses related to SKYTROFA in the U.S., pre-launch activities for SKYTROFA outside the U.S., global pre-launch activities for TransCon PTH, higher employee related expenses and other general and administrative expenses attributable to organizational growth.

Finance Income and Finance Expenses

Finance income and finance expenses are affected by development in the U.S. Dollar compared to the Euro, primarily driven by conversion of monetary positions in U.S. Dollar into Euro, including marketable securities, cash and cash equivalents, receivables and payables, convertible notes and royalty funding liabilities. Finance expenses are significantly affected by convertible notes and royalty funding liabilities in the form of interest and amortization charges. In addition, the conversion option embedded in the convertible notes is recognized and measured at fair value, where a non-cash fair value adjustment was recognized through finance income in the year ended December 31, 2023. Similarly, subsequent reporting periods may result in significant non-cash finance income or expenses. For further details, please refer to Note 16, “Financial Assets and Financial Liabilities”.

Finance income for the year ended December 31, 2023 was €43.9 million representing a decrease of €8.3 million compared to the year ended December 31, 2022. This decrease was primarily due to €32.4 million lower exchange rate gains, partly offset by €14.7 million gain on derivative liabilities compared to no gain on derivative liabilities in 2022 and €9.4 million higher interest income from marketable securities and bank deposits.

Finance expenses for the year ended December 31, 2023 was €44.1 million representing a decrease of €6.4 million compared to the year ended December 31, 2022. This decrease was primarily due to a gain on derivative liabilities in 2023 compared to a €15.5 million loss on derivative liabilities in 2022, partly offset by €13.4 million higher amortization charges and interest on convertible notes and royalty funding liabilities, and €4.3 million lower transaction costs attributable to the convertible notes financing.

Cash Flows from / (used in) Operating Activities

Cash flows used in operating activities for the year ended December 31, 2023 was €467.4 million, representing a decrease of €28.3 million compared to the year ended December 31, 2022. This decrease was primarily attributable to a €117.7 million lower net loss for the year when adjusted for non-operating financial income and expense, taxes, and non-cash items. Working capital items contributed negatively to operating cash flows by €99.8 million compared to €12.5 million in 2022, primarily driven by increased commercial activities. In addition, change in operating cash flow was negatively impacted by higher interest payments of €6.4 million, primarily related to convertible notes, and €4.5 million higher income taxes paid, partly offset by €8.8 million higher finance income received.

Cash Flows from / (used in) Investing Activities

Cash flows from investing activities for the year ended December 31, 2023 was €286.5 million, compared to €61.7 million for the year ended December 31, 2022, representing an increase of €224.7 million in cash flows from investing activities. This increase was primarily attributable to €222.2 million higher net settlement of marketable securities in line with our liquidity management strategy, and €2.4 million lower investment in property, plant and equipment.

Cash Flows from / (used in) Financing Activities

Cash flows from financing activities for the year ended December 31, 2023, was €134.3 million, representing a decrease of €262.5 million compared to the year ended December 31, 2022. This decrease was primarily related to €367.0 million lower net proceeds received under the royalty financing in 2023, compared to the convertible notes financing in 2022, where we also used €105.3 million to repurchase our ADSs.

Liquidity and Capital Resources

Our liquidity and capital resources comprise cash, cash equivalents and marketable securities. As of December 31, 2023, these amounted to €399.4 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 therapeutic areas within endocrinology and oncology, the commercialization of SKYTROFA and YORVIPATH, and expenses made in anticipation of potential future product launches. We manage our liquidity risk by maintaining adequate cash reserves and banking facilities, and by matching the maturity profiles of financial assets including marketable securities, with cash-forecasts including payment profiles on liabilities. We monitor the risk of a shortage of funds through a liquidity planning tool to ensure sufficient funds are available to settle liabilities as they become due.

As of December 31, 2023, the consolidated statements of financial position presented a negative balance of equity of €145.7 million. Under Danish corporate law, as Ascendis Pharma A/S, the parent company of the Company holds a positive balance of equity, the Company is currently not subject to legal or regulatory requirements to re-establish the balance of equity. There is no direct impact from the negative balance of equity to the liquidity and capital resources.

Based on our current operating plan, we believe that our existing capital resources as of December 31, 2023 will be sufficient to meet our projected cash requirements for at least twelve months from the date of this annual report. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned.

Historically, we have funded our operations primarily through issuance of preference shares, ordinary shares, including our initial public offering, follow-on offerings and exercise of warrants, convertible debt securities, and payments to us made under collaboration agreements. Including our initial public offering, since February 2015, we have completed public offerings of American Depositary Shares ("ADSs") with net proceeds of $2,256.6 million (or €1,968.4 million at the time of the offerings).

In March 2022, we issued an aggregate principal amount of $575.0 million of fixed rate 2.25% convertible notes. The coupon interest is payable semi-annually. Unless earlier converted or redeemed, the convertible notes will mature on April 1, 2028. Refer to Note 16, "Financial Assets and Liabilities" for further information. We used $116.7 million (€105.3 million) of the net proceeds from the offering in March 2022 to repurchase 1,000,000 ADSs representing our ordinary shares. The holding of treasury shares is disclosed in Note 17, "Financial Risk Management".

In September 2023, we entered into a $150.0 million capped synthetic royalty funding agreement (the "Royalty Pharma Agreement") with Royalty Pharma Development Funding, LLC ("Royalty Pharma"). Under the terms of the Royalty Pharma Agreement, in exchange for Royalty Pharma's payment of a cash purchase price of $150.0 million at closing (the "Purchase Price"), we have agreed to sell Royalty Pharma the right to receive payment of 9.15% of U.S. net sales of SKYTROFA, beginning on January 1, 2025 (the "Revenue Interest Payments"). The Revenue Interest Payments to Royalty Pharma will cease upon reaching a multiple of 1.925 times the Purchase Price, or 1.65 times the Purchase Price if Royalty Pharma receives Revenue Interest Payments in that amount by December 31, 2031. The Royalty Pharma Agreement includes a buy-out option under various terms and conditions. Obligations under the Royalty Pharma Agreement are presented as part of borrowings in the consolidated statements of financial position. Further details are provided in Note 16, "Financial Assets and Liabilities".

As of December 31, 2023, our cash requirements primarily relate to the following:

- Semi-annual interest payments and potential repayment (April 1, 2028) of principal amount of convertible notes;
- Payment of 9.15% on net U.S. SKYTROFA revenue to Royalty Pharma, beginning in the second quarter of 2025;
- Lease obligations related to our office and research and development facilities;
- Purchase obligations under our commercial supply agreements and related activities; and
- Research and development activities related to clinical trials for our product candidates in clinical development.

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 a program 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 17, “Financial Risk Management”.

Intellectual Capital Resources

The Company is highly dependent on the skills and capabilities of its employees. Employees are considered one of the most important resources of the Group and Management strives to attract and retain the most qualified employees to ensure continued development of the Company’s technologies and application of these technologies towards improvement of existing treatments for significant disease areas.

The skills, knowledge, experience and motivation of the Company’s employees are essential to the continued development and success of the Company. The employees of the Company are highly educated, and many have extensive experience within the biopharmaceutical industry and in the development of pharmaceutical products. Management puts great efforts into organizing the highly skilled employees into effective teams across the Company’s geographical locations to take advantage of knowledge and experiences across the various business areas.

Corporate Responsibility

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

The Ascendis Pharma A/S Sustainability & P|ESG Report 2023 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 Report 2023 at: https://investors.ascendispharma.com/financial-and-filings/annual-general-meetings/sustainability-and-p-esg-report-2023

Diversity (§99b requirements)

The overall gender diversity in leadership positions at Ascendis Pharma meets the Danish gender diversity requirements, and we have therefore not set targets.

In line with our Gender policy, when defining equal representation, Ascendis Pharma strives for an equal representation of gender, with an acceptable range of 40/60 split to either gender in compliance with the guidelines issued by the Danish Business Authority. The distribution is monitored continuously with a formal bi-annual evaluation, so that new initiatives can be discussed and initiated if necessary.

Focus on diversity is embedded in all people processes including - but not limited to - recruiting, people development, leadership development, and succession planning.

	2023		
Gender Distribution	**Total**	**M**	**F**
Board of Directors (excluding Executive Officers)	5	60%	40%
Other Management Levels	31	48%	52%

Events after the Balance Sheet Date

On January 29, 2024, the Company announced the formation and launch with Frazier Life Sciences of Eyconis, Inc., a separate company created to develop, manufacture, and commercialize TransCon ophthalmology assets globally, together with a $150 million commitment from an investor syndicate that includes Frazier, RA Capital Management, venBio, and HealthQuest Capital.

The Company has granted Eyconis exclusive rights to develop and commercialize TransCon ophthalmology products globally and received an equity position in the newly formed company. In addition, the Company will be eligible to receive development, regulatory, and sales milestone payments, plus single digit royalties on global net sales of commercialized products, if any. Eyconis will initially be based in Redwood City, California, and certain employees of the Company are expected to join the newly formed company.

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

Outlook

We have limited revenue from commercial product sales of SKYTROFA in the U.S. and the EU. We are yet to commercially launch YORVIPATH in the EU outside of Germany and Austria. Our ability to generate revenue will continue to depend significantly on our ability to successfully commercialize SKYTROFA in the U.S., to successfully launch and commercialize SKYTROFA and YORVIPATH in the EU, and to successfully launch and commercialize TransCon PTH in the U.S., if approved. We will continue to expend substantial resources for the foreseeable future, including costs associated with research and development and commercialization activities.

We expect full year 2024 SKYTROFA revenue to be €320 million to €340 million (based on average 2023 exchange rates) and we expect total operating expenses (SG&A and R&D) of approximately €600 million for 2024.

Based on our current operating plan, we believe that our existing capital resources as of December 31, 2023 will be sufficient to meet our projected cash requirements for at least twelve months from the date of this annual report. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned. We expect to be operating cashflow break-even on a quarterly basis by the end of 2024.

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

(EUR'000)	Notes	Group 2023	Group 2022	Parent 2023	Parent 2022
Statement of Profit or Loss					
Revenue	**4**	266,718	51,174	302,712	105,373
Cost of sales	**6,11**	44,395	12,137	51,942	13,861
Gross profit		**222,323**	**39,037**	**250,770**	**91,512**
Research and development costs	**6,11**	413,454	379,624	75,026	135,291
Selling, general and administrative expenses	**6,11**	264,410	221,227	178,935	134,169
Operating profit/(loss)		**(455,541)**	**(561,814)**	**(3,191)**	**(177,948)**
Share of profit/(loss) of associate	**12**	(18,395)	(17,697)	—	—
Finance income	**16**	43,857	52,181	77,624	82,238
Finance expenses	**16**	44,065	50,487	34,714	47,369
Profit/(loss) before tax		**(474,144)**	**(577,817)**	**39,719**	**(143,079)**
Tax on profit/(loss) for the year	**9**	(7,303)	(5,377)	(3)	178
Net profit/(loss) for the year		**(481,447)**	**(583,194)**	**39,716**	**(142,901)**
Attributable to owners of the Company		**(481,447)**	**(583,194)**	**39,716**	**(142,901)**
Basic and diluted earnings/(loss) per share		€ (8.55)	€ (10.40)	—	—
Number of shares used for calculation (basic and diluted) [1]		56,287,060	56,071,793	—	—
Statement of Comprehensive Income					
Net profit/(loss) for the year		**(481,447)**	**(583,194)**	**39,716**	**(142,901)**
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(2,731)	(327)	—	—
Other comprehensive income/(loss) for the year, net of tax		**(2,731)**	**(327)**	—	—
Total comprehensive income/(loss) for the year, net of tax		**(484,178)**	**(583,521)**	**39,716**	**(142,901)**
Attributable to owners of the Company		**(484,178)**	**(583,521)**	**39,716**	**(142,901)**

[1] A total of 6,523,784 warrants outstanding as of December 31, 2023 (a total of 6,864,011 warrants outstanding as of December 31, 2022) 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 periods presented. Similarly, 575,000 convertible senior notes which were issued in March 2022 can potentially be converted into 3,456,785 ordinary shares, and 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 2022 and 2023.

Statements of Financial Position as of December 31

(EUR'000)	Notes	Group 2023	Group 2022	Parent 2023	Parent 2022
Assets					
Non-current assets					
Intangible assets	**5, 10**	4,419	4,828	889	1,333
Property, plant and equipment	**5, 11**	110,634	129,095	28,414	25,344
Investment in associate	**12**	5,686	22,932	—	—
Investment in group enterprises	**19**	—	—	146,267	122,759
Receivables from group enterprises	**16**	—	—	1,759,806	1,372,347
Other receivables	**16**	2,127	1,920	1,425	1,303
Marketable securities	**16, 17**	—	7,492	—	7,492
		122,866	**166,267**	**1,936,801**	**1,530,578**
Current assets					
Inventories	**13**	208,931	130,673	208,931	130,673
Trade receivables	**16**	35,874	11,910	—	281
Income tax receivables		802	883	739	740
Other receivables	**16**	19,097	12,833	18,414	10,949
Prepayments		38,578	31,717	35,916	27,261
Marketable securities	**16, 17**	7,275	290,688	7,275	290,688
Cash and cash equivalents	**16**	392,164	444,767	263,909	407,184
		702,721	**923,471**	**535,184**	**867,776**
Total assets		**825,587**	**1,089,738**	**2,471,985**	**2,398,354**
Equity and liabilities					
Equity					
Share capital	**17**	7,749	7,675	7,749	7,675
Distributable equity		(153,446)	255,673	1,793,109	1,678,334
Total equity		**(145,697)**	**263,348**	**1,800,858**	**1,686,009**
Non-current liabilities					
Borrowings	**16, 17**	534,246	387,556	395,869	387,555
Lease liabilities		84,619	95,400	12,011	13,362
Derivative liabilities	**16**	143,296	157,950	143,296	157,950
Contract liabilities	**14**	5,949	14,213	—	—
Deferred tax liabilities	**9**	5,830	—	—	—
		773,940	**655,119**	**551,176**	**558,867**
Current liabilities					
Borrowings	**16, 17**	11,226	11,630	11,226	11,631
Lease liabilities		14,174	13,791	3,176	2,950
Contract liabilities	**14**	1,184	—	—	—
Trade payables and accrued expenses	**16, 17**	94,566	101,032	85,784	95,174
Payables to group enterprises	**16, 17**	—	—	—	6,558
Other liabilities		41,176	31,989	19,765	37,165
Income tax payables		2,299	5,490	—	—
Provisions	**15**	32,719	7,339	—	—
		197,344	**171,271**	**119,951**	**153,478**
Total liabilities		**971,284**	**826,390**	**671,127**	**712,345**
Total equity and liabilities		**825,587**	**1,089,738**	**2,471,985**	**2,398,354**

Statements of Changes in Equity - Group

	Group					
	Distributable Equity					
(EUR'000)	Share Capital	Share Premium	Treasury Shares	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Equity at January 1, 2022	**7,646**	**2,107,739**	**(21)**	**3,779**	**(1,235,508)**	**883,635**
Net profit / (loss) for the period	—	—	—	—	(583,194)	(583,194)
Other comprehensive income/(loss), net of tax	—	—	—	(327)	—	(327)
Total comprehensive income/(loss)	**—**	**—**	**—**	**(327)**	**(583,194)**	**(583,521)**
Transactions with Owners						
Share-based payment (Note 7)	—	—	—	—	64,180	64,180
Acquisition of treasury shares	—	—	(134)	—	(105,965)	(106,099)
Transfer under stock incentive programs	—	—	6	—	(6)	—
Capital increase	29	5,124	—	—	—	5,153
Equity at December 31, 2022	**7,675**	**2,112,863**	**(149)**	**3,452**	**(1,860,493)**	**263,348**
Net profit / (loss) for the period	—	—	—	—	(481,447)	(481,447)
Other comprehensive income/(loss), net of tax	—	—	—	(2,731)	—	(2,731)
Total comprehensive income/(loss)	**—**	**—**	**—**	**(2,731)**	**(481,447)**	**(484,178)**
Transactions with Owners						
Share-based payment (Note 7)	—	—	—	—	66,660	66,660
Acquisition of treasury shares	—	—	—	—	—	—
Transfer under stock incentive programs	—	—	3	—	(3)	—
Net settlement under stock incentive programs	—	—	—	—	(1,812)	(1,812)
Capital Increase	74	10,211	—	—	—	10,285
Equity at December 31, 2023	**7,749**	**2,123,074**	**(146)**	**721**	**(2,277,095)**	**(145,697)**

Statements of Changes in Equity - Parent

	Parent					
	Distributable Equity					
(EUR'000)	Share Capital	Share Premium	Treasury Shares	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Equity at January 1, 2022	**7,646**	**2,107,739**	**(21)**	**(53)**	**(249,635)**	**1,865,676**
Net profit / (loss) for the period	—	—	—	—	(142,901)	**(142,901)**
Total comprehensive income/(loss)	**—**	**—**	**—**	**—**	**(142,901)**	**(142,901)**
Transactions with Owners						
Share-based payment (Note 7)	—	—	—	—	64,180	**64,180**
Acquisition of treasury shares	—	—	(134)	—	(105,965)	**(106,099)**
Capital increase	29	5,124	—	—	—	**5,153**
Transfer under stock incentive programs	—	—	6	—	(6)	**—**
Cost of capital increase	—	—	—	—	—	**—**
Equity at December 31, 2022	**7,675**	**2,112,863**	**(149)**	**(53)**	**(434,327)**	**1,686,009**
Net profit / (loss) for the period	—	—	—	—	39,716	**39,716**
Total comprehensive income/(loss)	**—**	**—**	**—**	**—**	**39,716**	**39,716**
Transactions with Owners						
Share-based payment (Note 7)	—	—	—	—	66,660	**66,660**
Acquisition of treasury shares	—	—	3	—	(3)	**—**
Net settlement under stock incentive programs	—	—	—	—	(1,812)	**(1,812)**
Capital Increase	74	10,211	—	—	—	**10,285**
Equity at December 31, 2023	**7,749**	**2,123,074**	**(146)**	**(53)**	**(329,766)**	**1,800,858**

Cash Flow Statements for the Year Ended December 31

(EUR'000)	Notes	Group 2023	Group 2022	Parent 2023	Parent 2022
Operating activities					
Net profit/(loss) for the year		(481,447)	(583,194)	39,716	(142,901)
Reversal of finance income		(43,857)	(52,181)	(77,624)	(82,238)
Reversal of finance expenses		44,065	50,487	34,714	47,369
Reversal of gain and loss on disposal of property, plant and equipment		5	22	—	—
Reversal of income taxes (expenses)		7,303	5,377	3	(178)
Adjustments for non-cash items:					
Non-cash consideration regarding revenue		(2,354)	(2,547)	—	—
Share of profit/(loss) of associate		18,395	17,697	—	—
Share-based payment		66,660	64,180	43,259	40,351
Depreciation		18,428	17,514	4,267	3,507
Impairment		7,834	—	—	—
Amortization		483	444	444	444
Changes in working capital:					
Inventories		(78,258)	(55,268)	(78,258)	(59,180)
Receivables		(32,773)	(11,531)	(8,130)	(2,152)
Receivables from group enterprises		—	—	(350,885)	(336,518)
Prepayments		(11,413)	(6,409)	(13,158)	(4,014)
Contract liabilities (deferred income)		(7,080)	8,648	—	(2,633)
Trade payables, accrued expenses and other payables		3,551	45,943	(26,791)	51,168
Payables to group enterprises		—	—	(6,558)	(23,285)
Increase/ (decrease) in provisions		26,187	6,145	—	—
Cash flows generated from/(used in) operations		**(464,271)**	**(494,673)**	**(439,001)**	**(510,260)**
Finance income received		17,048	8,271	15,283	7,946
Finance expenses paid		(15,672)	(9,294)	(12,489)	(8,072)
Income taxes received/ (paid)		(4,466)	(3)	738	740
Cash flows from/(used in) operating activities		**(467,361)**	**(495,699)**	**(435,469)**	**(509,646)**
Investing activities					
Investment in group enterprises		—	—	(107)	(25)
Proceeds from disposal of property, plant and equipment		51	—	—	—
Acquisition of property, plant and equipment		(2,442)	(14,489)	(1,230)	(3,903)
Reimbursement from acquisition of property, plant and equipment		—	9,535	—	—
Purchase of marketable securities		—	(213,842)	—	(213,842)
Settlement of marketable securities		288,865	280,528	288,865	280,528
Cash flows from/(used in) investing activities		**286,474**	**61,732**	**287,528**	**62,758**
Financing activities					
Payment of principal portion of lease liabilities		(10,438)	(6,356)	(2,714)	(2,455)
Net proceeds from borrowings	**16**	136,256	503,281	—	503,281
Proceeds from exercise of warrants		10,286	5,153	10,286	5,153
Acquisitions of treasury shares, net of transactions costs		—	(105,305)	—	(105,305)
Payment of withholding taxes under stock incentive programs		(1,812)	—	(1,812)	—
Cash flows from/(used in) financing activities		**134,292**	**396,773**	**5,760**	**400,674**
Increase/(decrease) in cash and cash equivalents		**(46,595)**	**(37,194)**	**(142,181)**	**(46,214)**
Cash and cash equivalents at January 1		444,767	446,267	407,184	415,363
Effect of exchange rate changes on balances held in foreign currencies		(6,008)	35,694	(1,094)	38,035
Cash and cash equivalents at December 31		**392,164**	**444,767**	**263,909**	**407,184**
Cash and cash equivalents include					
Bank deposits		392,164	427,810	263,909	390,227
Short-term marketable securities		—	16,957	—	16,957
Cash and cash equivalents at December 31		**392,164**	**444,767**	**263,909**	**407,184**

Notes to the Financial Statements

Note 1 – General Information

Ascendis Pharma A/S, together with its subsidiaries, is applying its innovative TransCon technologies to build a leading, fully integrated, biopharma company. 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 ("IPO"), 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 approved these financial statements on February 7, 2024. The financial statements can be obtained from https://datacvr.virk.dk/

Note 2 – Summary of Significant 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 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.

The accounting policies applied when preparing the financial statements are described in detail below and are applied for all 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.

Changes in Accounting Policies and Disclosures

Several amendments to and interpretations of IFRS applied for the first time in 2023, have not had an impact on the accounting policies applied by the Company. Thus, the accounting policies applied when preparing these financial statements have been applied consistently to all the periods presented.

Change to Presentation of Borrowings

At December 31, 2022, lease liabilities were presented as part of borrowings in the statements of financial position. At December 31, 2022, the carrying amount of lease liabilities was €95.4 million (Parent company: €13.4 million) and €13.8 million (Parent company: €3.0 million), for non-current liabilities and current liabilities, respectively.

In connection with entering into additional borrowing activities in September 2023, lease liabilities are presented separately in the statements of financial position. Comparative figures have been reclassified to reflect the change in presentation. Accordingly, borrowings comprise convertible senior notes and royalty funding liabilities.

The change to presentation had no other impact on the financial statements.

Going Concern

The Company's Board of Directors has, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

Basis of Consolidation

The consolidated financial statements include the parent company, Ascendis Pharma A/S, and all enterprises over which the parent company has control. Control of an enterprise exists when the Company has exposure, or rights to, variable returns from its involvement with the enterprise and has the ability to control those returns through its power over the enterprise. Accordingly, the consolidated financial statements include Ascendis Pharma A/S and the subsidiaries listed in Note 20, "Investment in Group Enterprises".

Consolidation Principles

Subsidiaries, which are enterprises the Company control at the reporting date, 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.

Investment 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 associate is accounted for using the equity method and is initially recognized at cost. Thereafter, the carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition or establishment date.

The consolidated statements of profit or loss include the Company's share of result after tax of the associate after any adjustments made to bring the associate's accounting policies in line with those of the Company. Transactions between the associate and the Company are eliminated proportionally according to the Company's interest in the associate. Unrealized gains and losses resulting from transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate.

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 ("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 the associate present their financial statements in a functional currency other than EUR, their statements of profit or loss are translated at average exchange rates. Balance sheet items are translated using the exchange rates at the reporting date. Exchange rate differences arising from translation of foreign entities' balance sheet items at the beginning of the year to the reporting date exchange rates as well as from translation of statements of profit or loss from average rates to the exchange rates at the reporting date are recognized in other comprehensive income. Similarly, exchange rate differences arising from changes that have been made directly in a foreign subsidiary's equity are recognized in other comprehensive income.

Revenue

Revenue from Commercial Sale of 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 including prompt pay discounts, shelf stock adjustments and applicable sales rebates attributed to various commercial arrangements, managed healthcare organizations, government programs and co-pay arrangements. In addition, goods are principally sold on a "sale-or-return" basis, where customers may return products in line with the Company's return policy. Sales deductions and product returns are considered variable consideration and are estimated at the time of sale using the expected value method. The amount of variable consideration that is included in the transaction price may be constrained and is included in the net contractual price only to the extent that it is probable that a significant reversal will not occur.

Unsettled sales rebates 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 rebates that are payable to customers are offset in trade receivables.

Other Revenue

Other revenue relates to collaboration and license agreements. In addition, other revenue is generated from feasibility studies for potential partners to evaluate if TransCon technologies enable certain advantages for their product candidates of interest. Such feasibility studies are often structured as short-term agreements with fixed fees for the work that the Company performs.

When contracts with customers are entered into, the goods and/or services promised in the contract are assessed to identify distinct performance obligations. A promise in the agreement is considered a distinct performance obligation if both of the following criteria are met:

- the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct); and
- the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the goods or service is distinct within the context of the contract).

Under collaboration, license, and other 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 of the royalty 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 criteria are 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.

Research and Development Costs

Research and development costs consist primarily of manufacturing costs, preclinical and clinical study costs and costs for process optimizations and improvements performed by Clinical Research Organizations ("CROs") and Contract Manufacturing Organizations ("CMOs"), salaries and other personnel costs including pension and share-based payment, the cost of facilities, professional fees, cost of obtaining and maintaining the Company's intellectual property portfolio, and depreciation of non-current assets used in 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).

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 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 valuation model. For RSU-programs and PSU-programs, the fair value of each RSU or PSU granted is equal to the closing share price on the date of grant of the underlying ADS. Any social security contributions payable in connection with the grant or exercise of the warrants are recognized as expenses when incurred. The assumptions used for estimating the fair value of share-based payment transactions are disclosed in Note 7 "Share-based Payment".

The cost is recognized together with a corresponding increase in equity over the period in which the performance and/or service conditions are fulfilled (i.e., the vesting period). The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period for each tranche, based on the best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for grants that do not ultimately vest.

Where an equity-settled grant is cancelled other than upon forfeiture when vesting conditions are not satisfied, the grant is treated as if it vested on the date of the cancellation, and any expense not yet recognized for the grant is recognized immediately.

Where the terms and conditions for an equity-settled grant are modified, the services measured at the grant date fair value over the vesting period are recognized, subject to performance and/or service conditions that were specified at the initial grant date(s). Additionally, at the date of modification, unvested grants are re-measured and any increase in the total fair value is recognized over the vesting period. If a new grant is substituted for the cancelled grant and designated as a replacement grant on the date that it is granted, the cancelled and new grants are treated as if they were a modification of the original grant.

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.

Finance Income and Expenses

Finance income and expenses comprise interest income and expenses and 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 statement 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 represent the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Software

Software assets comprise administrative applications and serve general purposes to support the Company's operations.

Development costs that are directly attributable to the design, customization, implementation, and testing of identifiable and unique software assets controlled by the Company are recognized as intangible assets from the time that; (1) the software asset is clearly defined and identifiable; (2) technological feasibility, adequate resources to complete, and an internal use of the software asset can be demonstrated; (3) the expenditure attributable to the software asset can be measured reliably; and (4) the Company has the intention to use the software asset internally. The Company does not capitalize software with no alternative use, or where economic benefit depends on marketing approvals of drug candidates and where marketing approvals have not been obtained.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when the development is complete, and the asset is available for use. Software assets are amortized over the period of expected future benefits. Amortization is recognized in research and development costs, and selling, general and administrative expenses, as appropriate. Expenditures that do not meet the criteria above are recognized as an expense as incurred.

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 comprises leasehold improvements, office facilities, and process equipment and tools which are located at CMOs. Property, plant and equipment also includes right-of-use assets. Please refer to the 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 the 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 costs. Plant and equipment acquired for research and development activities, which has no alternative use, is recognized as research and development costs when incurred.

If the acquisition or use of the asset involves an obligation to incur costs of decommissioning or restoration of the asset, the estimated related costs are recognized as a provision and as part of the relevant asset's cost, respectively.

The basis for depreciation is cost less estimated residual value. The residual value is the estimated amount that would be earned if selling the asset today net of selling costs, assuming that the asset is of an age and a condition that is expected after the end of its useful life. Cost of a combined asset is divided into smaller components, with such significant components depreciated individually if their useful lives vary. Depreciation commences when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in the manner intended.

Depreciation is calculated on a straight-line basis, based on an asset's expected useful life, being within the following ranges:

Process plant and machinery	5-10 years
Other equipment	3-5 years
Leasehold improvements	3-11 years
Right-of-use assets	2-11 years

Depreciation methods, useful lives and residual amounts are reassessed at least annually.

Property, plant and equipment is written down to the lower of recoverable amount and carrying amount, as described in the "Impairment" section below. Depreciation and impairment losses of property, plant and equipment is recognized in the statement of profit or loss as cost of sales, research and development costs or as selling, general and administrative expenses, as appropriate.

Gains and losses on disposal of property, plant and equipment are recognized in the statement of profit or loss at its net proceeds, as either other income or other 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

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-financial assets, other than goodwill, are reviewed for possible reversal at each reporting date.

Inventories

Inventories comprise raw materials, work in progress and finished goods. 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 when incurred. The amount of reversal of write-down of inventories arising from an increase in net realizable value is recognized as a reduction in cost of sales in the period in which the reversal occurs.

Manufacturing of pre-launch inventories is initiated for late-stage product candidates where manufacturing costs are recognized as inventories. However, since pre-launch inventories are not realizable prior to obtaining marketing approval, pre-launch inventories are immediately written down to zero through research and development costs. If marketing approval is obtained, prior write-downs of pre-launch inventories are reversed through research and development costs.

Cost of inventories is recognized as part of cost of sales in the period in which the related revenue is recognized.

Receivables

Receivables comprise trade receivables, income tax receivables and other receivables.

Trade receivables are classified as financial assets at amortized cost, as these are held to collect contractual cash flows and thus give rise to cash flows representing solely payments of principal and interest. Trade receivables are initially recognized at their transaction price and subsequently measured at amortized cost. Income tax receivables and other receivables related to deposits, VAT and other indirect taxes are measured at cost less impairment. Carrying amounts of receivables usually equals their nominal value less provision for impairments.

Prepayments

Prepayments comprise advance payments relating to a future financial period. 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 has 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, arising from warrant programs, RSU-programs and PSU-programs. In addition, premium 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, optional redemption or upon repayment at maturity. The financial liability is presented as part of borrowings on the statement of financial position.

Royalty Funding Liabilities

Royalty funding liabilities relate to the Company's contractual obligations to pay a predetermined percentage of future commercial revenue until reaching a predetermined multiple of proceeds received, pursuant to the detailed provisions of the capped synthetic royalty funding agreement (the "Royalty Funding Agreement").

Where relevant, royalty funding liabilities are separated into a financial liability and embedded derivative components based on the terms and conditions of the Royalty Funding Agreement. Embedded derivative components are accounted for separately, unless these are deemed closely related to the financial liability. The Royalty Funding Agreement includes 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.

The financial liability is 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 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.

Provisions

Provisions comprise unsettled sales deductions and product returns regarding 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 90-180 days from the transaction date.

Provisions for estimated product returns are measured according to 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 rebates. Other liabilities are measured at their net-realizable values.

Contract Liabilities

Contract liabilities comprise deferred income from collaboration agreements 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.

Cash Flow Statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the profit or loss adjusted for non-cash items, working capital changes as well as finance income, finance expenses and income taxes paid.

Cash flows from investing activities include payments in connection with acquisition, development, improvement and sale, etc., of property, plant and equipment, investment in associate and marketable securities.

Cash flows from financing activities comprise payments related to the capital structure of the Company, including lease liabilities, changes in the share capital and treasury shares and issuance and payments under the Company's borrowing activities.

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is presented separately from cash flows from operating, investing and financing activities. Cash flows in currencies other than the functional currency are recognized in the cash flow statement, using the average exchange rates.

Cash and cash equivalents comprise cash and on-demand bank deposits with financial institutions, cash held by service providers for the purpose of meeting short-term cash commitments, and highly liquid marketable securities with a maturity of three months or less after the date of acquisition.

Basic Earnings per Share

Basic Earnings per Share ("EPS") is calculated as the consolidated net income or loss from continuing operations for the period divided by the weighted average number of ordinary shares outstanding. The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

Diluted Earnings per Share

Diluted EPS is calculated as the consolidated net income or loss from continuing operations for the period divided by the weighted average number of ordinary shares outstanding adjusted for the weighted average effect of changes in treasury shares during the year, and the dilutive effect of outstanding warrants and convertible notes. If the consolidated statement of profit or loss shows a net loss, no adjustment is made for the dilutive effect, as such effect would be anti-dilutive.

New International Financial Reporting 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.

Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, "Presentation of Financial Statements", to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The amendments require the convertible notes (presented as part of borrowings on the statement of financial position) and derivative liabilities, presented as non-current liabilities at December 31, 2023, to be presented as current liabilities. On December 31, 2023, the carrying amount of convertible notes and derivative liabilities were €407.1 million and €143.3 million, respectively.

The 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 have not revealed any material impact in any of the years presented in the financial statements.

Significant Accounting Judgements

Critical accounting judgements which have a material impact on the financial statements are described in the following sections.

Internally Generated Intangible Assets

Development of Drug Candidates

IAS 38, "Intangible Assets" prescribes that intangible assets arising from development projects must be recognized in the statements of financial position if the criteria for capitalization are met. That means (1) that the development project is clearly defined and identifiable; (2) that technological feasibility, adequate resources to complete and a market for the product or an internal use of the project can be documented; (3) that the expenditure attributable to the development project can be measured reliably; and (4) that the Company has the intent to produce and market the product. Such an intangible asset shall be recognized if it can be demonstrated that the future income from the development project will exceed the aggregate cost of development, production, sale and administration of the product.

Due to the risk associated with drug development, future income from development projects related to drug candidates cannot be determined with sufficient certainty until the development activities have been completed and the necessary marketing approvals have been obtained. Accordingly, the Company does not recognize internally generated intangible assets at this time.

Significant Estimation Uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant 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

Provision for Sales Rebates and Product Returns

Sales rebates and product returns are considered variable consideration and constrained to the extent that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainties associated with the rebate item are subsequently resolved, or for product returns, when the sold 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 input in the calculations is based on payer channel mix, current contract prices under eligible programs, patient groups and current inventory levels in the distribution channels. Provisions are adjusted to absolute amounts and recognized as other liabilities when estimated sales rebates and returns are processed.

As of December 31, 2023, the provisions for sales rebates and product returns was €32.7 million compared to €7.3 million, as of December 31, 2022. Roll forward table for total provisions is provided in Note 15, “Provisions”.

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 costs or selling, general and administrative expenses, as appropriate, over the vesting period, based on management’s best estimate of the number of warrants that will ultimately vest, which is subject to uncertainty.

Warrant compensation costs are measured according to the grant date fair value of the warrants granted. Estimating fair values requires the Company to apply generally accepted valuation models and apply these models consistently according to the terms and conditions of the specific warrant program. Under all warrant programs, the Black-Scholes option-pricing model has been applied to determine the fair value of warrants granted. Subjective judgements and assumptions, which are subject to estimation uncertainties, need to be exercised in determining the appropriate input to the valuation model. These inputs include expected volatility of the Company’s share price for a historic period equaling the expected lifetime of the warrants, reflecting the assumption that the historical volatility over a period similar to the life of the warrants is indicative of future trends.

In 2021, the Company has for the first time, in connection with determining the grant date fair value of warrants and accordingly, warrant compensation costs, applied the price of the Company’s ADSs, each representing one ordinary share of the Company, as input for expected volatility. Until December 31, 2020, the expected volatility was calculated using a simple average of daily historical data of comparable publicly traded companies, as the Company did not have sufficient data for the volatility of the Company’s own share price. Please refer to Note 7 “Share-based Payment”, for additional details on the Company’s warrant program and option-pricing model input.

Warrant compensation cost recognized in the consolidated statement of profit or loss was €28.8 million, and €55.2 million for the years ended December 31, 2023, and 2022, respectively.

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, 2023, the derivative liabilities was €143.3 million compared to €158.0 million as of December 31, 2022. Changes in assumptions relating to these factors could affect the reported fair value of derivative liabilities. Refer to Note 16 “Financial Assets and Liabilities”, for additional details.

Measurement of Royalty Funding Liabilities

The carrying amount of royalty funding liabilities is measured according to anticipated future cash flows, which further depends on the amount and timing of future commercial revenue. Assumptions that impact amount and timing of future commercial revenue are subject to estimation uncertainties, and subject to a number of factors which are not within the Company's control.

The Company will periodically revisit anticipated amount and timing of future commercial revenue and to the extent such amount or timing is materially different from the current estimates, a remeasurement gain or loss is recognized through the profit or loss as finance income or expenses, respectively, which would further increase or decrease future interest expenses. Further details are provided in Note 16 "Financial Assets and Liabilities".

As of December 31, 2023, the carrying amount of the royalty funding liabilities was €138.4 million.

Note 4 – Revenue

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

	Group		Parent	
(EUR'000)	2023	2022	2023	2022
Revenue				
Commercial sale of products	178,663	35,659	54,710	9,562
Rendering of services	21,659	4,434	243,002	93,179
Sale of clinical supply	319	8,534	—	—
Licenses	66,077	2,547	5,000	2,633
Total revenue	**266,718**	**51,174**	**302,712**	**105,373**
Attributable to				
Commercial customers	178,663	35,659	—	—
Collaboration partners and license agreements	88,055	15,515	—	552
Group enterprises	—	—	302,712	104,821
Total revenue	**266,718**	**51,174**	**302,712**	**105,373**
Specified by timing of recognition				
Recognized over time	21,659	4,434	243,002	93,179
Recognized at a point in time	245,059	46,740	59,710	12,194
Total revenue	**266,718**	**51,174**	**302,712**	**105,373**
Specified per geographical location				
Europe	869	552	—	552
North America	191,677	44,156	—	—
Asia	74,172	6,466	—	—
Denmark (domicile country)	—	—	302,712	104,821
Total revenue	**266,718**	**51,174**	**302,712**	**105,373**

Commercial Customers

Revenue to commercial customers relates to sale of SKYTROFA® (lonapegsomatropin-tcgd), primarily in the U.S. market, which is sold to specialty pharmacies and specialty distributors. In addition, the Company began shipping products to wholesalers in Germany in the third quarter of 2023. Customer payment terms are typically 30 days from the transaction date.

In both 2023 and 2022, four commercial customers represented more than 10% of sale to commercial customers.

Collaboration Partners and License Agreements

On November 29, 2023, the Company entered into an exclusive license agreement with Teijin Limited (the "Teijin Agreement") for the further development and commercialization of TransCon hGH, TransCon PTH, and TransCon CNP for endocrinology rare disease (the "Licensed Products") in Japan. Under the terms of the Teijin Agreement, the Company received an upfront payment of $70 million, with additional development and regulatory milestones of up to $175 million and commercial milestones. In addition, the Company is eligible to receive royalties on net sales of the Licensed Products in Japan, of up to mid-20's percent.

Further, the Company will provide clinical and commercial supply, and development services for joint activities, which are subject to separate remuneration, and which will be recognized as revenue over time as rendering of services or reimbursement revenue, as applicable.

At December 31, 2023, none of the Licensed Products have received marketing authorization in Japan and no services has been provided by the Company. The Licensed Products are patent protected, where future activities do not affect their existing stand-alone functionalities. Accordingly, all three licenses have been 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 upfront payment of $70 million, which is allocated to license of the Company's IP.

Development and regulatory milestones of up to $175 million are recognized as revenue when the milestone criteria specific to the licensed product are met. Royalty and commercial milestone income is recognized as revenue when the subsequent product sales occur.

For the year ended December 31, 2023, no revenue from royalties or milestones has been recognized under the Teijin Agreement.

Revenue from collaboration partners and license agreements also includes license income, rendering of services and sale of clinical supply under three licenses agreements with VISEN Pharmaceuticals, which were entered into in 2018.

Note 5 – Segment Information

The Company is managed and operated as one business unit. No separate business areas or separate business units have been identified in relation to product candidates or geographical markets. Accordingly, except for entity wide disclosures, no information on business segments or geographical markets is disclosed. Entity wide disclosures regarding revenue are included in Note 4 "Revenue".

The Company's intangible assets and property, plant and equipment located by country or region are specified below, and defines the Company's non-current segment assets:

	Group	
(EUR'000)	2023	2022
Non-current segment assets		
Denmark (domicile country)	32,893	30,336
North America	68,589	89,439
Europe	13,571	14,148
Total non-current segment assets	**115,053**	**133,923**
Investment in associate	5,686	22,932
Marketable securities	—	7,492
Other receivables	2,127	1,920
Total non-current assets	**122,866**	**166,267**

The Parent Company has no non-current segment assets outside Denmark (domicile country).

Note 6 – Employee costs

(EUR'000)	Group 2023	Group 2022	Parent 2023	Parent 2022
Employee costs				
Wages and salaries	170,278	140,420	70,561	54,112
Share-based payment	66,660	64,180	43,259	40,351
Pension costs (defined contribution plans)	4,403	4,163	2,086	1,887
Social security costs	12,877	10,627	559	325
Other employee costs	4,238	4,411	2,605	2,359
Total employee costs	**258,456**	**223,801**	**119,070**	**99,034**
Included in the profit or loss				
Cost of sales (1)	15,748	7,239	15,748	7,239
Research and development costs	127,002	122,581	57,756	56,736
Selling, general, and administrative expenses	115,706	93,981	45,566	35,059
Total employee costs (2)	**258,456**	**223,801**	**119,070**	**99,034**
Average number of employees	**851**	**719**	**404**	**325**

(1) Cost of sales includes employee costs capitalized as part of inventories.
(2) At December 31, 2023, "Employee costs" has been extended to also include "Other employee costs", which comprise other external costs associated with employment. In addition, "Social security costs" have been adjusted to also include various insurance programs. Comparative amounts have been reclassified to reflect the change in presentation.

Key Management Personnel comprises the Board of Directors (the "Board"), the Executive Board and Non-executive Senior Management. Compensation to Key Management Personnel comprises salaries, participation in annual bonus schemes, and share-based compensation. Share-based compensation is elaborated in further details in the section "Share-based Payment".

Compensation to Key Management Personnel included within total employee costs is summarized below:

(EUR'000)	Board of Directors (1) 2023	Board of Directors (1) 2022	Executive Board (2) 2023	Executive Board (2) 2022	Non-executive Senior Management 2023	Non-executive Senior Management 2022
Compensation						
Wages and salaries	543	403	4,375	3,809	4,673	6,087
Share-based payment	1,276	1,273	13,243	11,392	9,529	8,872
Pensions (defined contribution plans)	—	—	54	46	122	118
Social security costs	—	—	103	55	45	89
Other employee costs	—	—	20	20	40	45
Total Compensation	**1,819**	**1,676**	**17,795**	**15,322**	**14,409**	**15,211**

(1) The Board of Directors comprised six to seven persons in 2023 and 2022.
(2) The Executive Board comprised four persons in 2023 and 2022.

Note 7 – Share-based Payment

As an incentive to employees, members of the Board and select consultants, the Company has established warrant programs. In December 2021, the Company established a Restricted Stock Unit programs ("RSU program"), and in March 2023, a Performance Stock Unit Program. All programs are classified as equity-settled share-based payment transactions.

Restricted Stock Unit Program

Restricted Stock Units ("RSUs") are granted by the Board in accordance with authorizations given to it by the shareholders of Ascendis Pharma A/S to the Executive Board, select employees and members of the Board ("RSU-holders") in accordance with the Company's RSU Program adopted in December 2021. Further, RSUs may be granted to select consultants. One RSU represents a right for the RSU-holder to receive one ADS of Ascendis Pharma A/S upon vesting if the vesting conditions are met or waived by the Board at its discretion. ADSs underlying RSUs are treasury shares that have been repurchased in the market.

Performance Stock Unit Program

Performance Stock Units ("PSUs") are granted by the Board to certain members of senior management and the Executive Board (the "PSU-holders"). In addition, PSUs may be granted to other employees, select consultants and members of the Board. PSUs were granted for the first time in March 2023. One PSU represents a right for the PSU-holder to receive one ADS of Ascendis Pharma A/S upon vesting.

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. 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. In addition, vesting may be contingent upon additional vesting criteria (non-market performance conditions).

PSUs vest in a manner similar to the service conditions of the RSUs; however, vesting is also contingent upon achievement of performance targets (non-market performance conditions) 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. Exceeding performance targets will not result in granting of additional ADSs.

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.

Upon vesting, the Company may at its sole discretion choose to make a cash settlement instead of delivering ADSs.

Adjustments

RSU-holders and PSU-holders are entitled to an adjustment of the number of RSUs or PSUs granted, in the event of certain corporate changes, including among other events, increases or decreases to the share capital at a price below or above market value, the issuance of bonus shares, and changes in the nominal value of each share. In addition, the RSU and PSU Programs contain provisions to accelerate vesting, or compensate with grant of new equity instruments, in the event of restructuring events including change in control events.

RSU and PSU Activity

The following table specifies the number of RSUs and PSUs granted and outstanding at December 31, 2023:

	Total RSUs	Total PSUs	Total
Outstanding at January 1, 2022	**148,148**	**—**	**148,148**
Transferred during the period	(41,685)	—	(41,685)
Forfeited during the period	(23,971)	—	(23,971)
Outstanding at December 31, 2022	**82,492**	**—**	**82,492**
Granted during the period	609,860	112,268	722,128
Settled during the period	(18,132)	—	(18,132)
Transferred during the period	(20,098)	—	(20,098)
Forfeited during the period	(77,497)	(7,245)	(84,742)
Outstanding at December 31, 2023	**576,625**	**105,023**	**681,648**
Specified by vesting date			
2024	217,615	35,007	252,622
2025	179,482	35,008	214,490
2026	179,528	35,008	214,536
Outstanding at December 31, 2023	**576,625**	**105,023**	**681,648**

The fair value of one RSU at date of grant was €105.96 for the year ended December 31, 2023. PSU's were granted for the first time in 2023. The fair value of one PSU at the date of grant was € 105.96.

Warrant program

Warrants are granted by the Board of Directors in accordance with authorizations given to it by the shareholders of Ascendis Pharma A/S to all employees, members of the Board of Directors and select consultants ("warrantholders"). Each warrant carries the right to subscribe for one ordinary share of a nominal value of DKK 1. The exercise price is fixed at the fair market value of the Company's ordinary shares at the time of grant as determined by the Board of Directors. Vested warrants may be exercised in two or four annual exercise periods as described below. Apart from exercise prices and exercise periods, the programs are similar.

Vesting Conditions

Warrants granted vest over a predetermined service period, and accordingly require warrantholders to be employed, or provide a specified period of service. Warrants generally cease to vest from the date of termination in the event that (i) the employee terminates the employment contract and the termination is not a result of breach of the employment terms by the Company, or (ii) in the event that the Company terminates the employment contract, and the employee has given the Company good reason to do so. 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 warrantholder will, however, be entitled to exercise vested warrants in the first exercise period 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 warrantholder may keep the right to continued vesting and exercise of warrants as if the employment was still in effect. In such case, any expense not yet recognized for the outstanding warrants is recognized immediately.

Warrants granted until November 2021

Warrants granted from 2012 until November 2021, generally vest over 48 months with 1/48 of the warrants vesting per month from the date of grant. However, effective from January 2015, certain warrants granted to board members vest over 24 months with 1/24 of the warrants vesting per month from the date of grant.

Warrants granted from December 2021

For warrants granted to employees and consultants, 25% of the warrants vest one year after the date of grant, and the remaining 75% of the warrants granted vest over 36 months, with 1/36 of the warrants vesting per month, from one year after the date of grant.

For warrants granted to board members upon the board members accession, 25% of the warrants granted vest one year after the date of grant, and the remaining 75% of the warrants granted shall vest over 36 months, with 1/36 per month from one year after the date of grant. Regarding subsequent grants of warrants to board members, 50% of the warrants vest one year after the date of grant, and the remaining 50% of the warrants vest over 12 months, with 1/12 per month from one year after the date of grant.

Exercise Periods

Vested warrants may be exercised during certain exercise periods each year, within certain periods after publication of earnings data of a fiscal quarter, interim and annual reports, as per each program's terms and conditions.

Warrants expire ten years after the grant date. Warrants not exercised by the warrantholder during the last exercise period shall become null and void without further notice or compensation or payment of any kind to the warrantholder. If the warrantholder is a consultant, advisor or board member, the exercise of warrants is conditional upon the warrantholder'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 warrantholder's actions or omissions, the warrantholder shall be entitled to exercise vested warrants in the pre-defined exercise periods.

Adjustments

Warrantholders are entitled to an adjustment of the number of warrants issued and/or the exercise price applicable in the event of certain corporate changes. Events giving rise to an adjustment include, among other things, increases or decreases to our share capital at a price below or above market value, 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 number and weighted average exercise prices of, and movements in warrants during the year:

	Total Warrants	Weighted Average Exercise Price EUR
Outstanding at January 1, 2022	**7,085,073**	**80.30**
Granted during the year	357,092	100.40
Exercised during the year (1)	(214,613)	21.83
Forfeited during the year	(363,541)	123.62
Outstanding at December 31, 2022	**6,864,011**	**81.30**
Vested at the reporting date	**4,972,026**	**66.34**
Granted during the year	395,275	91.07
Exercised during the year(1)	(555,144)	17.76
Forfeited during the year	(180,358)	115.79
Outstanding at December 31, 2023	**6,523,784**	**86.38**
Vested at the reporting date	**5,273,056**	**80.02**

(1) The weighted average share price (listed in $) at the date of exercise was €98.10 and €113.60 for the years ended December 31, 2023 and 2022, respectively.

At December 31, 2023, the Board of Directors was authorized to grant up to 1,564,221 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, 2023, per grant year.

	Number of Warrants	Weighted Average Exercise Price EUR	Weighted Average Life (months)
Granted before January 1, 2021	4,717,462	75.54	60
Granted in 2021	1,135,647	121.77	94
Granted in 2022	296,480	100.28	102
Granted in 2023	374,195	90.73	113
Outstanding at December 31, 2023	**6,523,784**	**86.38**	**71**

At December 31, 2023, the exercise prices of outstanding warrants under the Company's warrant programs range from €11.98 to € 145.50 depending on the grant dates.

The range of exercise prices for outstanding warrants was €6.48 to €145.50 for the year ended December 31, 2022.The weighted average remaining life for outstanding warrants was 77 months for the financial year ended December 31, 2022.

Warrant Compensation Costs

Warrant compensation costs are recognized in the statements of profit or loss over the vesting period of the warrants granted.

Warrant compensation costs are determined with basis in the grant date fair value of the warrants granted and recognized over the vesting period. Fair value of the warrants is calculated at the grant dates by use of the Black-Scholes Option Pricing model with the following assumptions: (1) an exercise price equal to the estimated market price of the Company's shares at the date of grant; (2) an expected lifetime of the warrants determined as a weighted average of the time from grant date to date of becoming exercisable and from grant date to expiry of the warrants; (3) a risk-free interest rate equaling the effective interest rate on a Danish government bond with the same lifetime as the warrants; (4) no payment of dividends; and (5) an expected volatility using the Company's own share price (from 2021).

The following table summarizes the input to the Black-Scholes Option Pricing model and the calculated fair values for warrant grants in 2023 and 2022:

	2023	2022
Expected volatility	49 - 51%	48 - 49%
Risk-free interest rate	2.40 - 2.97%	(0.08) -2.54%
Expected life of warrants (years)	6.0	6.0
Weighted average exercise price	€ 91.07	€ 100.40
Fair value of warrants granted in the year	€37.34 - 52.03	€ 36.55 - 60.85

Note 8 – Principal Accountant Fees and Services

The following table sets forth, for each of the years indicated, the fees billed by the Company's independent public accountants and the proportion of each of the fees out of the total amount billed by the accountants.

	Group	
(EUR'000)	2023	2022
Principal accountant fees and services		
Audit fees	739	814
Tax fees	122	138
Total principal accountant fees and services	**861**	**952**

Note 9 – Tax on Profit/Loss for the Year and Deferred Tax

	Group		Parent	
(EUR'000)	2023	2022	2023	2022
Tax on profit/(loss) for the year:				
Current tax (expense)/income	(5,377)	(3,723)	40	229
Current tax, adjustments to prior years	3,904	(1,654)	(43)	(51)
Deferred tax, movement for the year	(1,044)	—	—	—
Deferred tax, adjustments to prior years	(4,786)	—	—	—
	(7,303)	(5,377)	(3)	178
Tax for the year can be explained as follows:				
Profit/(loss) before tax	(474,144)	(577,817)	39,719	(143,079)
Tax at the Danish corporation tax rate of 22%	**104,312**	**127,120**	**(8,738)**	**31,477**
Tax effect of:				
Non-deductible costs	(8,494)	(17,094)	(10,644)	(14,242)
Additional tax deductions	9,077	13,720	348	3,808
Impact from associate	(4,047)	(3,893)	—	—
Prior year adjustments	(1,294)	—	—	—
Other effects including effect of different tax rates	(882)	(2,716)	(43)	(51)
Deferred tax asset, not recognized	(105,975)	(122,514)	19,074	(20,814)
Tax on profit/(loss) for the year	**(7,303)**	**(5,377)**	**(3)**	**178**
Effective tax rate	1.54%	0.93%	(0.01)%	(0.12)%

	Group		Parent	
(EUR'000)	2023	2022	2023	2022
Specification of Deferred Tax Assets/(Liabilities)				
Tax deductible losses	521,697	433,174	102,921	116,153
Other temporary differences, assets	16,256	19,961	3,522	1,010
Deferred tax asset, not recognized	(537,953)	(453,135)	(98,635)	(117,163)
Other temporary differences, liabilities	(5,830)	—	(7,808)	—
Total Deferred Tax Assets/(Liabilities) at December, 31	**(5,830)**	—	—	—

During 2023 a deferred tax liability has been recognised in relation to taxable temporary differences in one jurisdiction, as we do not believe we will have any deductible temporary differences nor tax losses to deduct the taxable difference in, when they are expected to reverse.

Deferred tax assets have not been recognized in the statements of financial position as of 31 December 2023 due to uncertainty relating to future utilization. The deferred tax asset can be carried forward without timing limitations. For parent the deferred tax liabilities can be offset in deferred tax assets within the Danish joint taxation group.

The Company had tax losses carried forward of €2,371.3 million (Parent Company: €467.8 million) and €1,985.0 million (Parent Company: €528.0 million) at December 31, 2023 and December 31, 2022, respectively. Tax losses can be carried forward infinitely, where certain limitations exist for amounts to be utilized each year. Under Danish tax legislation, tax losses may be partly refunded by the tax authorities to the extent such tax losses arise from research and development activities. For the year ended December 31, 2023, 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, 2023 and 2022, respectively.

The Company is entitled to additional tax deductions related to share based payments (Warrants and RSU). Tax deductions can be taken when the warrants/RSUs are exercised. For the year ended December 31, 2023, the Company was entitled to additional tax deductions with a tax value of €10.6 million, (Parent company:€3.4 million) compared to €5.2 million (Parent company: €2.6 million) for the year ended December 31, 2022. These future tax deductions depend on the timing and amounts of warrant exercises, and accordingly, future additional tax deductions are subject to uncertainties. Refer to Note 7 “Share-based Payment”, regarding a description of warrant programs.

The parent company Ascendis Pharma A/S is jointly taxed with its Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses). These companies are taxed under the on-account tax scheme.

Note 10 – Intangible Assets

	Group		
(EUR’000)	Goodwill	Software	Total
Cost			
January 1, 2022	**3,495**	**2,222**	**5,717**
December 31, 2022	**3,495**	**2,222**	**5,717**
Additions	—	53	53
Transferred	—	21	21
December 31, 2023	**3,495**	**2,296**	**5,791**
Amortization and impairment			
January 1, 2022	**—**	**(445)**	**(445)**
Amortization charge	—	(444)	(444)
December 31, 2022	**—**	**(889)**	**(889)**
Amortization charge	—	(483)	(483)
December 31, 2023	**—**	**(1,372)**	**(1,372)**
Carrying amount			
December 31, 2022	**3,495**	**1,333**	**4,828**
December 31, 2023	**3,495**	**924**	**4,419**

	Parent		
(EUR’000)	Software	Acquired intellectual property	Total
Cost			
January 1, 2022	**2,222**	**1,326**	**3,548**
Additions	—	—	—
December 31, 2022	**2,222**	**1,326**	**3,548**
Additions	—	—	—
December 31, 2023	**2,222**	**1,326**	**3,548**
Amortization and impairment			
January 1, 2022	**(445)**	**(1,326)**	**(1,771)**
Amortization charge	(444)	—	(444)
December 31, 2022	**(889)**	**(1,326)**	**(2,215)**
Amortization charge	(444)	—	(444)
December 31, 2023	**(1,333)**	**(1,326)**	**(2,659)**
Carrying amount			
December 31, 2022	**1,333**	**—**	**1,333**
December 31, 2023	**889**	**—**	**889**

At the reporting date, no internally generated intangible assets from development of pharmaceutical drug candidates have been recognized. Thus, all related research and development costs incurred for the years ended December 31, 2023, and 2022, 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 11 – Property, Plant and Equipment

	Group				
(EUR'000)	Plant and Machinery	Other Equipment	Leasehold Improve-ments	Right-of-Use Assets	Total
Cost					
January 1, 2022	**16,946**	**8,822**	**18,067**	**116,135**	**159,970**
Additions	7,787	2,487	1,284	3,245	14,803
Disposals	(32)	(395)	—	(5,480)	(5,907)
Foreign exchange translation	243	289	779	5,566	6,877
December 31, 2022	**24,944**	**11,203**	**20,130**	**119,466**	**175,743**
Additions	2,580	503	228	7,547	10,858
Disposals	(383)	(57)	—	—	(440)
Transferred	504	(21)	(504)	—	(21)
Foreign exchange translation	(209)	(208)	(479)	(3,093)	(3,989)
December 31, 2023	**27,436**	**11,420**	**19,375**	**123,920**	**182,151**
Depreciation and impairment					
January 1, 2022	**(5,527)**	**(3,547)**	**(2,488)**	**(22,359)**	**(33,921)**
Depreciation charge	(2,039)	(1,793)	(1,942)	(11,740)	(17,514)
Disposals	25	380	—	5,480	5,885
Foreign exchange translation	(43)	(63)	(67)	(925)	(1,098)
December 31, 2022	**(7,584)**	**(5,023)**	**(4,497)**	**(29,544)**	**(46,648)**
Deprecation charge	(2,569)	(1,899)	(2,085)	(11,875)	(18,428)
Impairment charge	(2,869)	(405)	(4,560)	—	(7,834)
Disposals	146	54	—	—	200
Foreign exchange translation	92	98	196	807	1,193
December 31, 2023	**(12,784)**	**(7,175)**	**(10,946)**	**(40,612)**	**(71,517)**
Carrying amount:					
December 31, 2022	**17,360**	**6,180**	**15,633**	**89,922**	**129,095**
December 31, 2023	**14,652**	**4,245**	**8,429**	**83,308**	**110,634**

The Impairment charge for the year ended December 31, 2023 relates to change in planned activities at one of our R&D sites and is determined according to its estimated value in use.

Depreciation charges are specified below:

	Group	
(EUR'000)	2023	2022
Depreciation charges		
Cost of sales	2,509	1,245
Research and development costs	10,296	10,892
Selling, general and administrative expenses	5,623	5,377
Total depreciation charges	**18,428**	**17,514**

(EUR'000)	Parent				
	Plant and Machinery	Other Equipment	Leasehold Improve-ments	Right-of-Use Assets	Total
Cost					
January 1, 2022	**2,926**	**2,392**	**2,911**	**23,725**	**31,954**
Additions	3,613	210	80	852	4,755
Disposals	—	(8)	—	—	(8)
December 31, 2022	**6,539**	**2,594**	**2,991**	**24,577**	**36,701**
Additions	1,191	—	39	6,107	7,337
December 31, 2023	**7,730**	**2,594**	**3,030**	**30,684**	**44,038**
Depreciation and impairment					
January 1, 2022	**(52)**	**(1,450)**	**(146)**	**(6,210)**	**(7,858)**
Depreciation charge	(216)	(403)	(293)	(2,595)	(3,507)
Disposals	—	8	—	—	8
December 31, 2022	**(268)**	**(1,845)**	**(439)**	**(8,805)**	**(11,357)**
Deprecation charge	(370)	(314)	(288)	(3,295)	(4,267)
December 31, 2023	**(638)**	**(2,159)**	**(727)**	**(12,100)**	**(15,624)**
Carrying amount					
December 31, 2022	**6,271**	**749**	**2,552**	**15,772**	**25,344**
December 31, 2023	**7,092**	**435**	**2,303**	**18,584**	**28,414**

Depreciation charges are specified below:

(EUR'000)	Parent	
	2023	2022
Depreciation charges		
Cost of sales	2,509	1,245
Research and development costs	1,128	1,700
Selling, general and administrative expenses	630	562
Total depreciation charges	**4,267**	**3,507**

Note 12 – Investment in Associates

VISEN is a private Company with business activities within development, manufacturing and commercialization of endocrinology rare disease therapies in Greater China. The Company's interest in VISEN is accounted for as an associate using the equity method in the consolidated financial statements as the Company has determined that it has significant influence but not joint control.

The Company has granted VISEN exclusive rights to develop and commercialize TransCon hGH, TransCon PTH and TransCon CNP in Greater China, and as consideration for the granting of such rights has received a 50% ownership of VISEN's issued and outstanding shares. On January 8, 2021, the Company entered into an equity investment of $12.5 million as part of VISEN's $150 million Series B financing. Following VISEN's Series B financing, the Company retained 43.93% of VISEN's issued and outstanding shares. As a result, a non-cash gain of €42.3 million was recognized in the consolidated statement of profit or loss as part of share of profit/(loss) of associate in 2021. The Series B financing did not change the accounting treatment of VISEN.

The following table illustrates the summarized relevant financial information of VISEN:

Principal place of business:	VISEN Pharmaceuticals China	
	Group	
(EUR'000)	2023	2022
Statement of profit or loss		
Profit/(loss) for the year from continuing operations	**(41,873)**	**(40,283)**
Total comprehensive income	**(41,859)**	**(40,273)**
Statement of financial position		
Non-current assets	9,596	21,410
Current assets	48,041	92,204
Total assets	**57,637**	**113,614**
Equity	51,078	100,062
Non-current liabilities	140	180
Current liabilities	6,419	13,372
Total equity and liabilities	**57,637**	**113,614**
Company's share of equity before eliminations	**22,439**	**43,957**
Elimination of internal profit and other equity method adjustments	*(16,752)*	*(21,025)*
Company's share of equity	**5,686**	**22,932**
Investment in associate at December 31	**5,686**	**22,932**
Present ownership at December 31	**43.93%**	**43.93%**
Transactions and outstanding balances as of December 31		
Invoicing of goods and services to associates	15,026	22,327
Total receivables from associates	991	3,554
Contract liabilities	7,133	14,213

Note 13 – Inventories

	Group		Parent	
(EUR'000)	2023	2022	2023	2022
Inventories				
Raw materials and consumables	18,566	9,616	18,566	9,616
Work In progress	171,030	112,885	171,030	112,885
Finished goods	19,335	8,172	19,335	8,172
Total inventories	**208,931**	**130,673**	**208,931**	**130,673**

Due to production lead time, work in progress includes inventories that are not sellable before more than twelve months after the reporting date.

At December 31, 2023, inventories were reduced with write-downs of €22.9 million, which include write-downs on pre-launch inventories.

Note 14 – Contract Liabilities

At December 31, 2023, contract liabilities comprise unsatisfied performance obligations relating to delivery of clinical and commercial supply under one of the Company's license agreements. Non-current contract liabilities are expected to be recognized as revenue within 1-3 years.

Revenue recognized from contract liabilities was €13.3 million (Parent Company: €— million) and €10.5 million (Parent Company: €3.2 million) for the years ended December 31, 2023 and 2022, respectively, and related to feasibility studies, and research and development services under the Company's license agreements.

Note 15 Provisions

Development in provisions is specified below:

Provisions	2023 (EUR'000)
At January 1	7,339
Net additions	28,293
Reversals and other adjustments	(1,904)
Foreign exchange translation	(1,009)
At December 31	**32,719**

Note 16 – Financial Assets and Liabilities

Financial assets and liabilities comprise following:

	Group		Parent	
(EUR'000)	2023	2022	2023	2022
Financial assets by category				
Trade receivables	35,874	11,910	—	281
Receivables from group enterprises	—	—	1,759,806	1,372,347
Other receivables (excluding income tax and indirect tax receivables)	3,909	3,884	3,111	3,139
Marketable securities	7,275	298,180	7,275	298,180
Cash and cash equivalents	392,164	444,767	263,909	407,184
Financial assets measured at amortized costs	**439,222**	**758,741**	**2,034,101**	**2,081,131**
Total financial assets	**439,222**	**758,741**	**2,034,101**	**2,081,131**
Classified in the statement of financial position				
Non-current assets	2,127	9,412	1,761,231	1,381,142
Current assets	437,095	749,329	272,870	699,989
Total financial assets	**439,222**	**758,741**	**2,034,101**	**2,081,131**
Financial liabilities by category				
Borrowings				
Convertible senior notes	407,095	399,186	407,095	399,186
Royalty funding liabilities	138,377	—	—	—
Lease liabilities	98,793	109,191	15,187	16,312
Trade payables and accrued expenses	94,566	101,032	85,784	95,174
Payables to group enterprises	—	—	—	6,558
Financial liabilities measured at amortized costs	**738,831**	**609,409**	**508,066**	**517,230**
Derivative liabilities	143,296	157,950	143,296	157,950
Financial liabilities measured at measured at fair value through profit or loss	**143,296**	**157,950**	**143,296**	**157,950**
Total financial liabilities	**882,127**	**767,359**	**651,362**	**675,180**
Classified in the statement of financial position				
Non-current liabilities	762,161	640,907	551,176	558,868
Current liabilities	119,966	126,452	100,186	116,312
Total financial liabilities	**882,127**	**767,359**	**651,362**	**675,180**

Finance income and expenses are specified below:

(EUR'000)	Group 2023	Group 2022	Parent 2023	Parent 2022
Finance income				
Interest income	16,857	7,426	15,096	7,103
Interest income from group enterprises	—	—	37,313	28,518
Fair value gains, derivatives	14,654	—	14,654	—
Foreign exchange and other adjustments gain (net)	12,346	44,755	10,561	46,617
Total finance income	**43,857**	**52,181**	**77,624**	**82,238**
Finance expenses				
Interest expense	44,065	30,682	34,714	27,256
Interest expenses to group enterprises	—	—	—	308
Fair value loss, derivatives	—	15,483	—	15,483
Foreign exchange and other adjustments loss (net)	—	4,322	—	4,322
Total finance expenses	**44,065**	**50,487**	**34,714**	**47,369**

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, beginning on October 1, 2022. At any time before the close of business on the second scheduled trading day immediately before the maturity date, noteholders may convert their convertible notes at their option into the Company's ordinary shares represented by ADSs, together, if applicable, with cash in lieu of any fractional ADS, at the then-applicable conversion rate. The initial conversion rate is 6.0118 ADSs per $1,000 principal amount of convertible notes, which represents an initial conversion price of $166.34 per ADS. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events.

The convertible notes will be optionally redeemable, in whole or in part (subject to certain limitations), at the Company's option at any time, and from time to time, on or after April 7, 2025, but only if the last reported sale price per ADS exceeds 130% of the conversion price on each of (i) at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related optional redemption notice; and (ii) the trading day immediately before the date the Company sends such notice.

Royalty Funding Liabilities

In September 2023, the Company entered into a $150.0 million capped synthetic royalty funding agreement (the "Royalty Pharma Agreement") with Royalty Pharma Development, LLC ("Royalty Pharma"). The net proceeds were $146.3 million (€136.3 million) after deducting offering expenses.

Under the terms of the Royalty Pharma Agreement, the Company received an upfront payment of $150.0 million (the "Purchase Price"), in exchange for which Royalty Pharma obtained the right to receive payment of 9.15% of U.S. net sales of SKYTROFA, beginning on January 1, 2025 (the "Revenue Interest Payments"). The Revenue Interest Payments to Royalty Pharma will cease upon reaching a multiple of 1.925 times the Purchase Price, or 1.65 times the Purchase Price if Royalty Pharma receives Revenue Interest Payments in that amount by December 31, 2031.

The Royalty Pharma 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 Purchase Price minus the Revenue Interest Payments paid to Royalty Pharma 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 Revenue Interest Payments equal to the Purchase Price as of the date of the buy-out notice, then the buy-out amount equal to 1.65 times the Purchase Price minus the Revenue Interest Payments paid to Royalty Pharma as of the effective date of the buy-out notice.

On December 31, 2023 the carrying amount of the royalty funding liabilities was €138.4 million, and the fair value was approximately €144.0 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.

Leases

The Company primarily leases office and laboratory facilities. Lease arrangements contain a range of different terms and conditions and are typically entered into for fixed periods. In order to improve flexibility to the Company's operations, lease arrangements may provide the Company with option to extend the lease or terminate the lease within the enforceable lease term. In the Company's current lease portfolio, extension and termination options range between six months to five years, in addition to the non-cancellable periods.

The following expenses relating to lease activities are recognized in the statements of profit or loss:

	Group		Parent	
(EUR'000)	2023	2022	2023	2022
Lease expense				
Depreciations	11,875	11,740	3,295	2,595
Expenses relating to short term leases and leases of low value assets	353	280	164	149
Lease interest	3,581	3,842	425	452
Total lease expense	**15,809**	**15,862**	**3,884**	**3,196**

In February 2022, the Company entered into a facility lease in Germany with an enforceable lease term of 15 years, which is expected to commence in 2025 and comprises total lease cash-outflow of €68.1 million.

Financing Activities

Development in borrowings related to financing activities is specified below:

	Group							
		Cash payments		Non-cash items				
(EUR'000)	Beginning of period	Repayments	Proceeds	Additions/ (disposals)	Separation of fair value	Accretion of interest	Foreign exchange adjustments and remeasurements	End of period
Financing activities December 31, 2023								
Borrowings	399,186	(12,054)	136,256	—	—	40,386	(18,302)	545,472
Leasing	109,191	(14,006)	—	2,973	—	3,581	(2,946)	98,793
Total financing activities	**508,377**	**(26,060)**	**136,256**	**2,973**	**—**	**43,967**	**(21,248)**	**644,265**
Financing activities December 31, 2022								
Borrowings	—	(6,710)	503,281	—	(142,467)	30,216	14,866	399,186
Leasing	104,961	(7,995)	—	3,194	—	3,842	5,189	109,191
Total financing activities	**104,961**	**(14,705)**	**503,281**	**3,194**	**(142,467)**	**34,058**	**20,055**	**508,377**

	Parent							
		Cash payments		Non-cash items				
(EUR'000)	Beginning of period	Repayments	Proceeds	Additions/ (disposals)	Separation of fair value	Accretion of interest	Foreign exchange adjustments and remeasurements	End of period
Financing activities December 31, 2023								
Borrowings	399,186	(12,054)	—	—	—	34,227	(14,264)	407,095
Leasing	16,312	(3,085)	—	1,535	—	425	—	15,187
Total financing activities	**415,498**	**(15,139)**	**—**	**1,535**	**—**	**34,652**	**(14,264)**	**422,282**
Financing activities December 31, 2022								
Borrowings	—	(6,710)	503,281	—	(142,467)	30,216	14,866	399,186
Leasing	17,915	(2,908)	—	853	—	452	—	16,312
Total financing activities	**17,915**	**(9,618)**	**503,281**	**853**	**(142,467)**	**30,668**	**14,866**	**415,498**

For December 31, 2022, "separation of fair value" on convertible senior notes relates to derivative liabilities that is separated from convertible senior notes and presented separately in the statement of financial position, please refer to following section, "Derivative Liabilities".

Derivative Liabilities

Derivative liabilities relate to the foreign currency conversion option embedded in the convertible notes. Fair value of derivative liabilities cannot be measured based on quoted prices in active markets, or other observable input, and accordingly, derivative liabilities are measured by using the Black-Scholes Option Pricing model (Level 3 in the fair value hierarchy). The fair value of the options is calculated, applying the following assumptions: (1) conversion price; (2) own share price; (3) maturity of the options; (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 options; (5) no payment of dividends; and (6) an expected volatility using the Company's own share price (50.47% as of December 31, 2023 and 49.24% as of December 31, 2022).

Sensitivity Analysis

On December 31, 2023, all other inputs and assumptions held constant, a 10% increase in volatility, will increase the fair value of derivative liabilities by approximately €14.8 million and indicates a decrease in profit or loss and equity before tax. Similarly, a 10% decrease in volatility indicates the opposite impact.

Similarly, on December 31, 2023, all other inputs and assumptions held constant, a 10% increase in the share price, will increase the fair value of derivative liabilities by approximately €26.7 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

Derivative liabilities are measured at fair value. All other financial assets and liabilities are measured at amortized cost.

Because of the short-term maturity for cash and cash equivalents, receivables and trade payables, their fair value approximate carrying amount. Fair value of marketable securities, convertible notes 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				
	2023		2022		
(EUR'000)	Carring Amount	Fair Value	Carring Amount	Fair Value	Fair Value Level
Financial assets					(1-3)
Marketable securities	7,275	7,266	298,180	295,843	1
Financial assets measured at cost	**7,275**	**7,266**	**298,180**	**295,843**	
Financial liabilities					
Borrowings					
Convertible Senior Notes	407,095	385,410	399,186	382,459	3
Royalty funding liabilities	138,377	143,975	—	—	3
Financial liabilities measured at cost	**545,472**	**529,385**	399,186	382,459	
Derivative liabilities	143,296	143,296	157,950	157,950	3
Financial liabilities measured at fair value through profit and loss	**143,296**	**143,296**	157,950	157,950	

	Parent				
	2023		2022		
(EUR'000)	Carring Amount	Fair Value	Carring Amount	Fair Value	Fair Value Level
Financial assets					(1-3)
Marketable securities	7,275	7,266	298,180	295,843	1
Financial assets measured at cost	**7,275**	**7,266**	**298,180**	**295,843**	
Financial liabilities					
Borrowings					
Convertible Senior Notes	407,095	385,410	399,186	382,459	3
Financial liabilities measured at cost	**407,095**	**385,410**	399,186	382,459	
Derivative liabilities	143,296	143,296	157,950	157,950	3
Financial liabilities measured at fair value through profit and loss	**143,296**	**143,296**	157,950	157,950	

Development in level 3 fair value remeasurements are specified below:

	Group and Parent	
(EUR'000)	2023	2022
Derivative liabilities		
January 1	157,950	—
Additions	—	142,467
Remeasurement recognized in financial income or expense	(14,654)	15,483
December 31	**143,296**	**157,950**

Note 17 – Financial Risk Management

The Company manages capital to ensure that all group enterprises will be able to continue as 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 Significant Accounting Policies".

Share Capital

The share capital of Ascendis Pharma A/S consists of 57,707,439 fully paid shares at a nominal value of DKK 1, all in the same share class.

The number of shares of Ascendis Pharma A/S are as follows:

(EUR'000)	2023	2022	2021	2020	2019
Changes in share capital					
Beginning of year	57,152,295	56,937,682	53,750,386	47,985,837	42,135,448
Increase through cash contribution	555,144	214,613	3,187,296	5,764,549	5,850,389
End of year	**57,707,439**	**57,152,295**	**56,937,682**	**53,750,386**	**47,985,837**

Treasury Shares Reserve

The holding of treasury shares are as follows:

	Nominal value	Holding	Holding in % of total outstanding shares
Treasury shares	**(EUR'000)**	**(Number)**	
January 1, 2022	21	154,837	
Acquired from third-parties	134	1,000,000	
Transferred under stock incentive programs	(6)	(41,685)	
December 31, 2022	**149**	**1,113,152**	**2.0%**
Transferred under stock incentive programs	(3)	(20,098)	
December 31, 2023	**146**	**1,093,054**	**1.9%**

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 following sections.

Market Risk

The Company's activities expose the group enterprises to the financial risks of changes in foreign currency exchange rates and interest rates. Derivative financial instruments are not applied to manage exposure to such risks.

Foreign Currency Risk Management

The Company is exposed to foreign currency exchange risks arising from various currency exposures, primarily with respect to the U.S. Dollar ("USD").

Foreign currency exchange risks are unchanged to prior year, and primarily relate to sale and purchases in foreign currencies, and cash, cash equivalents and marketable securities, countered by convertible notes and royalty funding liabilities. 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 and loss, and equity before tax at the reporting date. A similar weakening of the USD would have the opposite effect with similar amounts. 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 position	Increase in foreign exchange rate	Profit or loss before tax	Equity before tax
USD/EUR				
December 31, 2023	(369,091)	10%	(36,909)	(36,909)
December 31, 2022	60,581	10%	6,058	6,058

	Parent			
	Hypothetical impact on separate financial statements			
(EUR'000)	Nominal position	Increase in foreign exchange rate	Profit or loss before tax	Equity before tax
USD/EUR				
December 31, 2023	(403,063)	10%	(40,306)	(40,306)
December 31, 2022	119,279	10%	11,928	11,928

Interest Rate Risk Management

Outstanding convertible notes comprise a 2.25% coupon fixed rate structure. Further, interest rate on lease liabilities is fixed at the lease commencement date. In addition, 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.

Future indebtedness may be subject to higher interest rates. In addition, future interest income from interest-bearing bank deposits and marketable securities may fall short of expectations due to changes in interest rates.

Rate structure of marketable securities are specified below:

	Group and Parent			
	December 31, 2023		December 31, 2022	
(EUR'000)	Carrying amount	Fair value	Carrying amount	Fair value
Marketable securities specified by rate structure				
Fixed rate	7,275	7,266	205,825	203,543
Floating rate	—	—	11,787	11,773
Zero-coupon	—	—	80,568	80,527
Total marketable securities	**7,275**	**7,266**	**298,180**	**295,843**

Derivative liabilities are measured at fair value through profit or loss. Accordingly, 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, cash equivalents and marketable securities, as well as rating and concentration limits for marketable securities held.

The exposure to credit risk primarily relates to cash, cash equivalents, and marketable securities. The credit risk on bank deposits is limited because the counterparties, holding significant deposits, are banks with minimum credit-ratings of A3/A- assigned by international credit-rating agencies. The banks are reviewed on a regular basis and deposits may be transferred during the year to mitigate credit risk. In order to mitigate the concentration of credit risks on bank deposits and to preserve capital, a portion of the bank deposits have been placed into primarily U.S. government bonds, treasury bills, corporate bonds, and agency bonds. The Company's investment policy, approved by the Board of Directors, only allows investment in marketable securities having investment grade credit-ratings, assigned by international credit-rating agencies. Accordingly, the risk from probability of default is low. On each reporting date, the risk of expected credit loss on bank deposits and marketable securities, 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.

Marketable securities specified by investment grade credit rating are specified below:

	Group and Parent			
	December 31, 2023		December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
(EUR'000)				
Marketable securities specified by investment grade credit rating				
High grade	4,523	4,519	203,530	202,048
Upper medium grade	2,752	2,747	94,650	93,795
Total marketable securities	**7,275**	**7,266**	**298,180**	**295,843**

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 2023.

Liquidity risk is managed by maintaining adequate cash reserves and banking facilities, and by matching the maturity profiles of marketable securities with cash-forecasts. The risk of shortage of funds is monitored, using a liquidity planning tool, to ensure sufficient funds are available to settle liabilities as they fall due.

Besides marketable securities and deposits, the Company's financial assets are recoverable within twelve months after the reporting date. The composition of the marketable securities portfolio and its fair values are specified in the following table.

	Group and Parent			
	December 31, 2023		December 31, 2022	
(EUR'000)	Carrying amount	Fair value	Carrying amount	Fair value
Marketable securities specified by security type				
U.S. Treasury bills	—	—	79,086	79,043
U.S. Government Bonds	4,523	4,519	99,337	98,075
Corporate bonds	2,752	2,747	104,236	103,301
Agency bonds	—	—	15,521	15,424
Total marketable securities	**7,275**	**7,266**	**298,180**	**295,843**
Classified based on maturity profiles				
Non-current assets	—	—	7,492	7,201
Current assets	7,275	7,266	290,688	288,642
Total marketable securities	**7,275**	**7,266**	**298,180**	**295,843**

Marketable securities have a weighted average duration of 1.0 month after the reporting date.

Maturity Analysis

Contractual cashflows for non-derivative financial liabilities recognized in the statements of financial position are specified below:

	Group				
(EUR'000)	<1 year	1-5 years	>5 years	Total contractual cashflows	Carrying amount
December 31, 2023					
Borrowings	11,708	742,925	42,397	797,030	545,472
Lease liabilities	14,385	51,426	49,056	114,867	98,793
Trade payables and accrued expenses	94,566	—	—	94,566	94,566
Total financial liabilities	**120,659**	**794,351**	**91,453**	**1,006,463**	**738,831**

	Group				
(EUR'000)	<1 year	1-5 years	>5 years	Total contractual cashflows	Carrying amount
December 31, 2022					
Borrowings	12,130	48,519	545,161	605,810	399,186
Lease liabilities	13,996	53,821	60,946	128,763	109,191
Trade payables and accrued expenses	101,032	—	—	101,032	101,032
Total financial liabilities	**127,158**	**102,340**	**606,107**	**835,605**	**609,409**

	Parent				
(EUR'000)	<1 year	1-5 years	>5 years	Total contractual cashflows	Carrying amount
December 31, 2023					
Borrowings	11,708	561,340	—	573,048	407,095
Lease liabilities	3,206	8,607	4,905	16,718	15,187
Trade payables and accrued expenses	85,784	—	—	85,784	85,784
Total financial liabilities	**100,698**	**569,947**	**4,905**	**675,550**	**508,066**

	Parent				
(EUR'000)	<1 year	1-5 years	>5 years	Total contractual cashflows	Carrying amount
December 31, 2022					
Borrowings	12,130	48,519	545,161	605,810	399,186
Lease liabilities	2,978	9,811	5,260	18,049	16,312
Payables to group enterprises	6,558	—	—	6,558	6,558
Trade payables and accrued expenses	95,174	—	—	95,174	95,174
Total financial liabilities	**116,840**	**58,330**	**550,421**	**725,591**	**517,230**

Note 18 – Commitments and Contingencies

Contractual commitments for the acquisition of property, plant and equipment were €1.2 million and € 4.4 million for the years ended December 31, 2023 and 2022, respectively. Further, with certain suppliers, the Company has agreed minimum commitments related to the manufacturing of product supply, subject to continuous negotiation and adjustments according to the individual contractual terms and conditions. Cost of product supply is recognized when the Company obtains control of the goods. In addition, the Company has commitments related to short-term leases and leases of low value assets, contracts of various lengths in respect of research and development with CROs, and IT and facility related services. Costs relating to those commitments are recognized as services are received.

The Company is not aware of any significant legal claims or disputes.

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 its five 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, 2023, 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 reported negative net assets of €37.8 million, €775.7 million, €368.1 million, €322.0 million and €285.1 million, respectively. 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 June 30, 2025.

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 Endocrinology Division A/S has prepared it´s statutory financial statements for 2023 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.

Note 19 – Related Party Transactions

The Board of Directors, the Executive Board and non-executive Senior Management ("Key Management Personnel") are considered related parties as they have authority and responsibility for planning and directing the Company's operations. Related parties also include undertakings in which such individuals have a controlling or joint controlling interest. Additionally, all group enterprises and associates are considered related parties.

Neither the Company's related parties or major shareholders hold a controlling, joint controlling, or significant interest in the Group.

The Company has entered into employment agreements with and issued warrants and RSUs and PSUs to Key Management Personnel. In addition, the Company pays fees for board tenure and board committee tenure to the independent members of the Board of Directors. For further details, refer to Note 6 "Employee Cost". 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, and clinical supplies and commercial supplies. These transactions have been eliminated in the consolidated financial statements. Transactions and outstanding balances with the associate are disclosed in Note 12 "Investment in Associate".

In addition, the parent company Ascendis Pharma A/S is jointly taxed with its Danish subsidiaries, where the current Danish corporation tax is allocated between the jointly taxed Danish companies. For further details, refer to Note 9 "Tax on Profit/(Loss) for the Year and Deferred Tax".

Except for the information disclosed above, the Company has not undertaken any significant transactions with members of the Key Management Personnel, or undertakings in which the identified related parties have a controlling or joint controlling interest.

Transactions with subsidiaries are specified below:

	Parent	
(EUR'000)	2023	2022
Rendering of services	243,002	92,626
Sale of products	54,710	9,562
Milestone payments	5,000	—
License income	—	2,633
Total revenue	**302,712**	**104,821**
Milestone payments (expenses)	(100)	—
License expenses	(100)	(100)
Purchase of services	(56,161)	(95,366)
Total expenses	**(56,361)**	**(95,466)**
Interest income	37,313	28,518
Interest expenses	—	(308)
Net financial income	**37,313**	**28,210**

Note 20 – Investments in Group Enterprises

Ascendis Pharma A/S's (parent company) investments in Group enterprises at December 31, 2023, comprise:

Subsidiaries	Domicile	Ownership
Ascendis Pharma GmbH	Germany	100%
Ascendis Pharma Endocrinology GmbH	Germany	100%
Ascendis Pharma, Inc.	USA	100%
Ascendis Pharma Endocrinology, Inc.	USA	100%
Ascendis Pharma Ophthalmology Division A/S	Denmark	100%
Ascendis Pharma Endocrinology Division A/S	Denmark	100%
Ascendis Pharma Bone Diseases A/S	Denmark	100%
Ascendis Pharma Growth Disorders A/S	Denmark	100%
Ascendis Pharma Oncology Division A/S	Denmark	100%
Ascendis Pharma Nordics 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%

Associate	Domicile	Ownership
VISEN Pharmaceuticals	Cayman Island	43.93%

Note 21 – Ownership

The following investors, or groups of affiliated investors, are known by us to beneficially own more than 5% of the Company's outstanding ordinary shares, at December 31, 2023:

- T. Rowe Price Associates, Inc., USA
- Entities affiliated with RA Capital Management, LLC, USA
- Entities affiliated with Artisan Partners Limited Partnership, USA
- Entities affiliated with FMR LLC, USA
- Entities affiliated with Wellington Management Group LLP, USA
- Entities affiliated with Janus Henderson Group plc, United Kingdom
- Avoro Capital Advisors LLC, USA
- Westfield Capital Management Company, L.P., USA

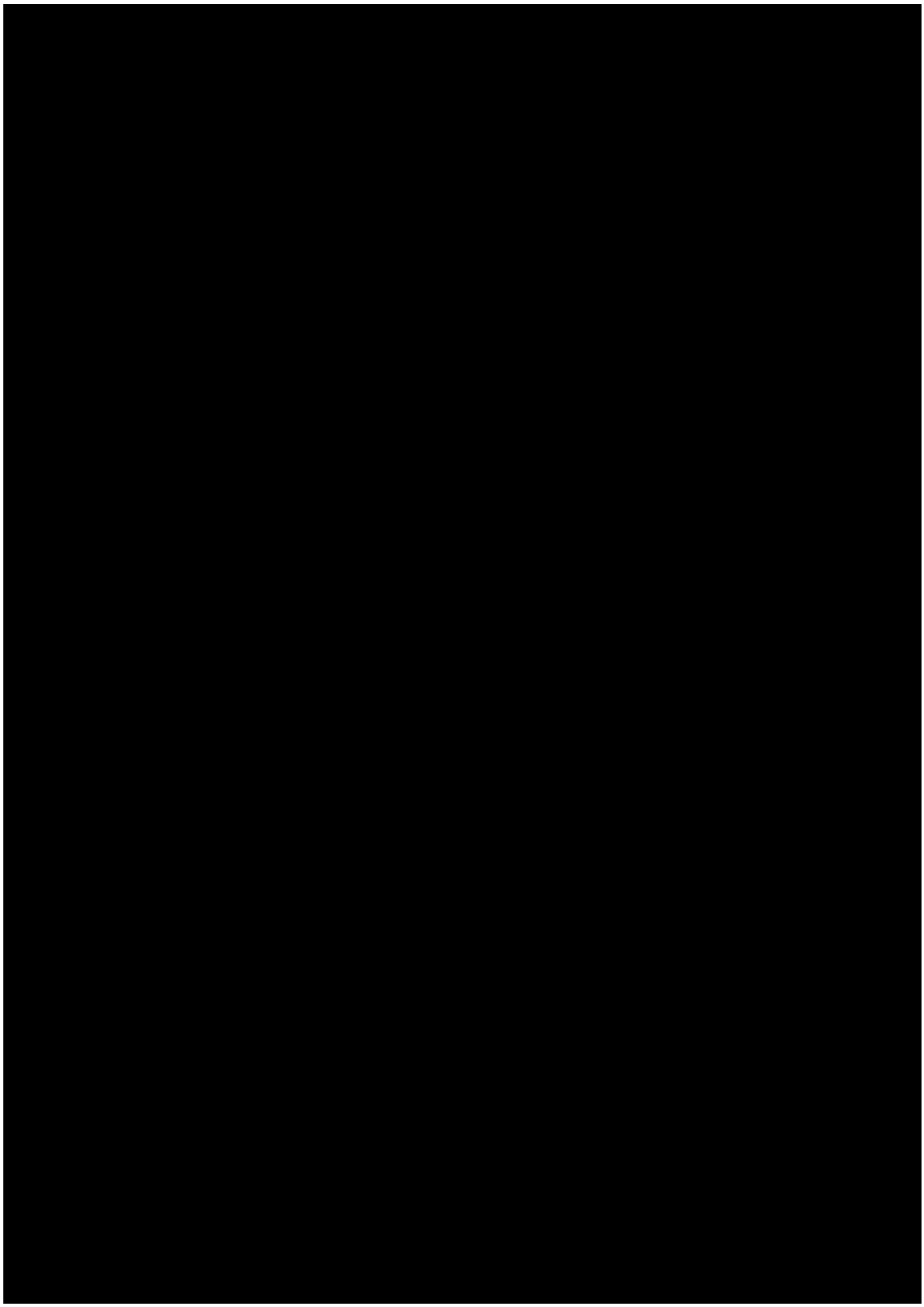
The Company's American Depository Shares are held through BNY (Nominees) Limited as nominee, of The Bank of New York Mellon, UK (as registered holder of the Company's outstanding ADSs).

Note 22 – Subsequent Events

On January 29, 2024, the Company announced the formation and launch with Frazier Life Sciences of Eyconis, Inc., a separate company created to develop, manufacture, and commercialize TransCon ophthalmology assets globally, together with a $150 million commitment from an investor syndicate that includes Frazier, RA Capital Management, venBio, and HealthQuest Capital.

The Company has granted Eyconis exclusive rights to develop and commercialize TransCon ophthalmology products globally and received an equity position in the newly formed company. In addition, the Company will be eligible to receive development, regulatory, and sales milestone payments, plus single digit royalties on global net sales of commercialized products, if any. Eyconis will initially be based in Redwood City, California, and certain employees of the Company are expected to join the newly formed company.

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




PATIENTS
SCIENCE
PASSION

Welcome to the Ascendis Pharma Sustainability & P|ESG Report 2023

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As part of the Ascendis Pharma A/S 2023 Annual Report, this report outlines the Sustainability and what we refer to as Patient, Environmental, Social and Governance (P|ESG) reporting activities for all Ascendis Pharma Group entities. Through this report, we fulfill our compliance with Section 99a (CSR), Section 99b (Diversity) and Section 99d (Data Ethics) of the Danish Financial Statements Act.

A message from our Executive Management Team

Ascendis Pharma remains committed to applying our TransCon™ technology platform, as we continue to grow as a biopharmaceutical company with a primary focus on enhancing patients' lives. Guided by our Vision 3x3 – building a leading global biopharma company and our commitment to patients, science and passion, we are determined to fulfill our mission by developing therapies that address unmet medical needs.

Our commitment to responsible corporate governance underscores our dedication to delivering safe and effective medicines to people who rely on our products.

As we continue to grow, we also recognize that our influence on local and global communities and environments expands. A natural part of this development is to review our concept of ESG materiality – a fundamental approach for assessing where we have the most impact, and what matters most to our stakeholders.

By embedding ESG materiality, we aim for our Sustainability and P|ESG Reporting framework to evolve alongside our growth as a company and corporate citizen, addressing the concerns and expectations of our stakeholders.

This report serves as a reflection of our 2023 performance and a glimpse into our future aspirations, as we advance our Sustainability and P|ESG agenda.

We extend our gratitude to all who contribute to this journey.

Our Business

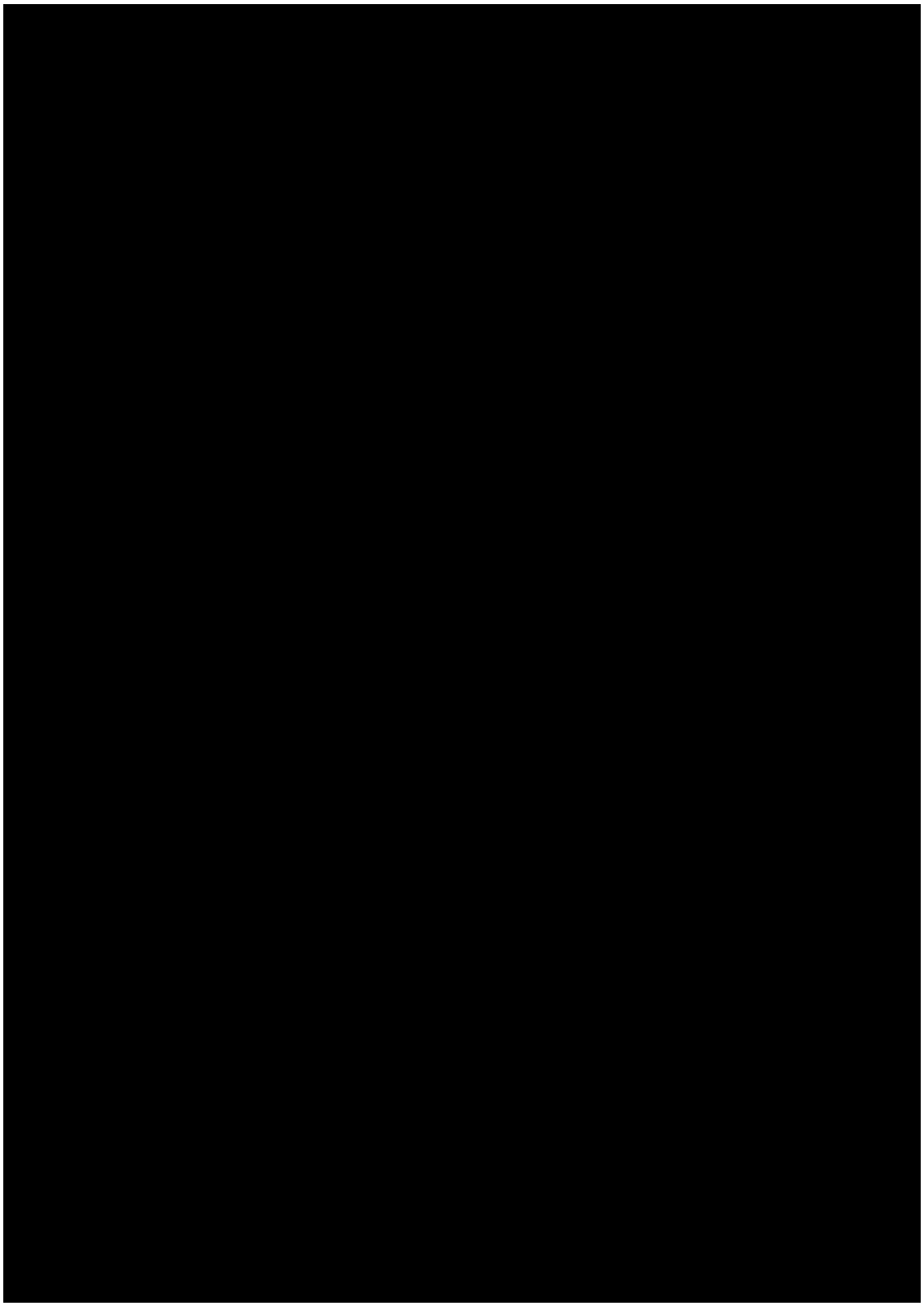
Ascendis Pharma, founded in 2007, is a fully integrated biopharma company with a strong focus on addressing real, unmet medical needs. Guided by our core values of Patients, Science and Passion, we create new products with best-in-class potential based on a strong scientific rationale by applying our TransCon™ technology platform. Our TransCon™ technology combines prodrug and sustained release technologies with the goal of optimizing safety, tolerability, efficacy and convenience in our therapeutic areas of Endocrinology Rare Disease, Oncology and Ophthalmology.

We use Contract Research Organizations (CROs) to support our research initiatives and clinical trials, and we use Contract Development and Manufacturing Organizations (CDMOs) to manufacture finished drug products of our proprietary TransCon™ product candidates intended for clinical or commercial use, as we do not maintain the capability to manufacture finished drug products. In addition, we rely on third party manufacturers to produce the bulk drug substances required for our clinical trials and expect to continue to rely on third parties to manufacture and test clinical trial drug supplies for the foreseeable future. This setup strengthens our scalability and flexibility and ensures efficient use of resources, e.g., the need for financial capital allocated to research and manufacturing.

We have a growing portfolio of products, with two products currently approved. One product (Skytrofa®) launched in the United States as well as in Germany, and a second product (Yorvipath®) expected to be launched in Germany early 2024. In addition, we have three product candidates in clinical development in rare endocrine diseases and two product candidates in clinical development in oncology.

With an expanding global presence, we are positioned to reach patients around the world. In the United States, we have established a multifaceted organization to support our ongoing commercialization and serve as foundation for future Endocrinology Rare Disease product launches. We are furthermore expanding our presence in Europe by building integrated organizations in select countries and through established distribution channels in other countries. In other markets throughout the world, we plan to establish a commercial presence through distribution partners with local expertise and infrastructure.

As a company, we strive to make meaningful improvements in patients' lives. We make business decisions based on patient needs, and we do our best every day to realize our products' benefits for the patients. We are driven by science and data and dedicated to being curious and diligent when innovating, developing and improving products and processes.




Heidelberg, DE
– Research site
Munich, DE
– Commercial
Copenhagen, DK
– HQ
Shanghai, CN
– VISEN Pharmaceuticals
– Partnership
Tokyo, JP
– Teijin Group
– Partnership
2018
Launch of Oncology pipeline
Partnership with VISEN Pharmaceuticals
2019
Vision 3x3
2021
Approval of TransCon hGH in the US
Establishment of commercial presence in the US
2022
Approval of TransCon hGH in the EU
2023
Approval of TransCon PTH in the EU
Establishment of commercial presence in the EU
Partnership with Teijin Group

Sustainability & P|ESG Highligh

In 2023, we restructured our governance model to promote a more streamlinec to future requirements.

Patients

Launched the Compassionate Use Program for our investigational product candidate TransCon PTH in Germany and enrolled our first patients.

Launched and began recruitment of physician sites and patients with hypoparathyroidism for the US Expanded Access Program for TransCon PTH.

Launched Skytrofa registries in the United States and enrolled our first patients.

Developed supporting relationships with Patient Advocacy groups and engaged further with professional organizations.

Environmental

Initiated collection of Scope 1 & 2 greenhouse gas emissions data.

Improved freezing processes to reduce greenhouse gas emissions in our laboratories in Heidelberg.

Initiated a pilot project for the collection of greenhouse gas emissions data from the largest Contract Development and Manufacturing Organizations (CDMOs) of our commercial supply chain.

Continued development of our program focusing on environmental aspects in our supply chain, including distribution of self-assessment questionnaires among our largest commercial CDMOs, and development of a heatmap of key environmental impacts.

ts 2023

l and agile decision-making process and are currently aligning our key topics

Social

Successfully hired and on-boarded 224 employees.

Continued focus on the attraction and retention of talent.

Updated our global recruitment process to prioritize not only professional competencies but also a teams and culture fit.

Continued focus on leadership development to enable the development, performance and well-being of our people.

Joined the Pharmaceutical Supply Chain Initiative (PSCI) and took steps to align with its Principles for Responsible Supply Chain Management.

Governance

Further developed our global compliance framework for local adaptation in new markets.

Reviewed and updated our Code of Business Conduct & Ethics.

Implemented a due diligence process to assess sales and distribution partners' ability to follow required standards.

Expanded animal welfare audits to include suppliers of biological materials to determine whether they are complying with the Ascendis Pharma global animal welfare standards.

A mandatory ethical review of all animal study plans has been implemented to safeguard the ethical use and care of research animals.

Our Sustainability & P|ESG Approach

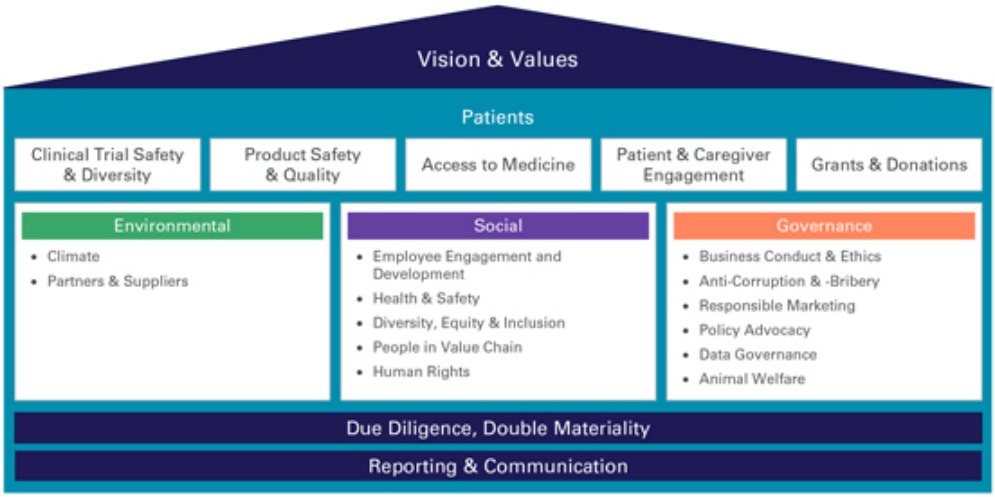
Our Sustainability and P|ESG Reporting centers around four areas; Patients | Environmental, Social and Governance (P|ESG) and aims to secure our environmental and social license to operate through responsible corporate governance processes to the benefits of patients.

About this Report

The Ascendis Pharma 2023 Sustainability & P|ESG Report reflects our continued commitment to transparency and accountability, as we progress towards aligning with upcoming regulations, including the European Union's Corporate Sustainability Reporting Directive (CSRD), and stakeholder expectations. This has prompted the introduction of new topics to the report and reduced emphasis on certain elements from previous years' reports.

Based on appropriate due diligence of our business, this report showcases ESG material topics to Ascendis Pharma, our risks, our policies and processes, and our performance and forward-looking ambitions in the realms of Patients, Environmental stewardship, Social impact and responsible corporate Governance.

Within each area, you will also find status updates indicating our progress towards the ambitions we set last year. Due to our corporate environment being fast-paced and agile, shifts in our goals may occur throughout the year. In this report, you may find new ambitions in the status updates that were not initially set, and ambitions that were subsequently not fully met. This reflects our adaptability and responsiveness to the dynamic nature of our business landscape.



We appreciate your understanding of our commitment to staying flexible in pursuit of corporate responsibility.

While certain matters discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality, as that concept is used for the purposes of our compliance and reporting pursuant to the United States federal securities laws and regulations. The concept of materiality used in this report, including where we use the word "material" or "materiality," is informed by the interests of various stakeholders and other definitions of materiality, some of which may require that we use a level of estimation and assumption that may make the resulting disclosures inherently uncertain.

Method & Disclaimer

As part of the Ascendis Pharma A/S 2023 Annual Report, this report outlines the Sustainability and P|ESG activities for all Ascendis Pharma Group entities in 2023. Through this report, we fulfill our compliance with Section 99a (CSR), Section 99b (Gender Diversity at Group Level) and Section 99d (Data Ethics) of the Danish Financial Statements Act.

P|ESG Governance

Sustainability & P|ESG Reporting is overseen by the Ascendis Pharma Ethics & Compliance Committee, which comprises members of Senior Management, including our Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Chief Administration Officer and Vice President Compliance, Risk & Corporate Responsibility.

This year, we have adjusted our governance model in order to promote a more agile, interactive and streamlined decision-making process.

Our Sustainability & P|ESG agenda is driven by the Sustainability & P|ESG Team, as well as allocated resources in our Supply Chain, Business Administration and Finance departments, to incorporate the line of business and subject experts throughout the company.

The Sustainability & P|ESG Team drives the development and implementation of the Sustainability and P|ESG Reporting framework by working closely with the line of business and with subject matter experts throughout the company.

Material topics

Each year, we conduct a materiality assessment which enables us to diligently identify and prioritize the most significant environmental, social and governance issues.

By understanding and addressing these issues, we aim to align our sustainability efforts to our commitment to responsible governance and our stakeholders' expectations.

In the following section, an overview of these topics is presented and further described throughout the report.

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Maintaining the safety and well-being of trial participants during clinical research while collecting accurate data on effectiveness and potential side effects of our products.
Improving diversity and inclusion in clinical trials to ensure the effectiveness and safety of medicines are tested across various demographic groups.
Maintaining the highest standards in the development, manufacturing and distribution of pharmaceutical products to ensure their safety, efficacy and consistency.
Supporting the ability of patients to obtain and afford the medicines they need for the prevention, diagnosis, treatment and management of their medical conditions, including availability, affordability and appropriateness of treatments.
Actively involving patients and their caregivers in decision-making processes, clinical trials and healthcare solutions to improve patient-centered care.
Providing funding to external stakeholders to support research, information and education that will directly or indirectly benefit patients, the scientific and/or medical community.
Mitigating and adapting to the impacts of climate change, including reducing greenhouse gas emissions, conserving resources and promoting sustainability in operations and supply chains.
Nurturing a workforce that is engaged, skilled and motivated by offering opportunities for professional growth, fostering innovation and promoting a positive workplace culture.
Prioritizing the well-being of employees by implementing comprehensive health and safety measures in all aspects of our business.
Fostering an inclusive workplace culture that values diversity, ensures equal opportunities for all and promotes a sense of belonging for all employees.
Addressing the impact of Ascendis Pharma's operations on various stakeholders within the value chain, including suppliers, distributors and local communities.
Respecting and upholding fundamental human rights in all business activities and supply chain operations, ensuring fair treatment and ethical conduct.
Upholding high standards of ethical behavior and integrity in all aspects of our business, including interactions with customers, competitors and stakeholders.
Implementing applicable anti-bribery and anti-corruption measures to ensure transparent, ethical and lawful business practices.
Promoting pharmaceutical products in an honest, ethical and responsible manner, adhering to industry standards and regulations.
Upholding the responsible collection, storage and use of data, while safeguarding the privacy and security of sensitive information.
Engaging in advocacy efforts to support policies and regulations that promote public health and access to medicines
Safeguarding the ethical treatment and welfare of animals involved in research, development and testing processes.

P|ESG Risks

As part of our business model, we are exposed to environmental, social and governance (ESG) related risks. Managing the P|ESG risks with potential to impact our business operations, supports us in mitigating business disruption as well as safeguarding the reputation of Ascendis Pharma.

When identifying our priority P|ESG related risk areas, we align with our Enterprise Risk Management (ERM) work. For each of these risk areas, we diligently assess the potential impact and aim to define adequate mitigating actions.

	Risk Description
Patients	Effective product innovation is at the core of our mission to address unmet medical needs. The challenge of managing product innovation effectively presents a risk to our operations and strategic objectives.
Value Chain	The inherent risk in outsourcing a significant portion of our operations to Contract Development and Manufacturing Organizations (CDMOs) and Contract Research Organizations (CROs) lies in the potential uncertainty and exposure to non-compliance with applicable laws and regulations by our suppliers and partners.
Environmental Impact	Our laboratory operations have the potential to generate a negative environmental impact, posing a risk to our environmental responsibility.
Human Rights	As our manufacturing is entirely outsourced, the primary risk pertains to our supply chain, emphasizing the need to ensure compliance with human rights standards in our external collaboration in order to maintain our ethical standing.
Employee Attraction and Retention	Our rapid growth relies on the continuous input of knowledge and expertise from all employees. The key challenge lies in attracting and retaining top talent in a very competitive landscape.
Business Conduct	The risk of employee misconduct, including failure to adhere to applicable legislation, international codes and requirements, presents potential legal, financial and reputational hazards to Ascendis Pharma.
Responsible Marketing	Improper interactions with or payments to Healthcare Professionals (HCPs), Healthcare Organizations (HCOs) and patients pose a significant risk.

Impact	Mitigating Actions
Ineffective management of product innovation may impede our ability to develop therapies, resulting in delayed or reduced access to critical treatments for patients.	We focus on fostering product innovation through rigorous research and development. Additionally, we actively engage with patients to gain insights into their needs and ensure that our innovations align with their best interests.
Potential non-compliance by our suppliers and partners with relevant laws and regulations could lead to operational, legal, financial and reputational consequences for Ascendis Pharma.	We prioritize responsible sourcing and maintain compliance requirements within our contractual agreements with suppliers. In addition, we focus on ongoing training and awareness to prevent non-compliance issues. Our Whistleblower Hotline is accessible to both employees and business partners, providing a platform to report any illegal or unethical behavior.
Potential negative environmental impacts from our laboratory operations may result in adverse consequences, including regulatory non-compliance, environmental damage and reputational harm.	We strive to comply with applicable environmental regulations and standards to ensure that our laboratory operations remain in compliance. In addition, safety plans are in place combined with regular maintenance of equipment.
Even though our current assessment deems the risk as low, as most of our suppliers are in OECD countries, a potential breach of human rights in our supply chain could negatively impact our license to operate and stakeholder trust, leading to legal and reputational repercussions.	To prevent human rights violations in our organization, we engage in training and awareness programs and have an accessible Whistleblower Hotline that allows both employees and business partners to report any illegal or unethical behavior.
Failing to attract and retain employees could hinder our capacity for innovation and advancement.	We prioritize employee development and well-being, and aim to cultivate an exciting, dynamic workplace with equal opportunities that fosters a culture of growth and development. Our strategy focuses on retaining talent by granting significant responsibilities in their roles and providing pathways for both personal and professional growth, enabling individuals to reach their full potential within our organization. We complement this with competitive compensation packages, including both long- and short-term incentives.
Employee misconduct may lead to civil and/or criminal penalties, industry sanctions and damage to our reputation, affecting all individuals associated with our organization.	In order to promote a culture of compliance and ethical conduct within our organization, we ensure that all employees are well informed about both internal and external requirements. We provide comprehensive on-boarding and ongoing training to our employees. This includes regular training in our Code of Business Conduct & Ethics, and specialized awareness training for employees with higher risk exposure.
Improper interactions with or payments to HCPs, HCOs or patients can have regulatory, legal and reputational consequences and could potentially jeopardize our ability to effectively engage with HCPs, HCOs and Patients and market our products.	We provide all employees training in interactions with HCPs as part of the annual Code of Business Conduct & Ethics training. Additionally, employees, who are in direct contact with HCPs, HCOs, government officials, patients and caregivers, undergo specialized training during on-boarding and continuous awareness and compliance training.

Patients

Our unwavering commitment to the unmet needs of patients is at the heart of every decision we take. We are dedicated to realizing the full potential of our products and their benefits.

Our patient-centric approach is not just a part of our mission and core values, but a guiding principle that shapes our every action to make a meaningful and positive impact in the lives of patients. This commitment is at the core of everything we do, from the development of safe and effective medicines to their responsible commercialization.

The Patients chapter encompasses a dedicated view of our commitment to patients, covering the following topics:

- Clinical Trials
- Product Safety & Quality
- Access to Medicine
- Patient & Caregiver Engagement
- Grants & Donations

In addition, you will find insights into our overarching business governance and policies. For a comprehensive view, we invite you to refer to our Code of Business Conduct & Ethics, which includes an array of publicly available policies.

Clinical Trials

Clinical Trial Safety, Data Integrity and Transparency

As a science-based company, we are dedicated to conducting trials with high quality and respect for the participants and the scientific hypothesis being evaluated.

Ascendis Pharma aims to follow the principles of the Declaration of Helsinki and all relevant ethical standards, laws and regulations when conducting clinical trials with patients or volunteers. Our priority is to safeguard the rights, safety and well-being of all participants.

To protect the integrity of clinical data and outcomes, we have established robust processes for collecting, processing, monitoring and analyzing information. In many instances, we collaborate with third party vendors who act on our behalf. We hold them to the same high standards as we do ourselves. Before partnering with them, we carefully assess their commitment to quality and compliance. Afterward, we monitor that these standards are met through established oversight and audit processes. This monitoring involves various levels of the organization, including senior management through vendor governance models.

We believe in clinical trial transparency as a scientific, ethical and legal commitment and are fully dedicated to disclosing clinical trial designs, results and outcomes through relevant channels, including scientific journals, conferences and public databases.

Clinical Trial Diversity

We recognize the importance of diversity and representation in clinical trials. In this context our company, operating within the rare disease domain, faces both challenges and opportunities.

Generally, targeting a diverse patient population can be challenging or even impossible due to the limited number of individuals affected by rare conditions. However, operating in the rare-disease space has led us to expand our search internationally to identify patients who meet the study criteria and are eligible to participate in clinical trials. This approach has enabled us to diversify the backgrounds, ethnicities and nationalities of patients involved in the trials.

Since patients with rare disease are often seen and treated at only a few national centers, we offer reimbursement of travel expenses incurred by trial site visits. Combined with patient community involvement, this expands the geographic uptake potential in individual countries.

We remain committed to exploring innovative approaches such as decentralization of clinical trials, which includes elements like eConsent, home nurse services, shipping of study drug directly to patients and virtual site visits. Such approaches can help broaden our reach, but may also introduce other risks and compliance considerations, which must be carefully assessed prior to implementation.

It is crucial to acknowledge the broader systemic issue at play in terms of identifying sites with access to diverse populations. This challenge extends beyond our company and calls for collective industry action to enhance outreach and inclusivity.

Product Safety & Quality

Product Safety

At Ascendis Pharma, patient safety is key. We strive to diligently adhere to all applicable health and safety laws so that our products consistently meet the standards of safety, efficacy and quality.

Our commitment to patient safety extends to evaluation of adverse events associated with our products and services. We have established robust mechanisms for the collection and processing of adverse events in our Global Safety Database. In addition, we conduct comprehensive analysis of aggregate adverse event reports and engage in signal detection activities to identify potential safety risks within the data. Any identified risks undergo thorough assessment to determine their validity, and we take decisive actions to mitigate potential risks. This includes notifying healthcare professionals, health authorities and the public when deemed necessary. We continually monitor reported adverse events and offer regular updates and guidance, as necessary.

To uphold the high standards of product safety, we strive to conduct thorough investigations and implement corrective and preventative actions, as necessary. Furthermore, we provide regular pharmacovigilance training to both our internal and external stakeholders to reinforce our unwavering commitment to product safety performance.

These efforts not only safeguard the health and well-being of the patients who rely on our products, but also enable us to provide healthcare professionals with up-to-date and accurate information regarding the safety of our products.

We adhere to the following quality and safety policies and procedures:

- Good Clinical Practice (GCP)
- Good Laboratory Practice (GLP)
- Good Manufacturing Practice (GMP)
- Good Distribution Practice (GDP)
- Good Pharmacovigilance Practice (GVP)
- Requirements for the development of combination products

For publicly disclosed information, kindly see pages 14-17 in our Code of Business Conduct & Ethics.

Product Quality

At the core of our operations, our Quality Management System (QMS) envelops the Good Practice (GxP) activities of our company, informed by both regulatory requirements and industry best practices. This system remains a dynamic, ever-improving entity, sustained through the continual cycle of Corrective and Preventive Action (CAPA) procedures, regular quality assessments and valuable insights from our user organization.

Our dedicated Global Quality Assurance team consistently revises policies and procedures, conducts thorough training and enforces rigorous internal audit processes. Furthermore, we extend our commitment to quality by subjecting our Contract Development and

Manufacturing Organizations (CDMOs) to comprehensive GxP and regulatory audits. This oversight, along with continuous feedback, contribute to a continuous improvement towards product quality.

Notably, our QMS is governed by patient-centric risk management processes to ensure the utmost consideration for patient safety and well-being.

Access to Medicine

At Ascendis Pharma, we are dedicated to accelerating the availability of our innovative medicines to patients. To this end, over the course of 2023 we have expanded our resources to better facilitate the introduction of new products to the market and eliminate access-related obstacles that could act as barriers for patients and their healthcare providers.

Expanded Access Program

In 2022, Ascendis Pharma initiated an Expanded Access Program (EAP) for TransCon PTH investigational therapy in the United States. The EAP was established in agreement with the FDA to meet the needs of patients with hypoparathyroidism where no other treatment options were available or feasible. The EAP is being executed in anticipation of an eventual approval of palopegteriparatide in the United States. It is implemented by Ascendis Pharma via a treatment protocol for multiple patients with hypoparathyroidism. The protocol serves as a guide for the treatment of patients who, in the opinion of their treating physicians, are not adequately managed by conventional therapy, require treatment with PTH and meet the FDA sanctioned treatment protocol criteria. The EAP program is ongoing with over 27 approved participating sites.

Expanded Access is per the United States Food and Drug Administration (FDA) regulation a potential pathway for a patient with a serious or immediately life-threatening disease or condition to gain access to an investigational medical product (drug, biologic or medical device) for treatment outside of clinical trials, when no comparable or satisfactory alternative therapy options are available.

Compassionate Use Program

In 2023, Ascendis Pharma opened the Compassionate Use Program (CUP) for adult patients with hypoparathyroidism, following permission from Germany's Federal Institute for Drugs & Medical Devices.

The CUP allows treating physicians in Germany to request TransCon PTH for adult patients with hypoparathyroidism whose clinical condition, in the opinion of the treating physician, cannot be adequately treated with currently approved products or they cannot participate in any of the on-going clinical trials with palopegteriparatide.

The CUP was met with great interest by the healthcare providers in Germany, and several patients are under treatment now awaiting commercial launch of the approved drug.

In Germany, access to medicinal products that have not yet received a marketing authorization may be allowed if sufficient indications of the efficacy and safety of the medicinal product exist, and if a clinical trial is being conducted, or if an application for a marketing authorization has been submitted to the European Medicines Agency (EMA).

Ascendis Signature Access Program (A•S•A•P)

In 2021, when we launched our inaugural commercial product in the United States, we simultaneously introduced the Ascendis Signature Access Program. This program has evolved specifically to address and conquer the challenging market dynamics encountered in 2023. Its primary goal was to offer support to patients and their families encompassing enrollment assistance, benefit verification and comprehensive product use training in the midst of product shortages experienced in the marketplace in the United States.

Furthermore, within the United States, our teams have remained steadfast in their commitment to bolster payer coverage. Additionally, we have expanded the scope of the Ascendis Signature Access Program to encompass additional programs aimed at providing ongoing support for patients who have initiated treatment. This sustained engagement strategy not only aligns seamlessly with our overarching corporate vision but also underscores our dedication to overcoming the access barriers prevalent in United States healthcare systems.

We have diligently augmented our resources to prepare for the seamless introduction of new products to the market in the United States and to specific global markets. Simultaneously, we have redoubled our efforts to eliminate access-related obstacles that continue to challenge both patients and healthcare providers.

Business & Distribution Partners

In 2023, we have had strong focus on the establishment of a global commercial presence for our Endocrinology Rare Disease area, including engaging with Business and Distribution Partners in many countries around the world.

Patient & Caregiver Engagement

The most profound understanding of the disease journey comes from patients, their families, caregivers and organizations advocating on their behalf. In order to comprehend their unique needs and experiences, we collaborate with an array of patient support and advocacy organizations. By doing so, we can more firmly root our actions and decisions in the patient perspective with the ultimate goal of realizing the full benefits of our products for the patients.

Throughout the year, we have continued to interact with patient advocacy groups. In 2023, we took steps to support the growth and capacity of these organizations by fostering collaboration and knowledge-sharing among key stakeholders. This collaborative approach allows us to work collectively toward shared goals in partnership with patient and caregiver communities.

As we launch our first commercial product in the European market, Germany, we recognize the importance of expanding our reach to patient communities. We aim to assist them in their unmet medical needs, while keeping our relationships with patients and patient organizations strictly ethical, professional and non-promotional. Our collaborations are conducted openly, credibly and in compliance with all applicable laws, regulations, industry codes and our internal guidelines.

Patient Support Program

Ascendis Pharma has developed a Patient Support Program (PSP) in Germany to address the challenges associated with medication adherence and to support optimal treatment outcomes. The need for such a program arises from the observed struggle of patients to correctly take their prescribed medication.

Research indicates that the patient's ability to overcome practical barriers to observance is a primary influencer of adherence. The use of our Auto-Injector may be perceived as such a practical barrier. We aim to increase the level of perceived device convenience to remove that barrier.

The PSP aims to support patients on how to use the Auto-Injector in an effective and compliant way. The content of the PSP ranges from preparing the injection, to performing the injection maneuver correctly. Live training sessions are a core component of the program facilitated by a demonstration Auto-Injector device and complemented by visual materials such as Instructions for Use, Quick Reference Guides and training videos.

By implementing this program, Ascendis Pharma aims to empower patients and caregivers to ensure that practical obstacles are overcome, and adherence to the prescribed medication is optimized for improved treatment efficacy and enhanced quality of life.

Patient Registry

In 2022, Ascendis Pharma began the process of developing a non-interventional observational patient registry, recruiting via the treating physician pediatric patients that have been prescribed Skytrofa. The registry will recruit patients for up to 5 years from initiation and follow up for up to an additional 5 years from the last participating patient. The purpose of the registry is to advance the understanding of Skytrofa in a diverse and larger real-world population.

We expect that the data collected over the 10-years' period will increase the understanding of longer-term benefits/risks, potentially contribute to clinical guidelines and provide value to multiple stakeholders.

Grants & Donations

At Ascendis Pharma, we provide grants and donations for organizations and projects within our therapeutic areas and with the purpose of supporting healthcare, scientific research and educational activities. Grants are provided for medical and scientific research, independent education, fellowships and collaborative studies, while our donations focus on enhancing healthcare without commercial ties.

Our Grants Review Committee reviews requests to confirm that the activities and projects we support are relevant, legitimate and will benefit patients and/or healthcare.

In 2023, we have supported a variety of activities including continued medical education for healthcare professionals. We strongly believe that continued education of HCPs is key for enhancing patient care, and we provide our support without any expectation of reciprocal benefits.

2023 Sustainability and P|ESG Reporting Ambitions – Status		
Ambition	**Status**	**Description**
Launch Early Access Program for our investigational product candidate TransCon PTH in select EU countries.	Achieved	Launched the Compassionate Use Program in Germany for early access to our TransCon PTH and enrolled our first patients.
Launch and begin recruitment of physician sites and patients with hypoparathyroidism for the US Expanded Access Program for TransCon PTH.	Achieved	Launched the Expanded Access Program under a Treatment IND for early access to our TransCon PTH with multiple sites participating and patients enrolled.
Initiate enrollment of patients in our patient registry.	Achieved	Launched Skytrofa registries in the United States to gain an understanding of longer-term benefits/risks, potentially contribute to clinical guidelines and provide value to multiple stakeholders. We have already enrolled our first patients.
Develop supporting relationships with patient advocacy groups, as well as further engagement with professional organizations.	Achieved	Developed substantive relationships with a number of patient support and advocacy organizations and encouraged collaboration among groups of similar and complementary interests, thus ensuring our focus begins and ends with the patients and their unmet needs.
Conduct an impact, risk and opportunity assessment to identify key patient priorities within the scope of our Sustainability and P|ESG Reporting framework.	In progress	We are still in the process of developing our updated P|ESG strategy, which will include a double materiality assessment.

2024 Sustainability and P|ESG Ambitions
Expand our global presence to reach patients around the world.
Conduct a double materiality assessment to identify key patient priorities within the scope of our Sustainability and P|ESG Reporting framework.
Launch a Patient Support Program in Germany and Austria for chronic hypoparathyroidism patients to significantly improve patient support and treatment outcomes.
Launch an Ascendis Pharma umbrella brand overarching our patient-centric initiatives to reflect our values and commitment and emphasize our dedication to prioritizing patients and their well-being at the heart of our efforts.
Build Ascendis Pharma's reputation as a rare disease industry leader by identifying patient-centric, multi-stakeholder inclusive priorities.
Advance initiatives within the advocacy environment by listening, learning and leveraging insights to uplift rare disease communities.

Environmental

Environmental Policy

As a biopharmaceutical company, we recognize our potential to impact our physical environment. We therefore commit to working towards the preservation of the environment through identifying and implementing sustainable business processes.

Our long-term commitment involves fostering internal awareness through training, engaging with stakeholders, and establishing objectives with key performance indicators, which we monitor and report on to enhance our environmental performance.

Long-term focus areas include:

- Greenhouse gas reduction
- Hazardous waste management
- Biodiversity
- Energy efficiency
- Efficient water management

See our full Environmental Policy in our Code of Business Conduct & Ethics.

In Ascendis Pharma, we recognize the importance of environmental considerations within the scope of our operations. While we do not own manufacturing sites, we are diligent in taking steps to manage our environmental impact, including addressing any regulatory obligations, and we expect the same commitment from our supply chain and operational partners.

Our present office spaces and laboratories are leased facilities, and we operate with a focus on sustainability within these spaces. We do not own or directly manage manufacturing sites, but we partner with Contract Development and Manufacturing Organizations (CDMOs), suppliers and third party entities to achieve our objectives. We also engage with Contract Research Organizations (CROs) to support our research initiatives.

Though we are still in the process of assessing our environmental impact, we work towards reducing resource consumption and mitigating emissions from our business activities.

Our commitment to environmental awareness and responsible practices is aligned with our dedication to regulatory compliance. We strive to conduct our business with respect for the environment and in accordance with applicable laws, regulations, relevant industry codes, international requirements and our internal guidelines. We furthermore expect the same level of commitment from our network of partners and suppliers.

In this year's report, the Environmental chapter covers the following topics:

- Climate Impact
- Suppliers & Business Partners

As we continue to evolve, we aspire to enhance our sustainability efforts across our supply chain and business activities towards a more environmentally responsible future while upholding the highest standards of regulatory compliance.

Climate Impact

While we do not own or operate manufacturing sites, our commitment to climate responsibility extends throughout our operations and the spaces we occupy. Our current office spaces and laboratories, situated in leased facilities, represent key areas where we actively implement sustainability measures. While we initiated collection of our Scope 1 & 2 emissions data, we are still in the process of gathering the remaining data needed to provide a comprehensive and precise representation of our environmental impact.

In 2023, we conducted a pilot project to collect greenhouse gas emissions data from our largest CDMOs and logistics providers in the upstream and downstream value chain of our first commercially approved product.

Within the sphere of climate responsibility, our focus remains on reducing resource consumption and emissions from our business activities and further strengthening our commitment to regulatory compliance. We actively seek to align our partners and suppliers with our vision for sustainability and foster an environment of collective responsibility and progress.

Suppliers & Business Partners

Suppliers and business partners play an integral role in our business model, as all product manufacturing activities are outsourced. We hold our suppliers and business partners to the same standards as ours, with a clear expectation that they operate with integrity and in strict accordance with all applicable laws and regulations as well as the principles of the Ascendis Pharma Code of Business Conduct & Ethics.

This year, we have made significant progress in understanding the environmental landscape within our value chain, partly through the creation of a comprehensive heat map. This heat map provides important insights that enable us to identify the environmental impacts associated with our commercial supply chain.

Additionally, we have launched a first round of supplier questionnaires. These questionnaires serve as a structured approach to gather information from our partners and suppliers to enhance our understanding of their practices and their impact on the environment. Importantly, these questionnaires will serve as the foundation for more extensive assessments in the coming years.

Any potential sales and distribution partner is being assessed on various parameters, including their ESG approach.

Our primary focus concerning our value chain is to gain a deeper understanding of the impacts, risks and opportunities, particularly in relation to climate, water, waste, and biodiversity and resources, present in our commercial supply chain.

An emissions reduction project – Ultra Low Temperature Freezers

Our Green Team in Heidelberg, a team of people from different departments dedicated to environmental sustainability, carried out a project in 2023 to reduce energy consumption and consequently reduce the CO2e emissions of the Ultra Low Temperature (ULT) Freezers used in our laboratories. These freezers, usually running at - 80°C, have now been switched to keep a temperature of - 70°C. This change will result in yearly savings of 8.2 tons of CO2e emissions.

2023 Sustainability and P|ESG Reporting Ambitions – Status		
Ambition	**Status**	**Description**
Collect our Scope 1 & 2 greenhouse gas emissions data.	Ongoing	Initiated collection of our Scope 1 & 2 emissions data and are in the process of gathering the remaining data needed to provide a comprehensive and precise representation of our climate impact.
Establish a framework for identifying and collecting relevant Scope 3 greenhouse gas emissions data.	Achieved	Defined the scope and initiated a pilot project for the collection of greenhouse gas emissions data from the largest CDMOs in the upstream and downstream value chain of our commercial supply chain.
Conduct an impact, risk and opportunity assessment to identify key environmental priorities within our operations.	In progress	We are still in the process of developing our updated P|ESG strategy, which will include a double materiality assessment.
Continue development of our program focusing on the environmental aspects in our supply chain and identifying key environmental priorities.	Ongoing	As part of our efforts to better understand the environmental footprint within our value chain, we have distributed self-assessment questionnaires among our largest commercial CDMOs to identify the key environmental impacts and establish priorities for our collaboration with them.

2024 Sustainability and P|ESG Ambitions
Validate and report on our Scope 1 & 2 greenhouse gas emissions data.
Expand the collection of greenhouse gas emissions data throughout our upstream and downstream commercial value chain and report on 2023 Scope 3 greenhouse gas emissions for our commercial supply chains.
Conduct a double materiality assessment to identify key environmental priorities within our operations.
Identify key environmental impacts, risks and opportunities in our commercial supply chains.

Social

Respecting People Policy

We continuously strive towards offering good working conditions to our employees and respecting human and labor rights at all times.

As a global organization, we respect and foster diversity and inclusion, and it is a key priority at Ascendis Pharma that all our employees experience that they have equal opportunities to pursue a career irrespective of gender, age, race, nationality, ethnicity, religious belief, sexual orientation or physical disability.

See our full Respecting People Policy in our Code of Business Conduct & Ethics.

This year, we recruited and on-boarded 224 employees globally. 2023 has been another year of significant growth for Ascendis Pharma, and we are now more than 879 skilled and passionate Ascendis Pharma employees working together across functions and locations.

We are driven by science, and our employees are passionate, curious and diligent when innovating, developing, and improving products and processes. We strive to make a meaningful difference in patients' lives by realizing our product and product candidates' benefits for patients.

Our employees are the core of everything we do, so our main focus is to attract, on-board and retain the right people so we can deliver on our ambitions.

We are committed to conducting business with respect to people who work with or for Ascendis Pharma, and to people we may affect throughout our value chain. We expect our suppliers and business partners to adhere to the same principles outlined in our Respecting People Policy.

In this year's report, the Social chapter encompasses the following topics:

- Employee Engagement and Development
- Health & Safety
- Diversity, Equity and Inclusion
- People in our Value Chain
- Human Rights

Employee Engagement and Development

With a diverse mix of ambitious talents, our company culture is characterized by being dynamic and fast-paced. This year, we have updated our global recruitment process to prioritize not only professional competencies but also team dynamics and cultural fit to attract and retain talent.

Aligned with our Leadership Principles, Ascendis Pharma focuses on developing leadership capabilities across all organizational levels, as it is vital for fostering motivated and engaged employees.

We continue to implement 'Let's Talk' – our framework for facilitating quarterly deep dive conversations between managers and employees about Impact, Growth, Well-Being and Collaboration – topics we know to be essential for employee development and retention. In 2023, we have further strengthened competencies through training courses in Project Management and People Leadership for all employees.

The metrics showcased on this page pertain to Group Level data.

Headcount	2021			2022			2023		
	DK	DE	US	DK	DE	US	DK	DE	US
Selling, General and Administration*	74	25	137	101	34	170	118	51	185
R&D, Commercial Manufacturing	205	80	118	271	81	140	302	83	140
Total per country	**279**	**105**	**255**	**372**	**115**	**310**	**420**	**134**	**325**
Total**	**639**			**797**			**879**		

*Selling, General and Administration includes business and corporate development and commercial activities.

**All permanent employees, including part-time and excluding temporary employees and student assistants.

Gender distribution	2021			2022			2023		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Board of Directors	6	67%	33%	7	57%	43%	5	60%	40%
Executive Management**	12	67%	33%	10	60%	40%	10	50%	50%
Senior Management*,**	31	68%	32%	31	61%	39%	37	59%	41%

*For 2021 and 2022, includes Vice Presidents. From 2023 forward, Senior Vice Presidents have been included.

**Executive Management and Senior Management correspond to "Other Management Levels" as defined by Section 99b.

Turnover	2023
Employee turnover ratio	10.9%

Work-related accidents	2022	2023
Accidents* (total)	20	26
Accidents resulting in sick-leave/absence	0	1
Accidents resulting in loss of life	0	0

*An undesired registered event or exposure that gives rise to personal injury. Registered accident data covers permanent, part-time and temporary staff whilst on duty for Ascendis Pharma.

For newly hired and promoted managers, we conduct training sessions to ensure their awareness of our leadership principles, adherence to leading according to Ascendis Pharma values, and knowledge of the required tools and methods. Ongoing leadership training sessions are held to support the continuous development of our people leaders. Furthermore, at Ascendis Pharma, dedicated resources support individuals in navigating their leadership role through numerous 1:1 coaching sessions and continuous coaching processes. Additionally, we provide design and facilitation services for numerous team development sessions with emphasis on communication, collaboration and overall team performance.

In our commitment to drive employee satisfaction and engagement, Ascendis Pharma employees are continuously invited to participate in employee surveys. These include, but are not limited to, on-boarding and off-boarding surveys, as well as pulse surveys on various topics, including experiences and satisfaction with working from home.

Additionally, beginning this year, we are including employee turnover data in our P|ESG reporting framework. This metric, essential in assessing organizational sustainability and workforce well-being, reflects our dedication to understanding the effectiveness of our ongoing efforts to foster a supportive and stable work environment. In combination with the above-mentioned surveys, the employee turnover ratio is actively monitored and used as important input to all people initiatives around, e.g., rewards, development, culture and leadership to ensure Ascendis Pharma is continuously able to attract and retain a satisfied and engaged workforce.

At the discretion of our Board of Directors and based on the recommendation of our management, employees are eligible to participate in our short-term and long-term incentive programs.

Health and Safety

We comply with relevant health and safety laws and regulations and seek to conduct business in a manner that protects the health, safety and well-being of Ascendis Pharma employees.

We carefully consider health and safety aspects in our daily operations, and we actively use feedback from the organization and external stakeholders to improve the health and safety of our work environment on an ongoing basis.

Processes to evaluate and continuously maintain and improve the work environment are handled in the local Environment, Health & Safety organization (In Danish: Arbejdsmiljøorganisation) which consists of a Health & Safety Committee and a Health & Safety Group.

In compliance with distinct national reporting requirements, each site contributes to the compilation of health and safety data. Our accidents mainly include minor incidents such as cuts, abrasions and slips.

During this year's data collection process, we identified variations in the reporting methodologies across different regions. To promote consistency and accuracy, we undertook efforts to standardize the data collection and reporting process across sites globally. Consequently, adjustments were made to the reported accident numbers, and we have retroactively applied these adjustments to previous years to maintain data comparability. This adaptation reflects our commitment to transparency and continuous improvement in safety measures.

Despite the shift in reported accident numbers, our steadfast dedication to fostering a secure working environment remains unwavering.

Diversity, Equity & Inclusion

We embrace the principles of diversity, equity and inclusion as the foundation of our organizational ethos. We firmly believe that fostering a diverse and inclusive workforce is not only a moral imperative but a strategic necessity for our success as a global company.

Ascendis Pharma is dedicated to offering equal opportunities and fair treatment to all individuals based solely on their merits, without discrimination rooted in race, color, religion, national origin, gender identity and expression (including pregnancy), sexual orientation, age, disability, veteran status or other characteristics protected by law.

Focus on diversity is embedded in all people processes, including - but not limited to - recruiting, people development, leadership development and succession planning.

Reflecting this commitment, we hold a clear policy regarding our Board of Directors, emphasizing the importance of the best qualifications to drive our business. When defining equal representation, Ascendis Pharma strives for an equal representation with an acceptable range of 40/60 split to either gender in compliance with the guidelines issued by the Danish Business Authority. The overall gender diversity in leadership positions at Ascendis Pharma meets the Danish gender diversity requirements, and we have therefore not set any targets. The distribution is monitored with a formal bi-annual evaluation, so that new initiatives can be discussed and initiated if necessary. As a result of these ongoing efforts, we are proud to say that we currently maintain equal gender representation not only at the Board of Directors level but also across all management levels within our organization.

In line with our commitment to being an attractive and equitable employer, our overarching reward philosophy centers on providing an appealing and equitable compensation framework. Our compensation decisions are based on position evaluation, individual qualifications, experience and performance assessments so that employees are fairly recognized and rewarded.

People in our Value Chain

As mentioned in the previous Environmental section, our business relies heavily on partners and suppliers who are responsible for manufacturing our products. We expect our partners and suppliers to act with integrity and adhere to social responsibility standards as required by laws and regulations.

Regarding people in our value chain, we are primarily focused on understanding the various impacts, risks and opportunities within our commercial supply chain. Our goal is to foster a more comprehensive approach to social responsibility that encompasses our value chain and aligns with our broader commitment to ethical and socially responsible practices.

In 2023, we joined the Pharmaceutical Supply Chain Initiative (PSCI). With its Principles for Responsible Supply Chain Management, this membership offers ample opportunities to enhance our supply chain sustainability and reflects our committment to supporting good business practices throughout our value chain. Through collaboration with other PSCI members, we aim to promote responsible supply chain practices and further build our suppliers' capabilities in environmental sustainability, human rights and responsible business practices where possible.

Human Rights

Our commitment to respecting human rights is rooted in a foundation of international standards, including the Universal Declaration of Human Rights (UNDHR), the International Covenant on Civil and Political Rights (ICCPR), its second optional protocol, and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

Furthermore, we aim to align our commitment with the fundamental conventions of the International Labor Organization (ILO). We acknowledge the importance of these conventions in protecting the rights of workers and consider them integral components of our approach to human rights.

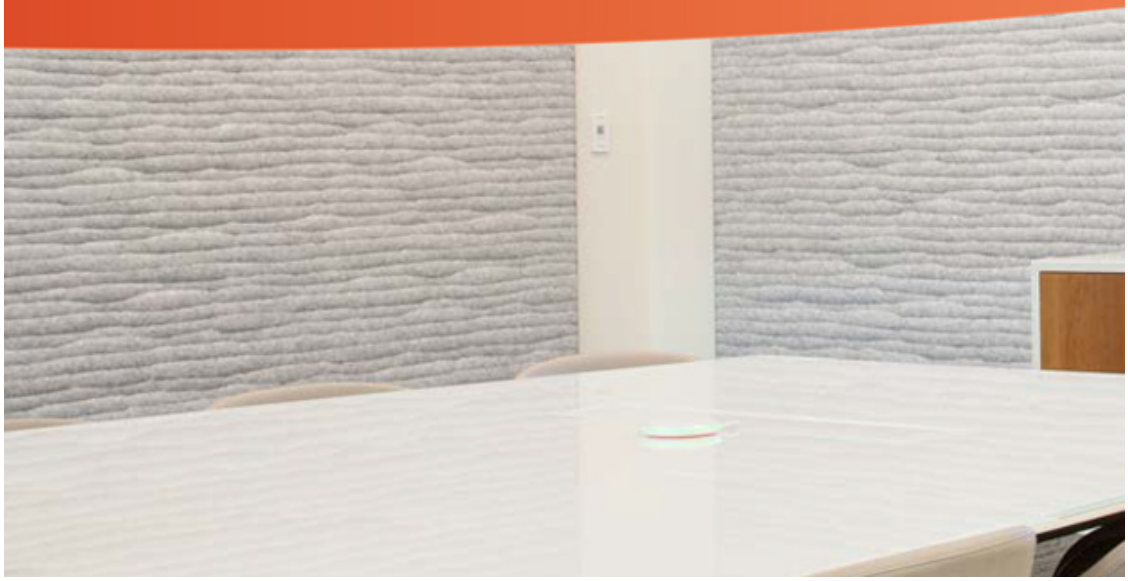
We therefore actively work to enhance our approach to human rights due diligence. Guided by the UN Guiding Principles on Business and Human Rights, we are focused on further integrating human rights considerations into our third party compliance approach. Our goal is for our partners and suppliers to share our commitment to upholding human rights standards and principles.

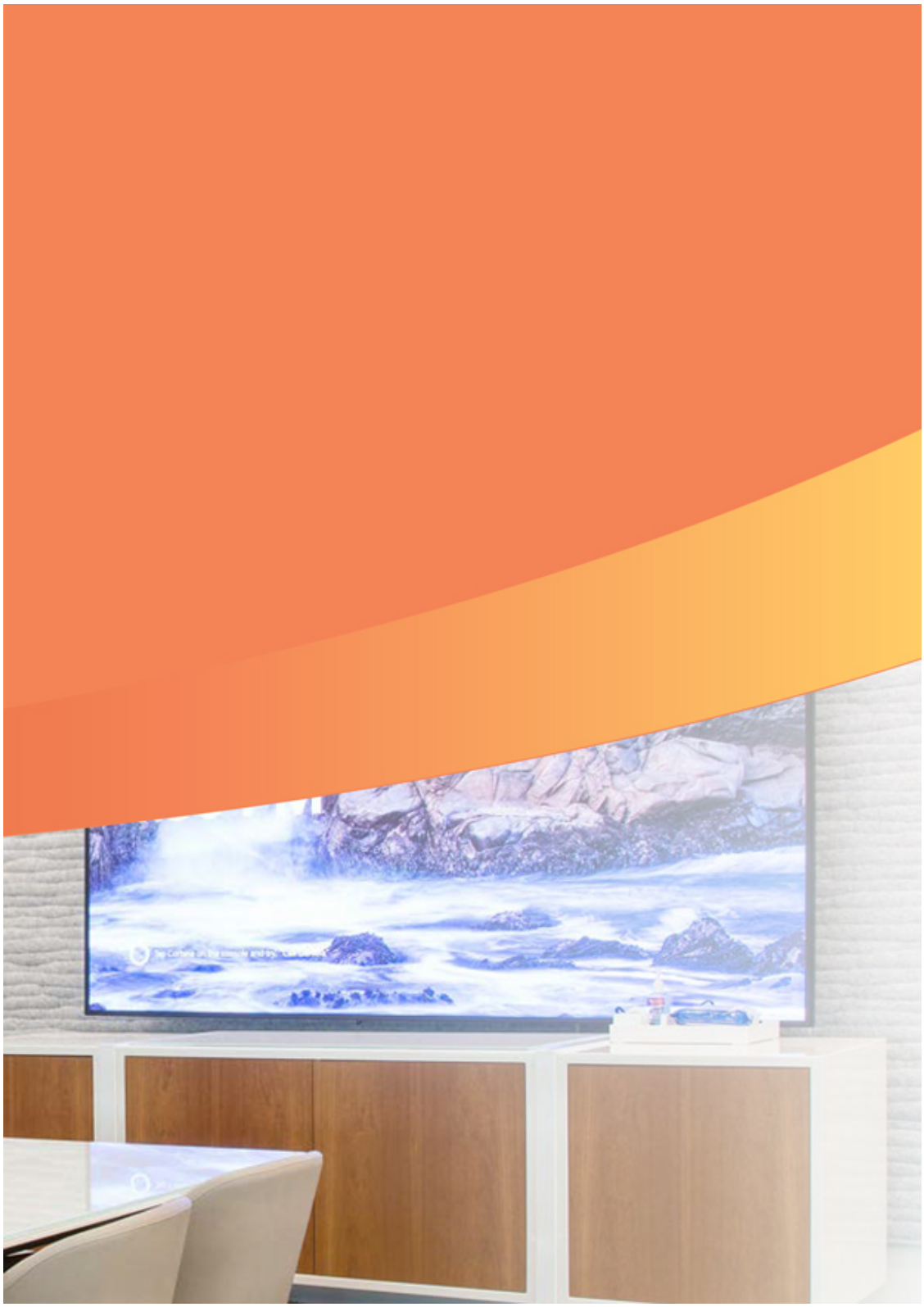
Our Respecting People Policy, which includes our comprehensive Human Rights Policy, can be accessed in our Code of Business Conduct & Ethics. This policy emphasizes our commitment to human rights and serves as a vital reference for our workforce and all those engaged with our organization.

2023 Sustainability and P|ESG Reporting Ambitions – Status		
Ambition	**Status**	**Description**
Attraction, on-boarding and retention of talent to ensure we have the right people to deliver on our ambitions.	Ongoing	Updated our global recruitment process to prioritize not only professional competencies but also a teams and culture fit. Furthermore, we continue to implement a structured process for dialogue between employees and managers called 'Let's Talk' which focuses on Impact, Collaboration, Growth and Well-being.
Continuous focus on leadership development to enable the development, performance and well-being of our people.	Ongoing	Leadership development is a key focus in Ascendis Pharma, as we believe this is essential for motivated and engaged employees. We have dedicated resources to support individuals in handling their leadership role, and we conduct manager training for all newly hired managers and employees promoted to managers. Leadership training sessions are continuously carried out across all locations to support the development of our people leaders. Additionally, development sessions are designed and facilitated for teams and their leaders to support communication, collaboration and team performance.
Conduct an impact, risk and opportunity assessment to identify key social priorities within our operations.	In progress	We are still in the process of developing our updated P|ESG strategy, which will include a double materiality assessment.
Continue development of a program focusing on social aspects in our supply chain, including identifying key priorities.	Ongoing	Joined the Pharmaceutical Supply Chain Initiative (PSCI) with its Principles for Responsible Supply Chain Management. This membership provides us with resources we can leverage to improve our supply chain practices, focusing on strengthening our suppliers' capabilities in critical areas like health and safety and human rights.

2024 Sustainability and P|ESG Reporting Ambitions
Attraction, on-boarding and retention of talent to ensure we have the right people to deliver on our ambitions.
Conduct a double materiality assessment to identify key social priorities within our operations.
Establish and formalize criteria for categorizing the risk level of our CDMOs and conduct due diligence on high-risk CDMOs using self-assessment questionnaires and resources from the PSCI.
Identify key social risks in our commercial supply chains.

Governance





At Ascendis Pharma, we are committed to conducting our business in line with high ethical standards, and Business Conduct & Ethics plays a central role in our Sustainability and P|ESG reporting framework.

Acting with integrity in everything we do is paramount to our ability to operate as a biopharmaceutical company and is one of the enablers of our success.

In this year's report, the Governance chapter encompasses our commitment to integrity, covering the following topics:

- Business Conduct & Ethics
- Anti-Bribery & -Corruption
- Responsible Marketing
- Policy Advocacy
- Data Governance
- Animal welfare

The relevant compliance and ethics policies as well as detailed governance descriptions can be found in our Code of Business Conduct & Ethics.

Business Conduct & Ethics

The Code of Business Conduct & Ethics describes our global compliance framework as well as our policies within our entire value chain. It translates our values into consistent actions by setting out general guidelines on how to conduct business in accordance with high standards on business ethics across the world.

Both our employees and selected business partners are held accountable for adhering to the Code of Business Conduct & Ethics and the associated policies and procedures. Identified breaches or concerns of potential breaches of the Code of Business Conduct & Ethics are expected to undergo meticulous review and investigation. Based on the findings, we take suitable corrective actions.

Depending on the circumstances and the applicable laws governing business partners, violations may result in contract terminations. For employees, consequences can range from additional training to mitigating actions up to termination.

In 2023, the Code of Business Conduct & Ethics has been reviewed, updated and approved by the Board of Directors. The updates reflect the global expansion of Ascendis Pharma as well as updates to internal processes and applicable laws and regulations.

The Ascendis Pharma Global Compliance Program

The Global Compliance Program serves as a cornerstone of our commitment to upholding high ethical standards and compliance with applicable laws and regulations. The program implements a risk-based approach, allowing us to prioritize the areas of most importance to our patients, our business and relevant stakeholders.

The oversight and administration of the Global Compliance Program are entrusted to the Ethics & Compliance Committee consisting of senior management representatives, including our CEO. The Program encompasses our Code of Business Conduct & Ethics, the formulation and implementation of policies and procedures, risk identification and mitigation, and training initiatives spanning a wide spectrum of compliance topics. In 2023, we have focused our efforts on enhancing our Global Compliance Program and adapting it for local implementation to ensure we meet applicable requirements and expectations as we expand our commercial presence across the world. This will be a continued focus in 2024.

In 2023, we have also conducted monitoring activities to assess our own performance up against internal and external requirements and processes. This is done to encourage us to 'walk the talk' and to identify corrective and preventative actions. Through these monitoring activities, we have captured valuable learnings that will be used to establish a compliance monitoring framework in 2024-2025.

Effective and Tailored Compliance Training

Education and training are essential to foster a robust compliance culture. Our employees are obliged to complete a range of compliance trainings and modules. The training methods are chosen based on the specific topic, associated risks and individual job roles. This approach ensures that our training is tailored to address the unique needs and challenges faced by our employees.

In 2023, we have successfully developed and implemented global minimum requirements for interactions with healthcare professionals, healthcare organizations and patients to promote the same standards for integrity and transparency around the world.

Looking into the year of 2024, we will continue our focus on promoting integrity and transparency in our interactions by carefully monitoring the local implementation of our global minimum requirements, as well as further developing country-specific compliance guidance for expanding markets.

The face-to-face trainings also promote our open-door policy, as we use them to create awareness of the Compliance team and the accessibility of relevant guidance materials as well as the open channels to be used for clarification of compliance matters.

Speak Up Policy & Whistleblower Hotline

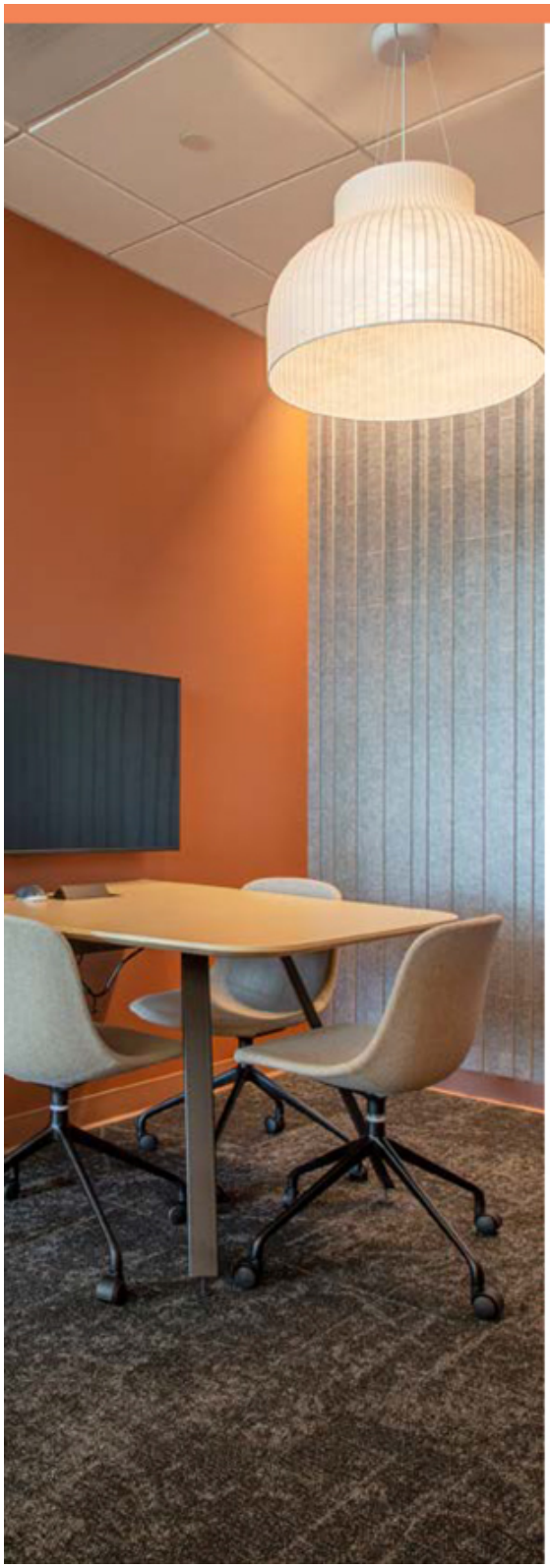
We encourage and expect our employees to speak up about unethical behavior or concerns regarding potential misconduct with the Code of Business Conduct & Ethics and related policies and processes.

We acknowledge that despite our continued commitment to openness and transparency in the dialogue between manager and employee, it can still be difficult for the individual employee to speak up about misconduct. In these situations, we encourage the employee to contact HR or Compliance in confidentiality or to use the Whistleblower Hotline, where it is possible to report concerns anonymously. The Whistleblower Hotline is available to anyone who suspects or has knowledge of a violation of our Code of Business Conduct & Ethics, applicable legislations or regulations, and other policies and procedures. It is our policy to prohibit retaliation against any employee who, in good faith, seeks help or reports an actual or potential violation.

In line with our dedication to transparency and accountability, we are pleased to share insights into the outcomes of our Speak Up Policy & Whistleblower Hotline over the past three years. We believe these figures reflect our dedication to creating an environment where employees can confidently voice concerns without fear of retaliation.

Whistleblower	2021	2022	2023
Whistleblower reports	2	1	0

Our Whistleblower Hotline can be accessed 24/7 through our website.



Third Party Compliance

Our commitment to responsible business conduct extends to our business partnerships, and we expect our partners to adhere to the same ethical standards that we uphold. In 2023, we have implemented a due diligence process for our sales and distribution partners to assess their ability to align with the required standards and, if necessary, agree on potential improvement actions. In addition, we are committed to compliance as an integral part of our ongoing dialogue with sales and distribution partners. They will also be in scope of our compliance monitoring framework that includes audits.

Anti-Corruption & -Bribery

As part of the Ascendis Pharma Global Compliance Program, employees are trained annually on the Anti-Corruption & -Bribery Policy and the behavior that is expected from them as representatives of the company. Employees in functions that are exposed to higher risks of corruption and bribery, such as field personnel, receive additional compliance training tailored to their associated risks.

Incidents of corruption and bribery are tracked through the Whistleblower Hotline where anyone can anonymously report on them. This year, there have been no reported incidents.

In 2024, we will revise, as necessary, our policies and training to also meet requirements in the new markets we are entering. As we expand our global operations, we will have increasing responsibility to continuously assess the risk landscape, either directly or through partners, and adapt our trainings to mitigate them.

Anti-Corruption & -Bribery Policy

The Ascendis Pharma policy prohibits all forms of corruption, bribery and kickbacks, whether they involve a Government Official or a person or company within the private sector, or they are carried out directly or indirectly through a third party. Under this policy, employees are strictly forbidden from offering, paying or authorizing payments to influence the actions of Government Officials or Healthcare Professionals, seek preferential treatment or express gratitude for favorable actions. Similarly, employees cannot solicit or accept any form of payment or valuable item intended to sway their responsibilities or express gratitude for acting in a way that improperly benefited that person.

Furthermore, making payments indirectly through third parties, when such payments are impermissible if made directly by Ascendis Pharma, is explicitly forbidden.

The policy emphasizes transparency and integrity in all dealings, ensuring compliance with ethical standards and legal requirements.

See our full Anti-Corruption & -Bribery Policy in our Code of Business Conduct & Ethics.

Responsible Marketing

Promotional Review & Compliance

Responsible marketing is vital so that the information disseminated about products with marketing authorization adheres to stringent regulatory standards and ethical practices.

Our marketing activities are expected to be conducted in alignment with prevailing rules, regulations and our internal guidelines. Ascendis Pharma has established processes and procedures to review externally used medical and promotional materials prior to their use.

In 2023, we have initiated an update of the current review processes to ensure they fit the future structure of Ascendis Pharma with products made available throughout the world.

We continue our commitment to the principle that all our activities must consistently deliver up-to-date, equitable, precise, impartial and comprehensive information regarding our products.

Transparent Interactions

Collaborating with healthcare professionals and healthcare organizations is a necessary and vital part of our business and enables us to develop our technologies and products for the benefit of patients worldwide.

Our interactions with healthcare professionals and healthcare organizations are always driven by legitimate purposes and are conducted in compliance with relevant regulations governing the involved Ascendis Pharma entity, the participants and the interaction's location.

In 2023, we have further strengthened our internal processes for cross-border sponsorships, grants and donations through the implementation of a mandatory compliance review process. The review supports the relevant business owner with following the applicable and often complex country-specific compliance requirements.

Ascendis Pharma continues to remain dedicated to transparency in our interactions and adhering to legal and regulatory disclosure requirements.

Data Governance

Data Ethics

As an innovative biopharma company with a strong focus on patients and science, we rely on data in most aspects of our work as we strive to make meaningful improvements in patients' lives.

We acknowledge our responsibility to manage data with respect for legal certainty, the individuals' fundamental rights and fundamental values within society, and to follow applicable laws, regulations and guidelines related to data ethics.

Our long-term commitment is to further strengthen our data ethics governance and ensure data ethics training and awareness to employees who gather, generate, process, manage and retain data. This includes developing mechanisms to ethically consider our current and potential use of artificial intelligence, machine learning, data sources, data storage and algorithms in our operations.

Data quality, integrity, transparency and security are key considerations to ensure we manage data ethically.

Our data ethics standards equally apply when we use third parties to gather, generate, process, manage and retain data on our behalf.

Data Privacy

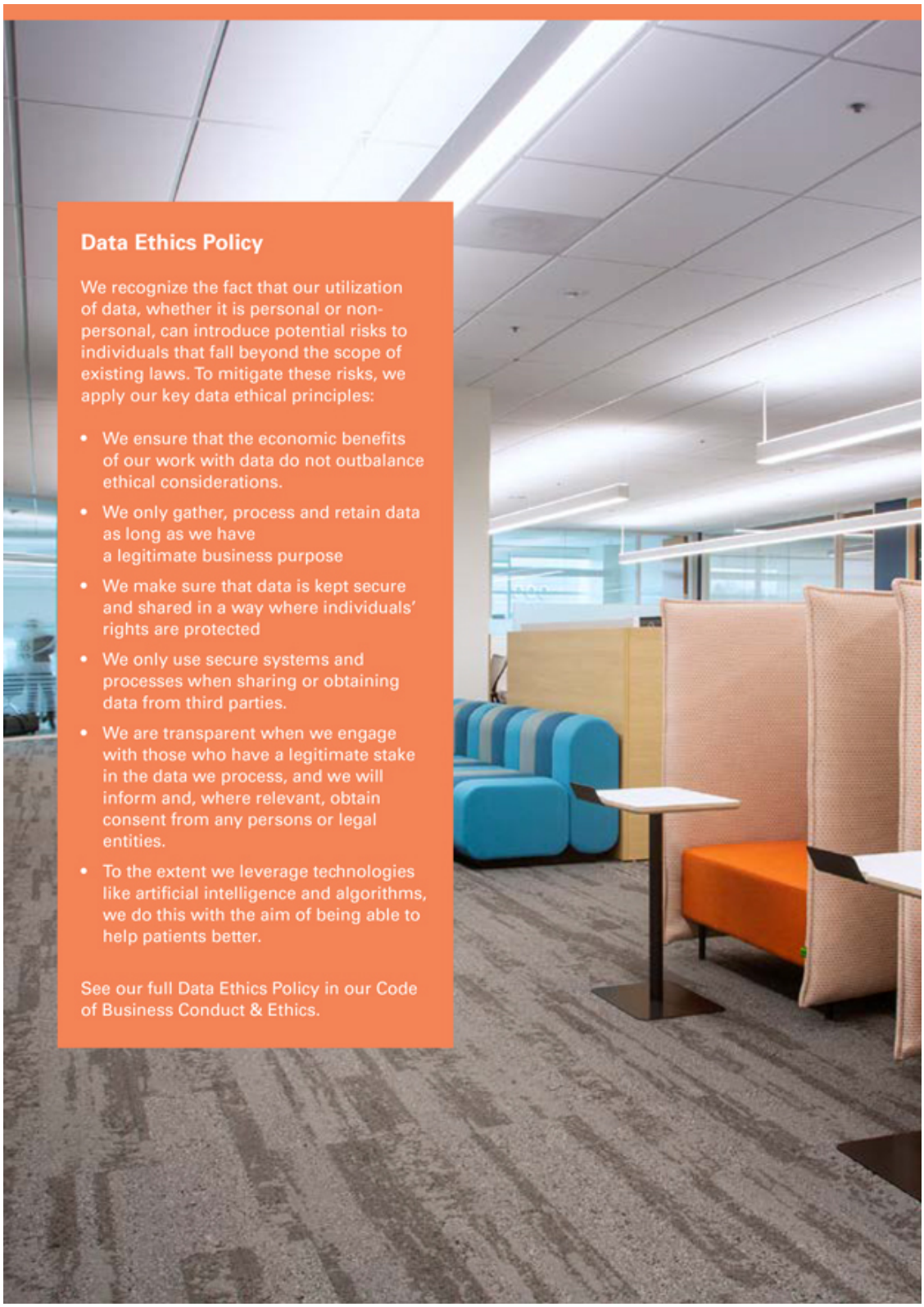
Data privacy laws and regulations around the world set out requirements on how we collect, store, use, transfer and dispose of personal data, and at Ascendis Pharma we make sure to adhere to these laws and regulations wherever we operate. We have various data privacy policies and procedures that we, as well as business partners acting on our behalf, must be aware of and live up to.

When handling personal data, we take steps to keep it secure, up to date and accurate. We only process personal data where we have a legitimate business purpose for doing so. Furthermore, we are transparent about the processing, making sure that our colleagues, patients, customers and business partners are informed about the processing and their rights in relation to this, e.g., via our data privacy notifications.

If we use third parties to process personal data on our behalf, we make sure that they are equally committed to safeguarding such data. To ensure this, we thoroughly assess any third parties prior to sharing personal data with them and obligate them to protect the personal data in their possession, e.g., by entering into a data processing agreement and, where relevant, a data transfer agreement.

Policy Advocacy

In the United States, we are required to report quarterly to Congress the costs associated with lobbying on behalf of Ascendis Pharma. This information is searchable through a public database and includes our consultants and trade association dues attributable to lobbying and the issues we lobby on.

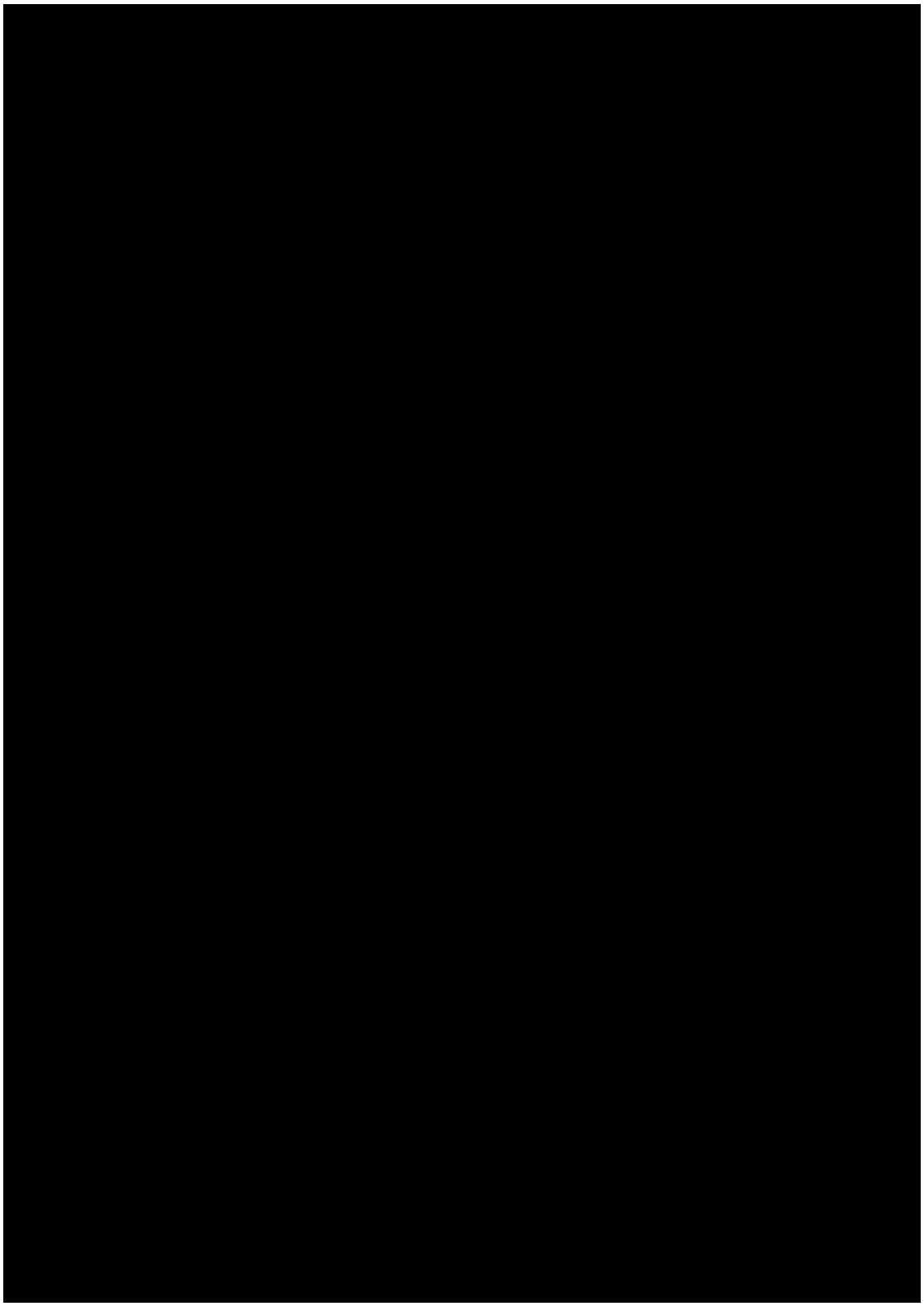


Data Ethics Policy

We recognize the fact that our utilization of data, whether it is personal or non-personal, can introduce potential risks to individuals that fall beyond the scope of existing laws. To mitigate these risks, we apply our key data ethical principles:

- We ensure that the economic benefits of our work with data do not outbalance ethical considerations.
- We only gather, process and retain data as long as we have a legitimate business purpose
- We make sure that data is kept secure and shared in a way where individuals' rights are protected
- We only use secure systems and processes when sharing or obtaining data from third parties.
- We are transparent when we engage with those who have a legitimate stake in the data we process, and we will inform and, where relevant, obtain consent from any persons or legal entities.
- To the extent we leverage technologies like artificial intelligence and algorithms, we do this with the aim of being able to help patients better.

See our full Data Ethics Policy in our Code of Business Conduct & Ethics.



2023 Sustainability and P|ESG Reporting Ambitions – Status		
Ambition	**Status**	**Description**
Initiate further enhancement of our current third party compliance approach.	In progress	As part of our third party compliance approach, we have implemented a due diligence process to assess our sales and distribution partners.
Conduct an impact, risk and opportunity assessment, which will include KPIs to track in relation to our governance performance and identify key P|ESG priority areas.	In progress	We are still in the process of developing our updated P|ESG strategy, which will include a double materiality assessment.
Ensure local adaptation in new markets of our Global Compliance Framework.	In progress	With our growing market reach, we are continuously adapting and implementing our Global Compliance Framework to ensure local adaptation.
Use the established animal welfare framework to create a company-wide culture of care to promote consistent conduct of animal studies in adherence to the 3R principles.	Achieved	Knowledge-sharing sessions on animal welfare and mandatory ethical review of all animal study plans have been implemented to increase company-wide awareness of research animals and to promote their ethical use and care.
Expand animal welfare audits to include suppliers of biological materials to ensure that they comply with the Ascendis Pharma global animal welfare standards.	In progress	Questionnaire-based audits at our second- and third-party suppliers are conducted to determine whether our high internal standards also apply to the housing and care of animals from which biological materials are derived.

2024 Sustainability and P|ESG Ambitions
Continuous enhancement of our current third party compliance approach as well as further development of the due diligence process for high-risk business partners.
Conduct a double materiality assessment, which will include KPIs to track in relation to our governance performance and identify key P|ESG priorities.
Ensure local adaptation in new markets of our Global Compliance Framework.
Establish an approved supplier list for animal matrices used in-house and at external contract laboratories.
Increase internal awareness and knowledge of Novel Approach Methodologies (NAMs) such as in silico, in vitro and ex vivo approaches.

Sustainability & P|ESG Ambitio

In 2024, we will further align our P|ESG and Sustainability framework to upcom sustainability impacts, risks and opportunities in our operations.

Patients

Expand our global presence to reach patients around the world.

Conduct a double materiality assessment to identify key patient priorities within the scope of our Sustainability and P|ESG Reporting framework.

Launch a Patient Support Program in Germany and Austria for chronic hypoparathyroidism patients to significantly improve patient support and treatment outcomes.

Launch an Ascendis Pharma umbrella brand overarching our patient-centric initiatives to reflect our values and commitment and emphasize our dedication to prioritizing patients and their well-being at the heart of our efforts.

Build Ascendis Pharma's reputation as a rare disease industry leader by identifying patient-centric, multi-stakeholder inclusive priorities.

Advance initiatives within the advocacy environment by listening, learning and leveraging insights to uplift rare disease communities.

Environmental

Validate and report on our Scope 1 & 2 greenhouse gas emissions data.

Expand the collection of greenhouse gas emissions data throughout our upstream and downstream commercial value chain, and report on 2023 Scope 3 greenhouse gas emissions for our commercial supply chains.

Conduct a double materiality assessment to identify key environmental priorities within our operations.

Identify key environmental impacts, risks and opportunities in our commercial supply chains.

P|ESG

ns 2024

ning regulations by conducting a double materiality assessment to identify

Social

Attraction, on-boarding and retention of talent to ensure we have the right people to deliver on our ambitions.

Continuous focus on leadership development to enable the development, performance and well-being of our people.

Conduct a double materiality assessment to identify key social priorities within our operations.

Establish and formalize criteria for categorizing the risk level of our CDMOs and conduct due diligence on high-risk CDMOs using self-assessment questionnaires and resources from the PSCI.

Identify key social risks in our commercial supply chains.

Governance

Continuous enhancement of our current third party compliance approach as well as further development of the due diligence process for high-risk business partners.

Conduct a double materiality assessment to identify key governance priorities within the scope of our Sustainability and P|ESG Reporting Framework.

Ensure local adaptation in new markets of our Global Compliance Framework.

Establish an approved supplier list for animal matrices used in-house and at external laboratories.

Increase internal awareness and knowledge of Novel Approach Methodologies (NAMs) such as in silico, in vitro and ex vivo approaches.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This report may contain forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition, including with relation to our sustainability efforts. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as 'aim', 'anticipate', 'assume', 'believe', 'contemplate', 'continue', 'could', 'due', 'estimate', 'expect', ' goal', 'intend', 'may', 'objective', 'plan', 'predict', 'potential', 'positioned', 'seek', 'should', 'target', 'will', 'would', and other similar expressions that are predictions or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include our plans for 2024 and onwards with respect to our Sustainability and P|ESG strategy and ambitions. These forward-looking statements are based on senior management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this report may turn out to be inaccurate, perhaps materially so. The forward-looking statements speak only as of the date of this report. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. Given these risks and uncertainties, you are cautioned not to rely on such forward-looking statements as predictions of future events.

Moreover, certain of this information is subject to assumptions, estimates, or third-party information that we have not independently verified, as well as standards that are still evolving and may be subject to change. Moreover, while we aim to align certain of our disclosures and initiatives with the recommendations and expectations of various third-party frameworks, we cannot guarantee strict adherence to these frameworks' recommendations. Our disclosures, as well as relevant internal controls, based on any standards may change due to revisions in framework requirements, availability or quality of information, changes in our business or applicable government policies, or other factors, some of which may be beyond our control. Finally, website and document references in this report are provided for convenience only; absent express language to the contrary, such materials are not incorporated to this report by reference.

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