Annual Report **2025**

LEO Pharma A/S | Company reg. no. 56759514

LEO

“Like a thousand paper cuts

Patient testimonial

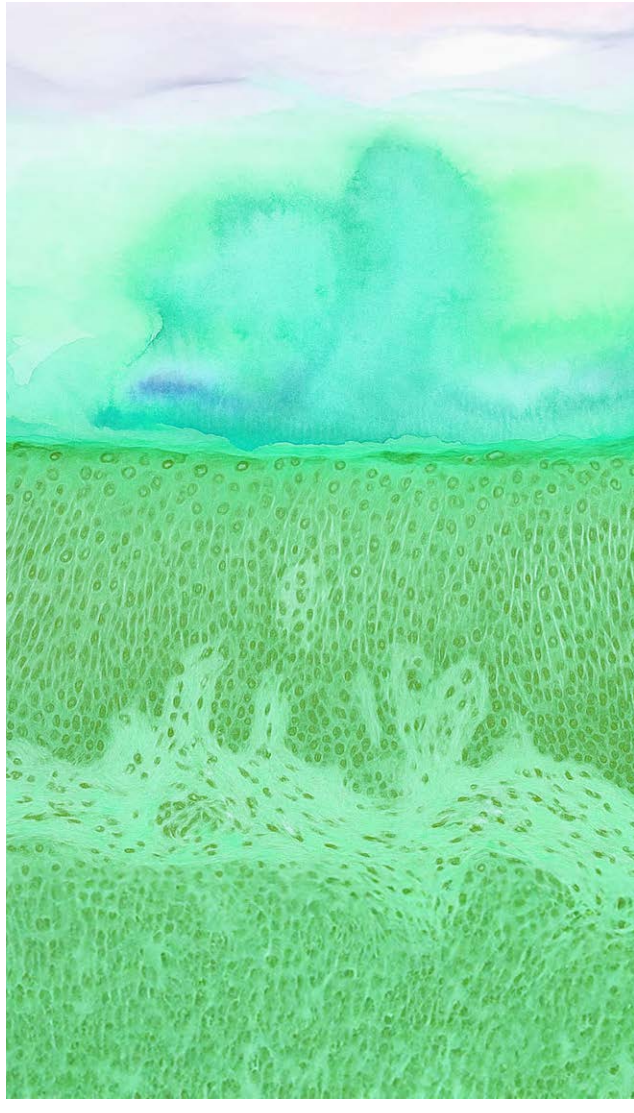
Chronic hand eczema (CHE)

Contents

Management's review

About this report: The sustainability statement on pages 46-89 represents LEO Pharma's compliance with the statutory disclosure pursuant to section 99a(2018) of the Danish Financial Statements Act.

Financial statements



Letter from the Chair and the CEO

Powering progress through strong brands, strategic partnerships and bold actions

Left to right:
Christophe Bourdon, CEO,
and Jesper Brandgaard, Chair
of the Board of Directors.

2025 marked a pivotal chapter in LEO Pharma's growth journey. We delivered on our strategy, strengthened our financial profile and prepared the company for the next phase of growth. We did so by pursuing three priorities: growing our portfolio, partnering to raise the standard of care and further strengthening our profitability. Bringing this momentum into 2026, we will continue to drive commercial execution across our full portfolio while building the next wave of innovative therapies.

2025 was a year of strong growth for LEO Pharma, with Group revenue rising to DKK 13,499 million (EUR 1,809 million), up 10% at constant exchange rates (CER), including 12% CER growth in Dermatology driven by 48% revenue CER growth for our first-in-class strategic brands. Adjusted EBITDA more than doubled to DKK 2,107 million (EUR 282 million), yielding a 16% margin. The 2025 results mark the third consecutive year of double-digit revenue CER growth for the Group, driven by innovation and supporting significantly improved profitability. This performance reflects strategic execution focused on delivering impact for patients and leveraging our scalable global operating model.

Making a fundamental difference for patients

At LEO Pharma, we are focused on providing transformative treatments for one of the most significant healthcare challenges of our time: skin diseases. These affect over a third of the global population and cause disability, pain, itching, and significant social and economic loss.

We stand out as a truly global platform dedicated to the medical dermatology market, well-positioned in a rapidly expanding market worth over USD 40 billion. With the broadest global portfolio in medical dermatology, a proven innovation model and decades of deep expertise, we are proud of our unique position in the industry.

Our worldwide reach and the breadth of our brand portfolio enable us to deliver value to patients, partners and shareholders alike.

Building on strong foundations

Our established brands remain a powerful value driver and a cornerstone of the treatment paradigm for many skin diseases, including psoriasis and atopic dermatitis (AD). Trusted by patients, healthcare providers and regulators across more than 70 markets, with a strong track record of supply reliability and unique topical formulations that are difficult to replicate, the portfolio continues to grow, even after many brands have lost their exclusivity.

As the well-diversified backbone of our dermatology platform, our established brands continued to grow in 2025, further strengthening our business foundation. This solid base now enables us to accelerate growth across our dermatology portfolio with the launch of new first-in-class innovations.

Innovation accelerating growth

In 2025, LEO Pharma expanded its portfolio of first-in-class strategic brands from one to three global products, marking a new pivotal chapter in our growth journey.

Adtralza®/Adbry®, a first-in-class IL-13 biologic for AD, which launched in 2021, has already become our largest product. In 2025, Adtralza®/Adbry® continued strong growth through focused commercial execution and new clinical evidence from the successful ADHAND Phase 3b trial.

Anzupgo®, the first and only FDA-approved treatment specifically for chronic hand eczema (CHE), accelerated its global rollout in 2025 and is now available in 12 markets. It launched in the U.S. in September to a strong initial reception. Beyond its

immediate performance, Anzupgo® is set to be a key growth driver from 2026.

Spevigo®, an IL-36RA for generalized pustular psoriasis (GPP), joined our portfolio on September 30, 2025 following our global development and commercialization license agreement with Boehringer Ingelheim. Its integration into our global dermatology platform has added a rare-disease pillar to our portfolio, expanding our ability to deliver high-impact care to underserved patients.

Together, these first-in-class innovations build on our established brands' strong foundation and deepen LEO Pharma's leadership in medical dermatology, providing multiple complementary engines of growth, with one common objective: to address significant unmet needs for people affected by skin disease.

Unlocking new innovation through partnerships
While considerable progress has been made in recent years in treating skin diseases such as psoriasis and AD, hundreds of skin diseases still have high unmet needs and lack approved treatments. For many patients, care often remains limited to symptom management.

Scientific advances in the broader field of inflammation and immunology are opening up new opportunities to leverage LEO Pharma's decades of expertise in skin biology and clinical development.

In 2025, our pipeline momentum accelerated with the late-stage development of Anzupgo® and Spevigo® for new potential indications such as palmoplantar pustulosis (PPP), lichen schlerosis (LS) and pyoderma gangrenosum (PG) - specifically indications where there are currently no FDA-approved therapies. Furthermore, we advanced our preclinical small-molecule STAT6 program through a strategic partnership with Gilead Sciences. The program holds potential across multiple inflammatory diseases, and the partnership potentially broadens the program outside of dermatology.

Beyond dermatology, we strengthened our Critical Care portfolio through a partnership with Junshi Biosciences to commercialize Loqtorzi® in Europe. This injectable PD-1 inhibitor immunotherapy is a strong fit for Critical Care, leveraging our commercial platform and established presence in European hospitals through our existing treatments for cancer-associated thrombosis.

From early research to commercial assets, we strengthened our capacity to deliver innovation for patients with several significant partnerships in 2025, including those with Gilead Sciences, Boehringer Ingelheim and Junshi Biosciences.

1 to 3

LEO Pharma expanded its portfolio from one to three global strategic brands.

> In 2025, employee engagement reached its highest level in five years, reflecting great commitment and pride in our shared purpose.

Prepared and energized for the next chapter of growth
In 2025, we further strengthened our financial foundation with sustainable profitable growth and efficiency initiatives. These gains have allowed us to improve our profitability even as we reinvest boldly, expanding our U.S. sales force by more than 50% to extend the reach of our innovations and deepen our market presence. Furthermore, with over DKK 5 billion available for value-accretive M&A, we are proactively seeking strategic acquisitions and licensing opportunities to fuel future growth.

Building on our capabilities, we advanced our use of artificial intelligence (AI) and digital technologies to drive innovation. We launched the Innoviewer platform as our innovation model's digital backbone, integrating external data with years of digitized in-house knowledge to power machine-assisted asset scouting and evaluation. Combining unique data, human expertise and automated monitoring, Innoviewer helps uncover and create value when sourcing new pipeline assets.

In 2025, employee engagement reached its highest level in five years, reflecting great commitment and pride in our shared purpose. Furthermore, the launch of our new leadership framework, "How we lead LEO", equipped over 600 leaders worldwide with shared behaviors that strengthen collaboration, reinforce accountability and drive our strategy forward. Together, these advances in people, processes and performance enhance our ability to deliver results and ensure that our culture is a powerful competitive advantage.

As we enter 2026, we are ready to accelerate – building on our strong brand portfolio, proven innovation model and unique global platform to deliver the next wave of growth and raise the standard of care for patients worldwide.

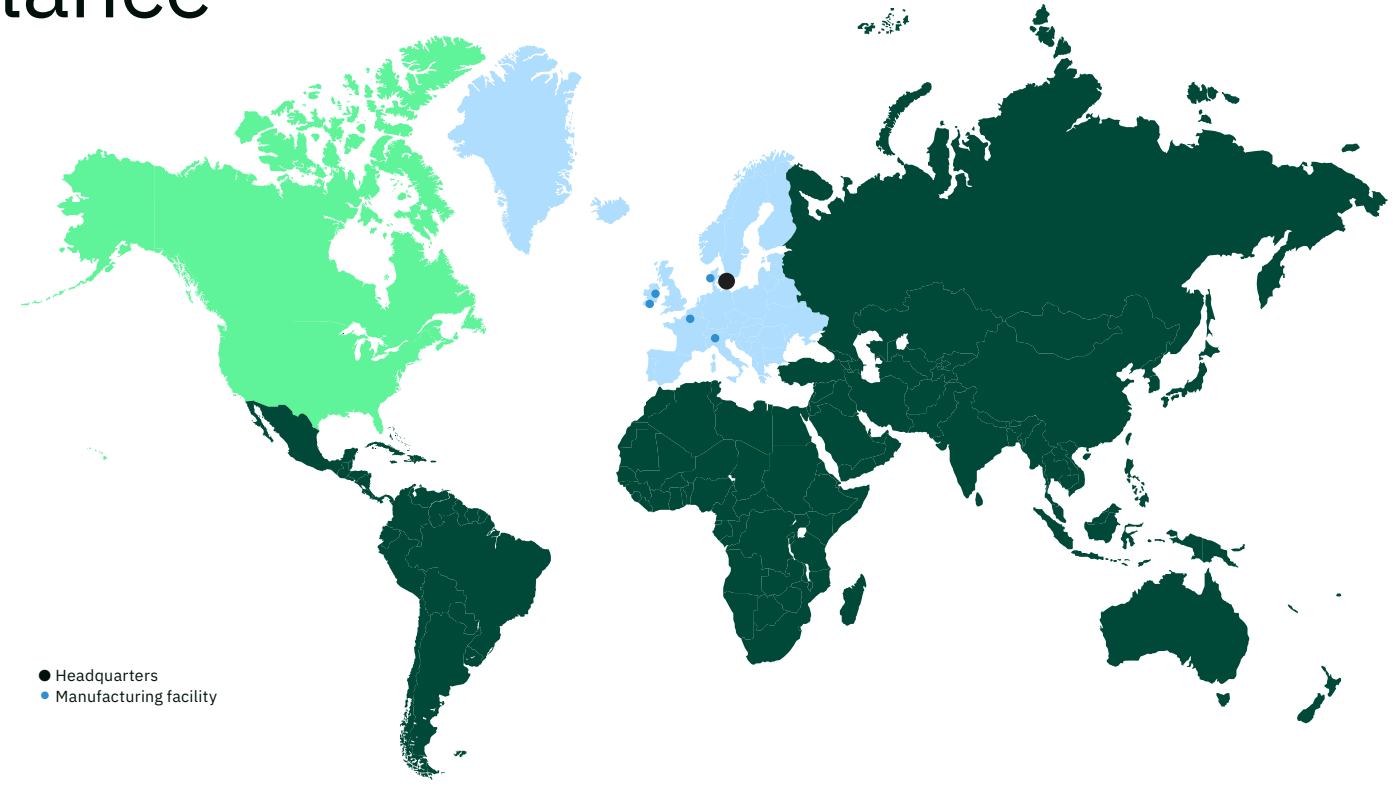
We extend our sincere thanks to our shareholders for their trust, to our partners for enabling breakthrough impact, and to our colleagues for their dedication. Most of all, we thank the patients and caregivers who take part in our clinical trials; their involvement is vital in turning scientific progress into real-world benefit.

Jesper Brandgaard
Chair of the
Board of Directors

Christophe Bourdon
CEO

LEO Pharma at a glance

LEO Pharma is a global leader in medical dermatology. We deliver innovative treatments for skin diseases, building on a century of experience with breakthrough medicines in healthcare.



117+

LEO Pharma has been advancing care and improving lives through science and innovation for over a century.

+4,000

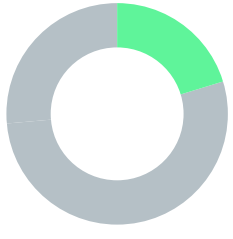
Dedicated employees in 30 countries

70+

Markets (31 affiliate & 42 partner markets)

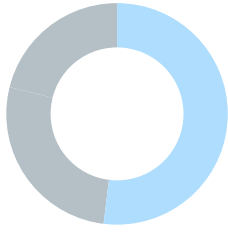
+100m

Patients in treatment with LEO Pharma products annually



21%

Share of revenue, North America, 35% revenue growth in 2025 (CER)



52%

Share of revenue, Europe, 3% revenue growth in 2025 (CER)

27%

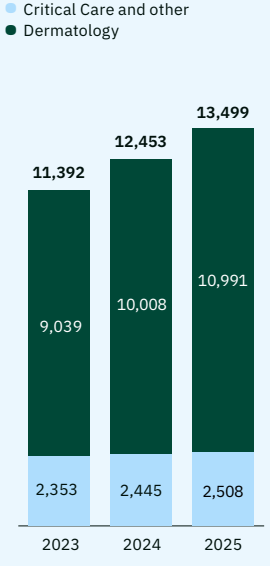
Share of revenue, Rest of World, 9% revenue growth in 2025 (CER)

Performance highlights

Financial

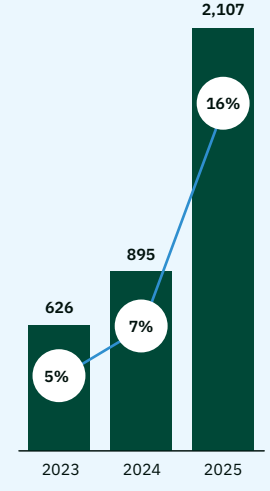
Group revenue growth (CER)
DKK million/%

10%



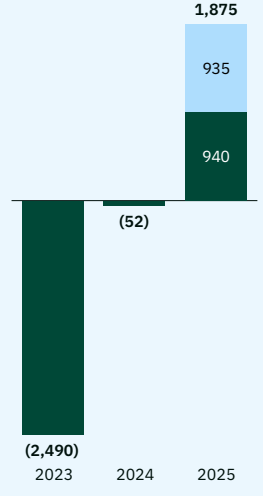
Adjusted EBITDA margin
DKK million/%

16%



Free cash flow
DKK million

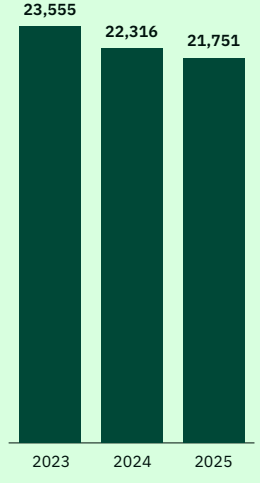
1,875



Sustainability

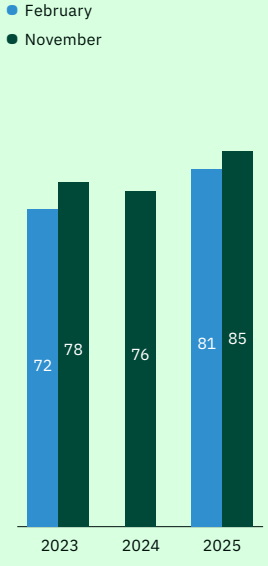
Total CO_2e tonnes
(Scope 1 and 2, market-based)

21,751



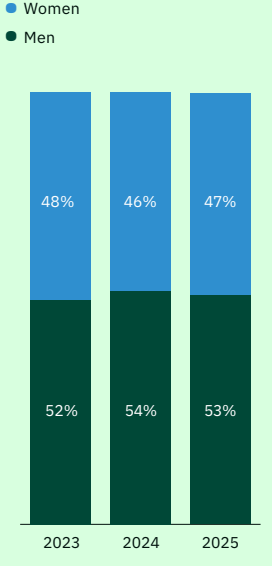
Engagement rate
(LEO Voice survey)

85%



Gender diversity, all managers
(men/women)

53/47%



Business model

The resources we rely on

More than 4,000 employees worldwide with diverse skills and expertise.

Cutting-edge know-how in skin biology.

Natural resources, including raw materials, energy and water to support our operations.

Strong financial resources supported by disciplined capital allocation, enabling sustainable growth and margin expansion.

Partnerships to advance disease understanding and fuel innovation, working with global leaders such as Gilead Sciences and Boehringer Ingelheim.

Global innovation and commercialization platform driving value through strategic partnerships and acquisitions

The value we create

Serving more than 100 million patients annually.

Providing access to more than 20 brands in more than 70 markets.

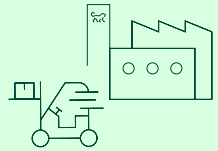
Presented 75 congress contributions – posters, oral sessions and late-breaking presentations – and published 43 peer-reviewed papers in 2025.

More than 92,000 units of medicine donated to communities in need in 2025.

Our operations

Research and development
Advancing innovation through strategic research and asset partnerships, leveraging decades of dermatology expertise to deliver distinctive clinical programs and new treatments for diseases with high unmet need – including five Phase 3 studies involving over 1,490 patients in 2025.

Approvals and access
Managing global product registrations and regulatory compliance to secure timely approvals and optimize market access.



Production
Delivering high-quality products through six production sites, a dedicated Product Supply team of around 1,600 FTEs and partnerships with more than 15 production and alliance partners.

Commercialization
Operating in over 70 markets with a team of more than 1,000 FTEs, including 30+ affiliate markets and 40+ partner markets.

Advancing care through a **leading** global platform

Not all LEO Pharma products are shown; availability and regulatory approval vary in each market.

Therapeutic areas

Dermatology
As leaders in medical dermatology, we are raising the standard of care for skin diseases such as atopic dermatitis (AD), chronic hand eczema (CHE) and psoriasis, as well as for generalized pustular psoriasis (GPP), a severe and rare skin disease. We also offer a broad portfolio of treatments for skin infections, acne, rosacea and other skin diseases.

Critical Care
Our commitment to advancing patient health extends beyond dermatology into critical care, where we deliver treatments for blood clot-related conditions such as cancer-associated thrombosis and rare cancers such as nasopharyngeal carcinoma (NPC). Across these areas, we strive to make a difference for patients in hospital and specialty care.

Our treatments

Our strategic brands
LEO Pharma holds three strategic brands with innovative mechanisms, unlocking treatment options for diseases with high unmet need.

Adtralza®/Adbry®
Adtralza®/Adbry® is an IL-13 biologic for moderate-to-severe AD. AD affects 2-3% of the global population. As LEO Pharma's first global biologic, developed and available in 20 markets since acquiring worldwide rights from AstraZeneca in 2016, it combines long-term safety and efficacy data, including in hard-to-treat areas such as the head and neck and on the hands.

Anzupgo®
Anzupgo® is a topical pan-JAK inhibitor for moderate-to-severe CHE in adults. CHE affects 5-10% of the population, significantly impacting daily life. As the first FDA-approved treatment specifically for CHE, it combines a broad JAK-inhibition for complex disease with a unique cream formulation developed by LEO Pharma. In 2014, LEO Pharma licensed exclusive worldwide rights from Shionogi & Co., Ltd. to develop and market delgocitinib for topical use in dermatology, except in Japan, where the partner retains rights.

Spevigo®
Spevigo® is an IL-36RA biologic for GPP – a rare, severe, and potentially life-threatening form of psoriasis affecting around 1 in 10,000 people. Added to LEO Pharma's portfolio in September 2025 through a partnership with Boehringer Ingelheim granting global rights, Spevigo® is approved for the treatment and prevention of GPP.

Our established portfolio
LEO Pharma's established portfolio comprises over 20 standard-of-care treatments and is the foundation of our global presence in dermatology. With the broadest global portfolio in medical dermatology and proven growth, lifecycle management and reliable supply, we continue to deliver trusted medicines such as Fucidin® for skin infections, Enstilar® for psoriasis and Protopic® for eczema, reaching millions of patients in 2025.

2025 highlights

January

- Gilead Sciences and LEO Pharma enter strategic partnership. Gilead Sciences gains global rights to LEO Pharma's **oral STAT6 program for inflammatory diseases**; deal worth up to USD 1.7bn. LEO Pharma retains topical rights and co-commercialization option in dermatology outside the U.S.
- Junshi Biosciences and LEO Pharma announce **commercialization partnership for Loqtorzi®** in Europe.

February

- **LEO Pharma and DEBRA Research form strategic partnership** to accelerate therapies for epidermolysis bullosa (EB), a severe genetic skin disease.

March

- Continued scientific leadership at **American Academy of Dermatology Annual Meeting (AAD) 2025**. Presented late-breaking Phase 3 data for delgocitinib cream in chronic hand eczema (CHE).

April

- **LEO Pharma and Parker Institute launch academic partnership.** Three-year collaboration to advance dermatology research using AI and single-cell RNA sequencing.

May

- LEO Pharma delivers **strong Q1 2025 performance**: revenue up 10% YoY to DKK 3,373m (+9% at CER); EBITDA margin doubled to 16%; net profit DKK 1,742m.

June

- LEO Pharma initiates **Phase 2a DELTA NEXT Trial of delgocitinib cream** in adults with mild-to-severe palmoplantar pustulosis (PPP).

July

- **Anzupgo® approved by FDA** in the U.S. as the first treatment specfically indicated for CHE.
- Strategic partnership with Boehringer Ingelheim for **Spevigo®, a first-in-class IL-36RA biologic**, becoming LEO Pharma's third strategic brand upon closing of transaction September 30.

August

- LEO Pharma delivers **solid H1 2025 performance**: sustained growth and strategic progress in H1 2025: revenue up 6% YoY to DKK 6,789m (+7% at CER); EBITDA margin 21%; net profit DKK 1,977m.

September

- LEO Pharma delivers its largest-ever scientific program at **European Academy of Dermatology and Venereology (EADV) 2025**: five late-breaking presentations and 24 abstracts across multiple indications.
- **LEO Pharma closes deal for Spevigo®** following approval from all relevant authorities.

October

- **New Drug Application (NDA) for Anzupgo® accepted** for review for adults with CHE in China.

November

- **National Institute for Health and Care Excellence (NICE) recommends Anzupgo®** for reimbursement in England and Wales. First topical treatment recommended for CHE by NICE where corticosteroids are inadequate.
- LEO Pharma delivers **strong 9M 2025 performance**: revenue up 7% YoY to DKK 10,064m (+8% at CER); organic growth led by North America (+27%). EBITDA margin 21%; net profit DKK 2,036m.
- LEO Pharma announced **positive topline key results** from the 32-week analysis of the Phase 3b ADHAND trial as well as positive detailed 16-week data.

December

- **The European Medicines Agency (EMA)** accepted for review a label expansion application for Anzupgo® to include adolescent patients aged 12-17.
- **Submission of net-zero target** for Science Based Targets initiative (SBTi).

Key figures

(DKK million)	2025 EUR million[1]	**2025**	2024	2023	2022	2021
Income statement						
Group revenue	1,809	13,499	12,453	11,392	10,641	9,957
Of which dermatology revenue	1,473	10,991	10,008	9,039	8,133	7,259
Gross profit	1,104	8,240	7,518	7,200	6,283	6,048
Adjusted EBITDA[2]	282	2,107	895	626	(1,253)	(1,731)
Non-recurring items	220	1,644	(295)	(75)	(321)	(226)
Operating profit before depreciation and amortization (EBITDA)[2]	503	3,751	600	551	(1,574)	(1,957)
Operating profit/(loss) (EBIT)	305	2,279	(1,143)	(1,699)	(3,311)	(4,156)
Net financial items	(76)	(566)	(814)	(1,093)	(782)	(607)
Profit/(loss) before tax	230	1,713	(1,957)	(2,792)	(4,093)	(4,763)
Net profit/(loss)	334	2,489	(1,776)	(3,607)	(4,110)	(4,868)
Earnings per share (EPS)[3]	0.87	6.49	(4.64)	(10.67)	(12.83)	(17.21)
Diluted earnings per share (DEPS)[3]	0.87	6.49	(4.64)	(10.67)	(12.83)	(17.21)
Balance sheet						
Investments in property, plant and equipment	34	256	258	348	590	800
Total assets	2,737	20,445	20,151	20,951	22,932	23,695
Equity	705	5,262	2,704	4,525	1,946	5,537
Net working capital[3 4]	534	3,991	3,833	4,525	3,848	2,543
Net interest-bearing debt (NIBD)[3 4]	1,253	9,358	11,115	10,956	14,518	10,508
Invested capital	1,925	14,380	13,637	15,115	15,912	15,697
Cash flow						
Cash flow from operating activities	168	1,255	265	(1,953)	(2,274)	(2,498)
Cash flow from investing activities	83	620	(317)	(537)	(1,476)	(1,371)
Free cash flow[3]	251	1,875	(52)	(2,490)	(3,750)	(3,869)

[1] Applied exchange rate for DKK/EUR in 2025: 7.46 (average) and 7.47 (year-end).
[2] Please refer to Note 1.3 Non-IFRS measures, page 98.
[3] Please refer to Glossary, page 148.
[4] Due to updated definitions of net working capitall in 2025 and net interest-bearing debt (NIBD) in 2024, previous years have been restated.

		2025	2024	2023	2022	2021
Key ratios						
Revenue growth		8%	9%	7%	7%	(2%)
Revenue growth at CER[2]		10%	10%	10%	4%	(1%)
Dermatology revenue growth at CER[2]		12%	12%	15%	9%	7%
Gross margin[3]		61%	60%	63%	59%	61%
OPEX ratio (% of revenue)		57%	70%	78%	87%	102%
Adjusted EBITDA margin[2]		16%	7%	5%	(12%)	(17%)
EBITDA margin[2]		28%	5%	5%	(15%)	(20%)
EBIT margin[3]		17%	(9%)	(15%)	(31%)	(42%)
Effective tax rate		(45%)	9%	(29%)	0%	(2%)
NIBD/Adjusted EBITDA (LTM)		4.4	12.4	17.5	NM	NM
People						
Average number of full-time employees (FTE)[2]		4,104	4,184	4,490	5,252	5,804
Number of full-time employees (FTE) at year-end		4,265	4,090	4,284	5,042	5,612
Environmental, social and governance	Unit					
Number of patients served	Thousands	101,585	100,053	96,003	89,305	84,686
Total CO_2e emissions (Scope 1 and 2, market-based)	tCO_2e	21,751	22,316	23,555	24,309	23,144
Scope 3 supplier engagement	%	84%	81%	83%	66%	65%
Share of renewable electricity used at our manufacturing sites	%	100%	98%	91%	91%	92%
Employee turnover rate	%	16%	18%	26%	19%	20%
Rate of recordable work-related accidents	Incidents per million hours	1.6	N/A	N/A	N/A	N/A
Employees completing global annual Code of Conduct training	%	100%	99%	99%	97%	96%
Gender diversity – all managers	% women/men	47/53	46/54	48/52	46/54	45/55
Gender diversity – Board of Directors without employee representatives	% women/men	25/75	17/83	13/ 87	13/87	13/87

LEO Pharma stories – chronic hand eczema

Living with chronic hand eczema

Through the eyes of a family member, chronic hand eczema (CHE) meant experiencing firsthand how a loved one lay awake at night, hurting and itching. This story offers a glimpse of the burden CHE can bring, knowing that each patient's journey may look different.

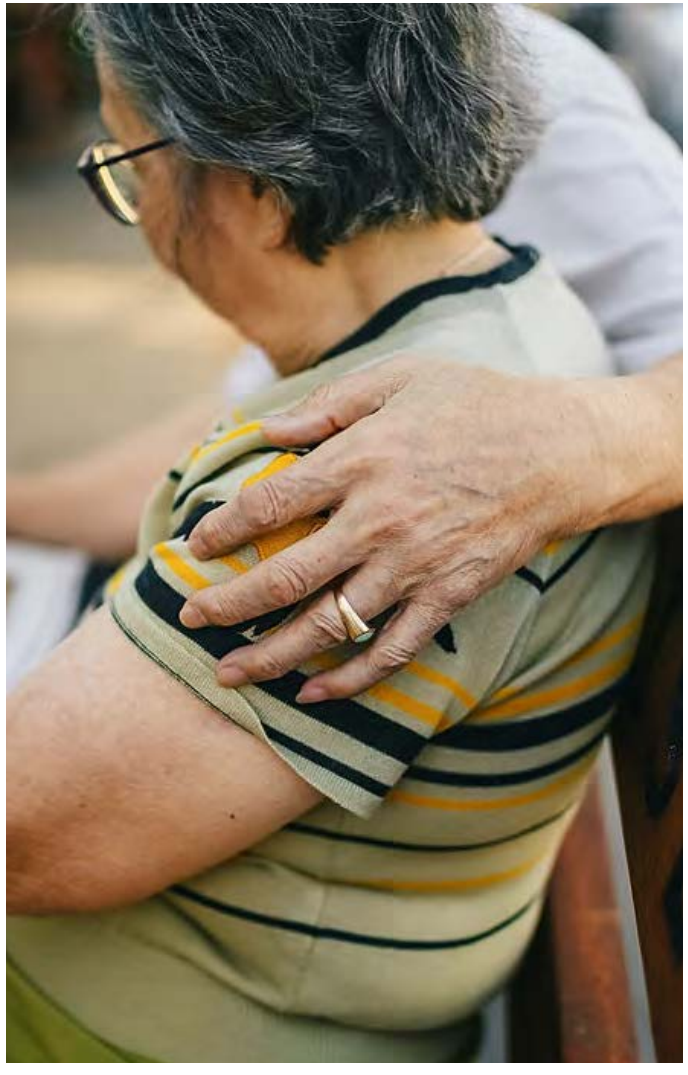
The patient was suddenly afflicted with a severe rash on the palms. Within a short time, the patient's hands became extremely swollen and very red. The skin peeled, tore open across the entire palms, and incessant itching robbed the patient of sleep. The condition quickly escalated to a level that alarmed both laypeople and medical staff for many months.

It is difficult to imagine how the patient managed to cope in everyday life. The only relief came from wearing several layers of gloves: cotton soaked in petroleum jelly on the inside, with rubber gloves on the outside to avoid contact with anything.

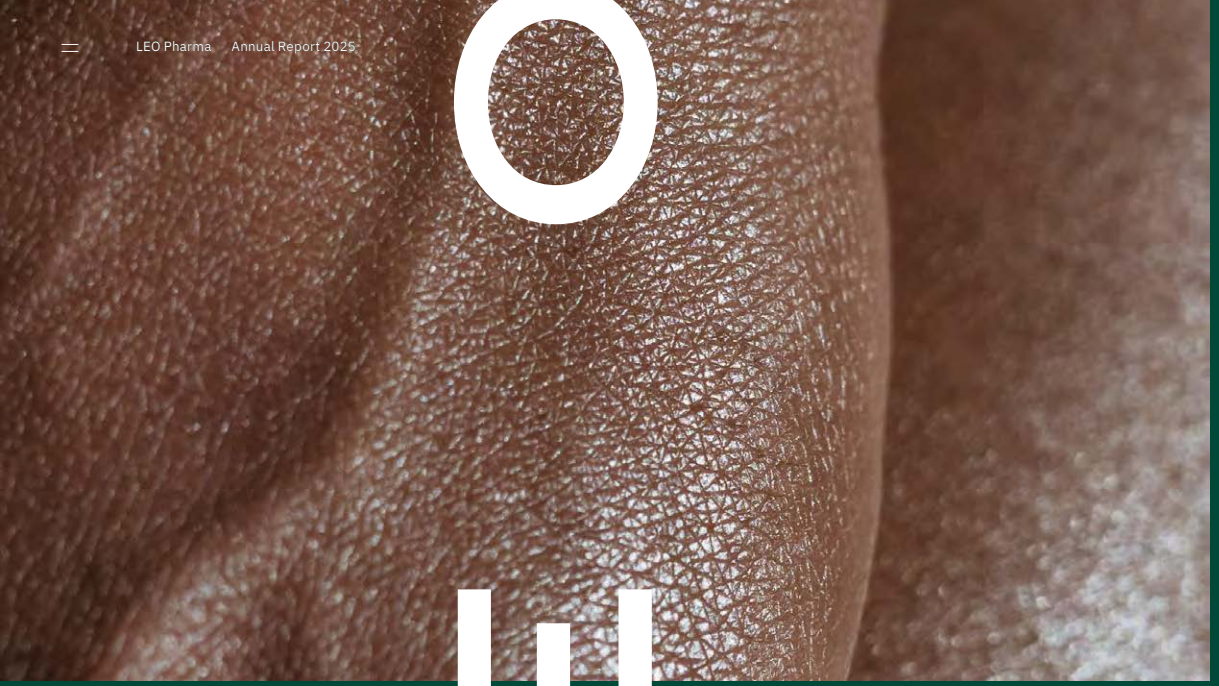
At best, the nights allowed only a few hours of sleep. One can imagine what this persistent state does to the human mind: Feeling tired all the time, finding it hard to focus, forgetting things, losing morale, and struggling with hand coordination – which led to small accidents and broken items.

Relative to a CHE patient

The above patient story cannot be generalized to all patient populations and may vary by patient.



The image is not associated with the patient story. The image is for illustrative purposes only.



Our business

Delivering on our strategy

In 2025, LEO Pharma made strong progress on our long-term ambitions, strengthening our market position, advancing our pipeline, supporting a new chapter of sustainable growth.

Medical dermatology is a rapidly growing market characterized by high unmet need, but also a rapid pace of innovation unlocking new treatment options. LEO Pharma is uniquely positioned to identify these needs and match them with innovation.

Our expertise is recognized and trusted by leading institutions across academia, patient organizations, biotech and other pharma companies, underpinning our ambition to be the preferred partner in medical dermatology.

Driven by our focus on raising the standard of care worldwide, our innovation model aims to leverage our in-house expertise and global platform through partnerships to develop and expand access to transformative new treatments.

Our ambition goes hand in hand with our commitment to responsible business practices. Sustainability is embedded in LEO Pharma's commercial strategy, and our sustainability-related goals apply across all products, geographies and customer segments. This ensures that every part of our business actively manages its impact on people, society and the environment, making progress an integral part of how we innovate, grow and deliver care.

Future priorities

At LEO Pharma, we are shaping a new chapter of sustainable growth, driven by a clear focus on strengthening our market position, expanding our portfolio, enhancing our capabilities and evolving our culture. Our strategy is centered on delivering impactful innovations, building a diversified and profitable business, and capturing new growth opportunities across dermatology and critical care. By fostering a collaborative, accountable and agile organization, we will ensure long-term leadership and create lasting value for patients, partners and our business.

LEO Pharma's strategy is anchored in three key areas - growth, pipeline, and profitability - supported by "Unite as one team" and "Leave a legacy," which drive resilience and sustainability. The next pages show the progress and future priorities for each of these five areas.

Our strategic achievements

Growth

- Expanded portfolio from one to three global strategic brands
- Continued global launch of Anzupgo®, now available in 12 markets
- Adtralza®/Adbry® achieved strong growth, available in 20 markets
- Strengthened Critical Care portfolio with addition of Loqtorzi®

Pipeline

- Expanded pipeline with new late-stage development of Anzupgo® in palmoplantar pustulosis (PPP) and lichen sclerosus (LS) and Spevigo® in pyoderma gangrenosum (PG)
- Advanced STAT6 program through strategic partnership with Gilead Sciences
- Succesful Phase 3 results for Anzupgo® in adolescents and Adtralza®/Adbry® in hard-to-treat areas such as hands

Profitability

- Operating margin more than doubled driven by sales growth and efficiency gains
- Strongly improved net result and return to postive net profit
- Significant deleveraging supported by substantial free cash flow generation

Unite as one team

- Five-year high engagement score in LEO Voice
- Introduced and rolled out leadership framework, "How we lead LEO," to 600+ people leaders

Leave a legacy

- More than 100 million patients served
- Developed a climate transition plan to substantiate our net-zero commitment

Growth

Innovation-led growth underpinned by a **global platform**

LEO Pharma's growth is driven by our first-in-class strategic brands, building on the resilient foundations provided by our established brands.

Advancing the standard of care for patients and driving sustainable growth is at the core of our strategy. In recent years, we successfully expanded our portfolio and accelerated growth at constant exchange rates (CER) to double digits in 2023, 2024 and 2025.

This acceleration began with the launch of Adtralza®/Adbry® in 2021, and in the past 18 months was followed by the launch of Anzupgo® in late 2024 and the addition of Spevigo® on September 30, 2025.

The growth potential of these first-in-class innovations is enabled by a global platform built on a broad, established brand portfolio that continues to reach more patients every year.

2025 progress

In 2025, Group revenue rose 10% at CER, powered by strong Dermatology growth of 12% at CER.

Dermatology

Adtralza®/Adbry®
As LEO Pharma's largest strategic brand by revenue and available in 20 countries across the globe, Adtralza®/Adbry® was the main driver of Group revenue growth in 2025.

The growth is underpinned by the increasing adoption of the overall biologics class for the treatment of atopic dermatitis (AD), with Adtralza®/Adbry® benefiting from physician familiarity, as the product has now been available in several markets for more than four years as the first biologic treatment for AD specifically targeting IL-13 inhibition. Additionally, the uptake of Adtralza®/Adbry® continued to be supported by the rollout of the pre-filled pen, flexible dosing options, and the generation of real-world data supporting the long-term efficacy and safety profile of the product.

Anzupgo®
Following its launch in Germany in 2024, Anzupgo® is now available in 12 markets, including the U.S., where it received FDA approval in July and was launched in September.

Across markets, Anzupgo® is seeing a strong reception among healthcare providers and patients. In the U.S., the number of prescribers has grown rapidly over the first few months since its launch. The uptake highlights both the clinical profile of Anzupgo® and its relevance as the first and only FDA-approved treatment option specifically indicated for moderate-to-severe chronic hand eczema (CHE) in adults.

A milestone year for Anzupgo®

- Products available in 12 markets across three continents
- FDA-approval as the first and only topical pan-JAK inhibitor
- UK NICE recommendation for reimbursement
- Initiated trial in palmoplantar pustulosis (PPP)
- Accepted for Direct Access in France as fifth-ever pharmaceutical product

Anzupgo® is also being well received by payers and reimbursement authorities, ensuring broad access for patients in recognition of the important care provided by the product. In 2025, this included a positive recommendation from the UK's National Institute for Health and Care Excellence (NICE) announced in early November. Anzupgo® further achieved reimbursement in several key European markets.

Actor portrayal

Spevigo®
The addition of Spevigo® to our portfolio marks LEO Pharma's first entry into the rare disease space within dermatology, a field characterized by high unmet needs and small patient populations.

Following LEO Pharma's agreement with Boehringer Ingelheim to commercialize and advance the development of Spevigo®, we are now leveraging our dermatology platform to ensure its availability at key centers and advance the standard of care for patients.

Established brands
LEO Pharma's established dermatology portfolio spanning more than 20 brands makes a fundamental difference to millions of patients worldwide. In 2025, we pursued new ways to grow the reach of the portfolio, including new brand campaigns, entry into new markets, commercial partnerships and evolving the go-to-market model in countries by leveraging digital solutions.

Critical Care
In 2025, we entered a distribution and marketing partnership with Junshi Biosciences to commercialize Loqtorzi® (toripalimab) in Europe. Loqtorzi® is a PD-1 monoclonal antibody indicated for nasopharyngeal cancer (NPC), and in some markets for esophageal squamous cell carcinoma (ESCC). It was first launched in Germany in January 2026, with an initial rollout planned across Germany, France, Italy and Spain, as well as in the UK and Ireland. The addition of Loqtorzi® is a strategically curated expansion of our Critical Care portfolio, complementing our existing heparin-based anticoagulation treatments for cancer-associated thrombosis and other specialty patient needs.

To better reflect the scope of the business, we changed the name of the business area from Thrombosis to Critical Care, enabling more effective use of our strong commercial platform and existing sales force to deliver greater value to healthcare providers.

Future priorities

Strategic brands

Adtralza®/ Adbry®
Among patients with AD, the adoption of advanced biologics such as Adtralza®/Adbry® remains relatively low compared to other disease areas such as psoriasis.

As appreciation of advanced treatment options increases, this provides significant opportunities for growth, albeit in a market where more treatment options are also becoming available.

In this evolving landscape, Adtralza®/Adbry® is well positioned to compete, supported by strong long-term real-world evidence, high familiarity among healthcare professionals and long-term safety data. It also offers differentiated clinical evidence in high-burden areas, such as the head and neck and AD on the hands, along with flexible dosing options that address diverse patient needs. Looking ahead, a key priority will be to further substantiate and increase awareness of the robust clinical profile for Adtralza®/Adbry®.

Anzupgo®
Anzupgo® is positioned to be a key growth driver for LEO Pharma. As the first pan-JAK inhibitor cream for the treatment of CHE, Anzupgo® holds great potential to bring relief to patients with high unmet needs. The immediate priority is to raise awareness that this new treatment option is now available and

Fucidin®
Growing strong worldwide for more than 60 years

23

New markets entered in the past 10 years.

In 1964, LEO Pharma entered the field of medical dermatology with the launch of the Fucidin® topical formulation, which quickly became a success.

60 years on, the Fucidin® range remains a cornerstone of our portfolio, with around 1 billion tubes delivered worldwide. This enduring success reflects its loyal customer base – prescribed by generations of healthcare professionals and trusted by generations of patients and their families.

Today, LEO Pharma's Fucidin® portfolio includes five topical formulations: Fucidin® ointment, Fucidin® cream, Fucicort® cream, Fucidin® H cream and Fucicort® lipid cream. Each addresses distinct patient needs, yet all share the benefits of fusidic acid for use against bacterial skin infections, notably those caused by *Staphylococcus aureus*, including methicillin-resistant strains (MRSA).

With 23 new markets entered in the past 10 years, the brand's expanding reach reinforces LEO Pharma's position as a global leader in medical dermatology. In response to rising demand, the state-of-the-art and fully automated Fucidin® active pharmaceutical ingredient (API) factory at our Ballerup site is scheduled to launch in 2026.

to ensure that providers are trained in how they can advance the standard of care with Anzupgo®. Furthermore, we plan to make the treatment available to patients in a number of additional markets.

In addition, the broad pan-JAK inhibition and long-term safety data of Anzupgo® make it potentially relevant across a wide range of indications, with the JAK-STAT pathway playing a central role in the pathophysiology of more than 25 dermatological diseases. Following regulatory approval for the treatment of CHE in multiple markets – including the EU and the U.S. – the first clinical trials outside of CHE are already underway to further expand its clinical and commercial reach, dependent on regulatory approval and market conditions. Looking ahead, our priority is to complete the global launch and rollout of Anzupgo®, followed by the progression of label-extension opportunities, and the strengthening of physician and patient confidence across new treatment settings.

Spevigo®
As LEO Pharma's first rare disease therapy, Spevigo® has added an important rare dermatology dimension to our strategic portfolio. Our priority is to fully integrate Spevigo® into our portfolio and accelerate access to this treatment, ensuring vials are available when dermatologists need them. Leveraging LEO Pharma's dermatology platform, we are strengthening its footprint in high-priority markets such as the U.S., Japan and China and advancing development in other indications to support long-term growth.

Established brands
We continue to expand the reach and impact of our established brands. Alliance markets, serviced through LEO Pharma's collaborations with strategic distribution and commercial partners, are the key growth drivers for the established brands. We aim to fully utilize the core strengths of our commercial operating model and leverage our deep dermatology expertise.

We continuously optimize the portfolio to ensure relevance and value for patients and providers, further entrenching these established brands as true backbone therapies for dermatologists and general practitioners worldwide.

Critical Care
We aim to sustain and gradually grow our Critical Care business by continuing to advance our portfolio of heparin-based thrombosis therapies and leverage our access to care sites to establish Loqtorzi® as an important new therapy for patients with nasopharyngeal carcinoma (NPC) and esophageal squamous cell carcinoma (ESCC), who often face limited treatment options. Simultaneously, we will continue to consider bolt-on opportunities that clearly complement our portfolio and align with our long-term objective of increasing profitability and growth.

This balanced approach allows us to build on our existing product and commercial execution strengths while exploring opportunities for selective expansion.

Pipeline

Bringing **new innovations** to more patients

Our specialized focus on skin disease gives us a unique ability to keep finding new answers for those who need us most. In 2025, we advanced key assets within our pipeline, which includes label-expansion opportunities and potential next-generation therapies.

2025 progress

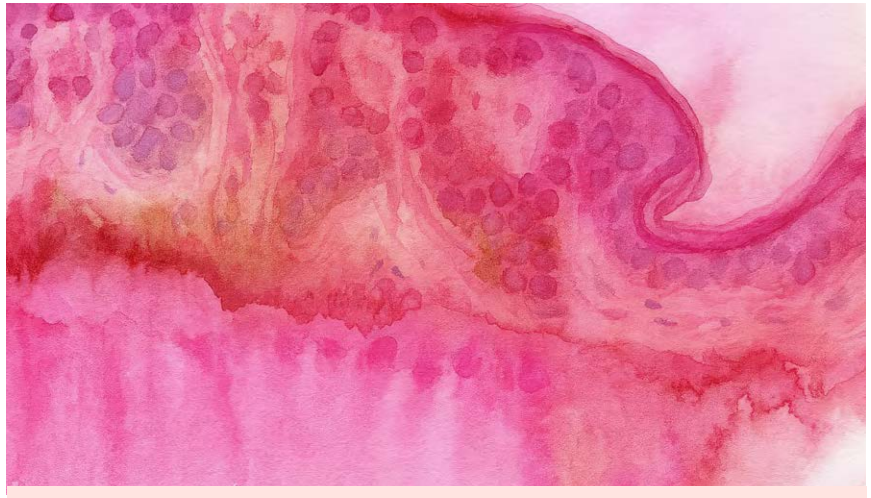
2025 marked a year of accelerated pipeline momentum, with several important assets being advanced for areas of high unmet need. Our pipeline spans label-expansion opportunities underpinned by proven mechanisms of action and potential next-generation therapies.

Delgocitinib (Anzupgo®), which is already approved for moderate-to-severe chronic hand eczema (CHE), is being investigated beyond its current indication. The first late-stage program outside CHE – targeting palmoplantar pustulosis (PPP) – was launched in June, and will be followed by a lichen sclerosus (LS) trial initiated in January 2026.

Spesolimab (Spevigo®), which is approved for generalized pustular psoriasis (GPP), is in a pivotal Phase 3 trial for pyoderma gangrenosum (PG), a rare condition with limited treatment options.

Our early-stage STAT6 program, developed in-house and now partnered with Gilead Sciences, represents a potentially transformative approach for addressing complex dermatological need.

Tralokinumab (Adtralza®/Adbry®)
In June, the ADHAND Phase 3b trial investigated tralokinumab for the treatment of adults with moderate-to-severe atopic dermatitis (AD) on the hands who are candidates for systemic therapy. The trial delivered positive interim results in adult patients



LEO Pharma and Gilead Sciences partner to advance **STAT6 program**

In January 2025, LEO Pharma and Gilead Sciences entered a strategic partnership to advance LEO Pharma's preclinical small molecule oral STAT6 programs for inflammatory diseases. The STAT6 program has potential across multiple inflammatory diseases, and the partnership with Gilead Sciences broadens the program beyond LEO Pharma's strategic focus on dermatology.

Under the agreement, Gilead Sciences will have exclusive global rights to the oral STAT6 program, while LEO Pharma retains the option to co-commercialize the oral program for dermatological indications outside the U.S. LEO Pharma will maintain full global rights to the topical formulations of the STAT6 program in dermatology.

with moderate-to-severe AD on the hands, meeting the primary and all key secondary endpoints. The full data set was later presented at the ISAD Congress 2025 in Melbourne, Australia.

Topline 32-week final results were announced in late November, confirming the strong interim results and thus further strengthening safety and efficacy data for tralokinumab in this high-burden area of AD.

Delgocitinib (Anzupgo®)
Positive results from the DELTA TEEN and DELTA China trials were announced in February with delgocitinib, marking the fifth and sixth Phase 3 studies in CHE. The DELTA NEXT Phase 2a trial, which was initiated in June, is exploring the use of topical delgocitinib for PPP, a condition with few treatment options.

In addition, the DELTA CARE 1 Phase 3 trial, which was initiated in January 2026, will recruit up to 652 adult patients with LS to investigate the efficacy and safety of delgocitinib cream compared to cream vehicle.

In April, for the second year in a row, LEO Pharma was represented with CHE data in *The Lancet*, a prestigious peer-reviewed medical journal. *The Lancet*, featured data from the 24-week DELTA FORCE trial comparing the efficacy and safety of topical delgocitinib with oral alitretinoin capsules in severe CHE. Oral alitretinoin capsules are currently the only approved systemic drug for severe CHE outside the U.S.

Temtokibart
In May, LEO Pharma announced positive topline Phase 2b results for temtokibart, an investigational IL 22 antagonist, in adults with moderate-to-severe AD. The trial met its primary endpoint, based on the percentage change in the Eczema Area and Severity Index (EASI) from baseline to Week 16 for the three highest doses. Temtokibart holds potential as a novel mechanism for treating AD.

Spesolimab (Spevigo®)
Our partnership with Boehringer Ingelheim grants LEO Pharma global commercialization and development rights to spesolimab. This collaboration aims to combine our expertise to maximize the treatment impact of spesolimab on GPP and explore potential new indications. Spesolimab is in a pivotal Phase 3 trial for PG, a serious and rare skin condition with limited treatment options.

STAT6
Our pre-clinical STAT6 program, developed in-house and partnered with Gilead Sciences since January 2025, represents a potentially transformative approach for the treatment of patients with inflammatory diseases, and holds significant long-term potential for addressing complex dermatological needs.

STAT6 controls IL-4 and IL-13 signaling, which drives diseases such as AD, asthma and chronic obstructive pulmonary disease (COPD). Research suggests that targeting STAT6 may help more patients, including those not well served by current treatments, and could offer a convenient oral option instead of injections.

The program includes both degraders and inhibitors, targeting a pathway validated by existing treatments, such as Adtralza®/Adbry®, and JAK inhibitors. These potential next-generation assets hold the potential promise of offering the convenience of either oral or topical delivery.

Under the terms of the partnership, the STAT6 program has been transferred to Gilead Sciences, which will lead the development of the oral program, leveraging Gilead Sciences' strong expertise in small molecules, while LEO Pharma retains the option to opt in for ex-U.S. co-commercialization. LEO Pharma will lead the development of the topical program and retain full global rights to this.

With the formation of the partnership, LEO Pharma received a USD 250 million upfront payment with a total potential deal value of up to USD 1.7 billion, up to mid-teens royalties, and additional upside through opt-in and topical opportunities.

Boehringer Ingelheim and LEO Pharma enter into a partnership to commercialize and further develop **Spevigo®**

On July 14, 2025, Boehringer Ingelheim and LEO Pharma announced an exclusive global license and transfer agreement to commercialize and advance the development of Spevigo® (spesolimab).

Spevigo® is an innovative, humanized and selective monoclonal antibody that targets and blocks the activation of the interleukin-36 (IL-36) receptor – a key signaling pathway in the immune system implicated in the pathogenesis of several autoinflammatory diseases, including generalized pustular psoriasis (GPP).

Spevigo® is available in more than 40 countries, including the U.S., Japan, China and most European countries, to treat GPP flare-ups in adults. It has also been approved for expanded indications in GPP in the EU, the U.S. and China. In addition, Spevigo® is under investigation for the treatment of pyoderma gangrenosum (PG).

Under the terms of the agreement, LEO Pharma will be responsible for the commercialization and further development of Spevigo®.

Future priorities

Our pipeline is aligned with our strategic priorities, bringing together external innovation and scientific expertise to deliver impactful treatments for underserved dermatology needs.

In the near term, we are focused on building a strong late-stage pipeline and are actively pursuing opportunities to expand indications, optimize formulations and generate evidence that clearly differentiates our portfolio.

Looking ahead, we aim to be the preferred partner for innovation in dermatology, identifying complex medical challenges and working with partners to create solutions that improve the standard of care.

Strong results have established a solid platform for accelerated growth, and our newly launched and partnered assets are poised to deliver significant benefits to patients worldwide.

Our pipeline

Project	Description	Indications	Partners	Pre-clinical	Phase 1	Phase 2	Phase 3	Filing	Regions
Delgocitinib[1]	Topical pan-JAK inhibitor	Chronic hand eczema	Shionogi & Co., Ltd.						Global
		Chronic hand eczema (adolescents)							Global
		Lichen sclerosus							Global
		Palmoplantar pustulosis							Global
Tralokinumab[2]	Anti-IL-13 monoclonal antibody	Atopic dermatitis(pediatrics)	AstraZeneca						Global
Spesolimab[3]	Anti-IL-36 R monoclonal antibody	Pyoderma gangrenosum	Boehringer Ingelheim						Global
Calcipotriol and betamethasone dipropionate[4]	Fixed-dose combination	Plaque psoriasis							China[2]
Temtokibart	Anti-IL-22RA1 monoclonal antibody	Atopic dermatitis	argenx						Global
IL-1RAcP	Anti-IL-1RAcP monoclonal antibody	Inflammatory skin diseases	MorphoSys						Global
STAT6[5]	Oral program	Inflammatory skin diseases	Gilead Sciences						Global
Topical STAT6[6]	Topical program	Inflammatory skin diseases							Global

[1] Approved in the EU, US, UK, Australia, South Korea, Canada, Switzerland and the UAE for chronic hand eczema
[2] Approved in the EU and U.S. and additional regions for atopic dermatitis.
[3] Approved in the EU and U.S and additional regions for generalized pustular psoriasis. LEO Pharma in-licensed Spesolimab from Boehringer Ingelheim on September 30, 2025.
[4] Approved in the EU and U.S. and additional regions for plaque psoriasis.
[5] Partnership announced 11 January 2025: Gilead Sciences controls the global rights to oral STAT6 program and are in full control of the clinical development. LEO Pharma will have the option to co-commercialize oral programs for dermatology ex-US.
[6] LEO Pharma holds an exclusive license from Gilead Sciences for STAT6 topical products in dermatology.

Profitability

Strong financial progress in 2025

Building on momentum from previous years, LEO Pharma will maintain disciplined capital allocation, channeling investment into high return opportunities that leverages our global platform to fuel growth and support sustained profitability.

2025 progress

In 2025, LEO Pharma delivered a step change in financial performance, reinforcing the financial foundation that underpins our ability to innovate and grow.

The adjusted EBITDA margin increased to 16%, representing a +9 percentage point improvement on 2024. This progress reflects enhanced operating efficiency from our strategic transformation, fueled by higher sales volumes, a favorable product mix and the strong performance of our strategic brands Adtralza®/Adbry® and Anzupgo®. Savings from the restructuring program initiated in 2024 further reduced operating expenses.

The strong uplift in the adjusted EBITDA margin was achieved despite the consolidation of costs related to Spevigo®, primarily related to development activities, which reduced the adjusted EBITDA margin in 2025 by around 2 percentage points.

Reported EBITDA improved even more strongly than adjusted EBITDA due to a one-off payment of DKK 1.7 billion net of transaction cost received from Gilead Sciences.

The performance in 2025 builds on consistent margin improvements over the last four years and underscores strong execution on a clear strategic direction. This transformation is successfully sharpening the unique strengths and opportunities of LEO Pharma's global dermatology platform, while building momentum toward a scalable financial model with attractive M&A optionality and leveraging the platform through partnerships.

16%

Adjusted EBITDA margin
More than doubled compared to 2024
(+7%)

Future priorities

In 2026, we are focused on further strengthening the financial position of LEO Pharma, driven by sales growth and the accelerated adoption of our high-value, first-in-class innovations.

We will increase investment in R&D to further accelerate our innovation pipeline, and we will also invest in the global launch of Anzupgo® to ensure we unlock the full potential of the product in chronic hand ezcema.

AI drives innovation and efficiency

In 2025, LEO Pharma took important strides forward in advancing our ability to harness artificial intelligence (AI) and digital technologies to drive innovation.

We launched the Innoviewer platform, serving as a digital backbone for the innovation model at LEO Pharma. Innoviewer integrates external data sources with years of accumulated, digitized LEO Pharma knowledge to power machine-assisted asset scouting and evaluation. Leveraging unique in-house data, human expertise and a vigilant, automated view of external opportunities, the platform plays a key role in uncovering and creating value and differentiation when sourcing new assets for our pipeline.

Alongside this, we advanced the broad adoption of generative AI across LEO Pharma, enabling employees to innovate and work more effectively, and explored targeted AI pilots to unlock new sources of business value.

Unite as one team

Leadership and engagement propelling us forward

Our Values
- Integrity
- Adaptability
- Customer focus
- Innovation
- Passion

Our Winning Behaviors
- We prioritize and simplify
- We own it and are accountable
- We collaborate and put LEO Pharma first

Our Leadership Behaviors
- We are a source of inspiration
- We develop the best teams
- We make our ambitions happen

2025 progress

As we move into our next growth chapter, an engaged and motivated workforce will be the driving force behind our success. The results of our latest engagement survey are both a cause for pride and a roadmap for where we can continue to grow together.

Two engagement surveys were conducted in 2025, allowing us to monitor employee engagement more closely in response to the evolving organizational landscape and changes implemented in the past year. The first survey in May provided an early assessment of where to focus, while a survey in November gave a timely evaluation of the year's progress and initiatives.

In 2025, LEO Voice, LEO Pharma's internal employee satisfaction survey, delivered exceptional feedback, with improvements across all categories compared to November 2024. Our May 2025 survey showed an engagement score of 81%, an increase of 5 percentage points compared to 2024.

Response rate
November 2025 saw record-high participation in the LEO Voice survey.

86%

Leadership development
Number of people leaders trained in "How we lead LEO."

600+

In the November 2025 survey, we once again increased the engagement score by 4 percentage points, reaching an overall engagement score of 85%. This is the highest engagement score since 2020. Our employees know the strategy and understand the direction, reinforcing alignment, the one-company mindset and commitment across the workforce.

We ended on a voluntary turnover of 7.0% in 2025, down 2.9 percentage points from 9.9% in 2024. In fact, voluntary turnover was 13.1% in 2023, and we have seen an uninterrupted month-over-month decline in voluntary turnover since then.

New leadership framework

At LEO Pharma, we believe that leadership is a key component in driving organizational development and performance. "How we lead LEO" launched officially in April 2025, and the framework provides a common language and guidelines on practical behaviors for all 600+ leaders across LEO Pharma.

With "How we lead LEO," we have established the expected leadership behaviors that support our values and enable our teams and organization to develop and deliver on our strategy.

Our global HR Business Partner community has supported local launches and facilitated training sessions worldwide, so that every people manager can internalize the behaviors and apply them consistently, regardless of location.

Internal career growth

Talent mobility and internal career movement are central to how we build capabilities, grow our people and retain top talent.

In 2025, a total of 180 employees (4.4%) experienced substantial changes in their roles, providing flexibility and development opportunities.

These transitions are supported by structured development plans, targeted assignments and clear pathways for managers and individual contributors alike.

Looking ahead, our priorities are centered on building the capabilities and culture required to deliver on our long-term ambitions.

Our talent processes emphasize skill-building, cross-functional exposure and timely feedback, so that people can grow into new responsibilities. We are also strengthening development support to ensure that mobility drives both individual careers and organizational readiness.

Future priorities

Looking ahead, our priorities are centered on building the capabilities and culture required to deliver on our long-term ambitions. We are committed to continuing to develop future-ready talent, strengthen leadership at every level, and foster a resilient, agile organization that operates seamlessly across geographies and functions. We will ensure this by undertaking an enterprise-wide robust organizational planning process.

Employee engagement will remain a key focus, supported by development programs, enhanced feedback and initiatives that build a supportive, high-performance environment, with accountability fostered through empowerment and clear roles and responsibilities.

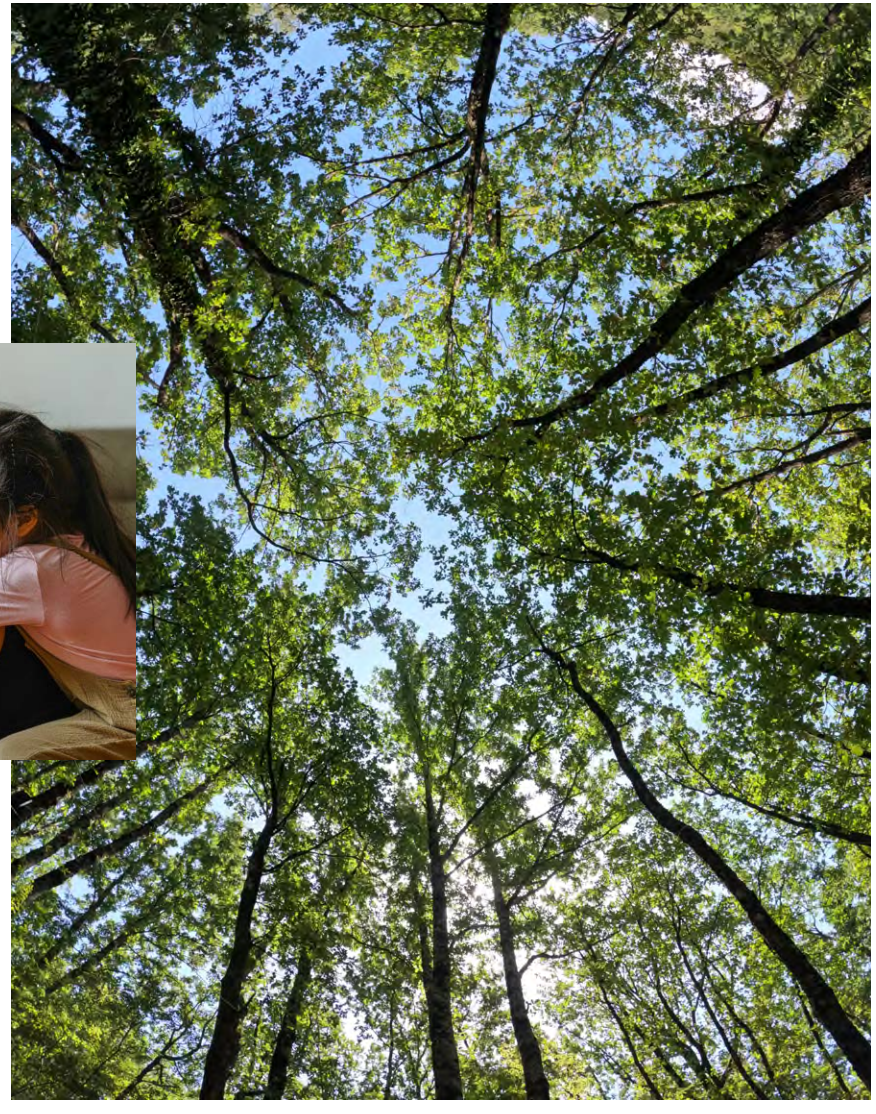
We will also keep up our focus on Winning Behaviors and the importance of our values, as these concepts are key representations of our culture and critical to sustaining our success.

In addition, we will ensure that our rewards remain competitive and fair, and promote greater mobility across geographies and functions, ultimately ensuring that LEO Pharma is a true talent factory.

Leave a legacy

Growing our business responsibly

At LEO Pharma, sustainability remains central to how we operate. In 2025, we took important steps to reduce our environmental footprint, advance patient care, and foster diversity and inclusion in the workplace. These efforts underscore our commitment to responsible growth and lasting impact.



2025 progress

Sustainability is an integral part of our corporate strategy and business practices. In 2025, we advanced initiatives that reduce our environmental footprint, strengthen our organization and support long-term, responsible growth. We continued to lower Scope 1 and 2 greenhouse gas (GHG) emissions across our operations while improving overall energy efficiency. We matured our non-discrimination activities by scaling inclusive behavior training and maintaining balanced gender representation for all managers.

These achievements underscore our commitment to embedding sustainability across all aspects of the business, from operational efficiency and talent development to the way we work with patients, partners and communities.

To move sustainability from intention to action with impact, we sought to integrate it into existing processes and structures throughout the company. You will therefore find sustainability in our corporate strategy, corporate policies, and product and partnering processes, down to how we organize our capital and evaluate future investments.

Drive meaningful impact for patients

At LEO Pharma, we focus on patients, work for patients with patients, and prioritize patients – they are at the heart of everything we do when we seek to address the unmet needs in medical dermatology.

We seek to leverage patient insights, bringing the patient voice into our business from early scouting, development and in the markets. As such, our work evolves in a climate of integration, involvement, support and communication.

We measure and track patient engagement across key areas, providing clear direction on how to collaborate with patients in developing treatments. Furthermore, we continue to support patient

Every decision we make today brings us closer to leaving a meaningful legacy for future generations, creating impact far beyond the skin.

communities and networks, whether through grants or project-based collaborations. This approach enables LEO Pharma to advance care standards, reduce stigma and have a meaningful impact on the lives of those who need it most.

In addition to LEO Pharma's commercial activities, we deliver vital medicine to patients in crisis situations through our global donations program. Our long-standing partnership with International Health Partners (IHP) enables us to donate crucially needed health products to people in crises around the world. Since 2013, LEO Pharma and IHP have partnered to ship more than 400,000 units of medicine to 29 countries, reaching more than 500,000 patients.

Reducing GHG emissions

We are on an ambitious growth journey and, as part of this, we seek to advance growth with less. We do so by proactively addressing climate change to minimize our environmental impact and bring down CO_2 emissions across the value chain.

In 2025, LEO Pharma continued the electrification of its global car fleet, expanding the plan to include six additional countries. This transition toward a fully electric fleet supports our 2030 climate target of reducing Scope 1 and 2 emissions by more than 50% compared to 2019 levels.

We also introduced a new travel system designed to encourage employees to choose more sustainable transportation options, while providing the organization with detailed insights into business travel and associated carbon emissions.

All LEO Pharma manufacturing sites now only use electricity from 100% renewable sources, with ongoing initiatives to reduce energy intensity across our operations as measured by energy consumption (MWh) per unit of production value (DKKm).

Advancing diversity and inclusion

In 2025, our commitment to fostering a diverse and inclusive culture remained true. Building on prior years, our diversity, equity and inclusion (DE&I) program, Curiosity Beyond, broadened its focus to include team composition and inclusion, monitoring representation and engagement to support balanced, connected, and innovative teams.

In 2025, LEO Pharma A/S continued working toward gender equality, committing to the United Nations Women's Empowerment Principles and its seven principles. At the end of 2025, we maintained a balanced representation of at least 45% of the underrepresented gender at senior and middle management with a 55/45 and 52/48 gender distribution within senior and middle management respectively.

To embed inclusion in everyday practice, inclusion training was offered to all employees, and we also advanced disability inclusion, gender equality and LGBTQ+ inclusion, reinforcing our belief that diversity flourishes when inclusion is present in all aspects of our work.

As a participant in the UN Global Compact, we remain committed to upholding and incorporating its Ten Principles in the areas of human and labor rights, the environment and anti-corruption.

Future priorities

As part of our work to maximize impact, we continue to make progress on our strategic priorities and mitigate any potential and actual negative impacts while exploring opportunities to advance sustainability as a driver for growth, striking the right balance between our footprint and imprint. In 2026 and beyond, we will act on our commitment to become net-zero by 2050 and continue to bring down CO_2 emissions by actively engaging with our business partners to identify key emission hotspots, collaborate on strategies to effectively reduce emissions and execute on our identified decarbonization levers across the value chain.

While reducing, managing and mitigating our footprint through smarter processes, we aim to make a lasting imprint on patients, healthcare providers and our employees and build a positive legacy through scientific innovation, inclusive culture and meaningful partnerships.

Beyond serving more than 100 million people, we plan to advance our efforts to address access barriers and define what access to health looks like for LEO Pharma.

People development is a key priority for us, and in 2026, we will continue to focus on fostering an inclusive and psychologically safe work environment with a high emphasis on promoting development plans and facilitating capability building to create a space where everyone can thrive.

From early discovery to delivering care to patients, each function at LEO Pharma plays a unique and critical role in helping us reduce our footprint, identify synergies and amplify our positive imprint. Guided by integrity, transparency and focus, we continue to integrate sustainability into our business strategy, to strengthen resilience and create long-term value for patients and society. Every decision we make today brings us closer to leaving a meaningful legacy for future generations, creating impact far beyond the skin.

Continuing our journey toward net-zero

We set and submitted our net-zero target in alignment with the Science Based Target initiative (SBTi) standard, building on our 2030 climate targets and commitment to achieving net-zero by 2050. This ongoing project includes the development of a comprehensive net-zero transition plan covering Scope 1, 2 and 3 emissions, further reinforcing our commitment to responsible and sustainable growth.

LEO Pharma stories – generalized pustular psoriasis

My doctor is my ‘life saver’

Having lived with generalized pustular psoriasis (GPP) almost her whole life, Kanya has learned the value of finding solutions in partnership with her doctor.

I was diagnosed with generalized pustular psoriasis (GPP) at the young age of three. My amazing mom guided me through every step, from getting a diagnosis to selecting doctors, to establishing ongoing care. She showed me how important partnership is when living with a rare disease, and she was by my side for every challenge.

My mom’s example has never been lost on me, even now that I’m a 36-year-old nurse who deeply understands GPP.

As an adult, I’ve been fortunate to have an amazing partnership with my doctor, who, like mom, has handled the ups and downs of my journey with care. He has helped me make well-informed decisions and gain greater control over this disease.

Our partnership began about 14 years ago, during one of my most challenging moments. I was in nursing school and had been hospitalized multiple times. At times, I was physically debilitated by my GPP – finding it hard to walk or even have the energy to move.

Then I met my doctor, and he helped me manage my treatment plan over time. He became an equal champion of my health.

> I affectionately call him my ‘life saver,’ not just because his management of my care took me from being hospitalized to healthy enough to graduate nursing school, but because he kept advocating for improvement and encouraged me to not accept the status quo.

Over the years, my doctor followed the scientific advancements for GPP and proactively shared research updates with me. I was educated and aware of potential options for my future. With GPP symptoms always ‘there’ – sometimes in the background, sometimes more present – we didn’t shy away from trying new approaches; he was just as passionate and focused as I was on improving my reality.

Today, in partnership with my doctor, I feel more in control of my GPP and prepared to handle challenges that may arise. By sharing my story, I want to provide hope for others – find a doctor who truly feels like a teacher, someone who will walk this path hand in hand with you and champion your needs. You deserve it.

Kanya, 36 years old
Kanya has been living with GPP since the age of three.

Financial review & outlook

Financial review & outlook

In 2025, LEO Pharma delivered strong operational performance, fueled by innovation-driven growth and financial discipline supporting significantly improved profitability.

In 2025, LEO Pharma delivered another year of strong sales growth and more than doubled adjusted EBITDA, supporting a return to positive net profit and free cash flow. The addition of Spevigo® to the portfolio, alongside the ongoing global rollout of Anzupgo®, has further strengthened LEO Pharma's growth potential going into 2026.

Income statement

Revenue

Revenue increased by 8% to DKK 13,499 million in 2025. This reflected organic growth of 9% and a one-percentage-point inorganic contribution from the consolidation of revenues from Spevigo® since September 30, 2025, resulting in revenue growth of 10% at constant exchange rates (CER). Exchange rate developments had a 2-percentage-point negative effect on reported revenue growth, due to the appreciation of the DKK versus the USD, CAD and CNY, among others.

Revenue by product category

Dermatology

Revenue grew by 10% to DKK 10,991 million in 2025, reflecting growth of 12% at CER, including organic growth of 10% driven by strong performance in the strategic dermatology brands portfolio, in addition to steady growth from the established dermatology brands portfolio.

Strategic dermatology brands revenue grew by 48% (CER) in 2025, reflecting organic growth of 40% and an 8-percentage-point inorganic contribution from the addition of Spevigo® to the portfolio in the final quarter of the year. Among the three strategic dermatology brands, Adtralza®/Adbry® remained the main driver of growth in 2025, led by increased uptake in the U.S., Japan and several other markets. Additionally, Anzupgo® made an increasing contribution to growth over the course of the year, particularly following the launch of the product in the U.S. in September 2025.

Beyond Adtralza®/Adbry®, Anzupgo®, and Spevigo®, the established dermatology brands portfolio delivered combined revenue growth of 2% (CER) in 2025. Growth was broad-based, with all three regions contributing, even as continued weak demand in China detracted from overall growth for the year. Within the established dermatology brands portfolio, growth was led by the Fucidin® range, Skinoren® and Protopic®, among several other brands also contributing to growth.

Critical Care

Revenue declined by 1% (CER) compared to 2024, due to a reversal of prior-year sales discounts that had a significant positive impact on reported revenues for Critical Care in 2024. Excluding this discount reversal, which had no impact on reported revenues in 2025, Critical Care revenues grew by 2%, driven by Germany, the UK, Canada, and several distributor markets. For 2025, Critical Care revenues were entirely driven by thrombosis products ahead of the launch of Loqtorzi® in January 2026.

Other

Revenue from contract manufacturing of divested products amounted to DKK 228 million in 2025, up from DKK 141 million in 2024, reflecting adjusted contracting terms.

Revenue by region

Geographically, **North America** was the fastest-growing region in 2025, with revenue increasing 35% (CER) compared to 2024. Continued strong growth for Adbry® in the U.S. was the main driver of the regional sales increase in 2025. The addition of Spevigo® to the portfolio on 1 October 2025 and the launch of Anzupgo® in the U.S. and Canada during the second half of 2025 also contributed significantly to the increase. In addition, revenue growth was positively impacted by gross-to-net revenue adjustments related to prior periods.

In **Europe**, revenue increased by 3% (CER), driven by Italy, Poland and Germany. Across the region, revenue growth was driven by Anzupgo® and Adtralza®. The addition of Spevigo® to the portfolio also made a small positive contribution, while revenues in the region for the rest of the portfolio were in line with 2024.

The **Rest of World** region delivered revenue growth of 9% (CER) in 2025, driven by Japan, Saudi Arabia and Korea, as well as broad-based growth across distributor markets, while China significantly reduced the regional growth rate due to challenging market conditions. Outside of China, regional growth in 2025 was in the double digits, led by strong growth across the established dermatology brands portfolio, along with solid growth for Adtralza® and the Critical Care portfolio.

Gross profit

Gross profit increased by 10% to DKK 8,240 million in 2025, resulting in a gross margin of 61%, up one percentage point from 2024. The margin expansion was driven by increased volumes and a favorable sales mix from the faster growth of the strategic brands portfolio, partially offset by non-recurring

items related to the planned closing of a manufacturing line.

Operating expenses (OPEX)

In 2025, OPEX amounted to DKK 7,702 million, excluding other operating income and expenses, representing an 11% reduction from the previous year, driven by restructuring initiatives implemented in 2024. The OPEX cost ratio for 2025 declined to 57%, compared to 70% in 2024, reflecting savings from efficiency initiatives implemented in 2024, the timing of clinical trial activities and increased revenues.

Sales and distribution costs
Sales and distribution costs increased by 1% in 2025 to DKK 4,956 million, corresponding to 37% of revenue compared to 40% in 2024. Higher sales drove the improvement in cost efficiency. Savings from restructuring initiatives implemented in 2024 were re-invested in the ongoing launch of Anzupgo®, including a significant expansion of LEO Pharma's U.S. sales force during the second half of 2025, and in supporting the addition of Spevigo® to the portfolio.

Research and development costs
Research and development (R&D) costs amounted to DKK 1,396 million in 2025, a reduction of DKK 874 million compared to 2024. The decrease reflected savings from restructuring initiatives implemented in 2024 and the transfer of cost responsibility for the oral STAT6 program to Gilead Sciences. R&D costs in 2025 included impairment charges of DKK 11 million, compared to DKK 209 million in 2024. Additionally, R&D costs in 2025 benefited from the timing of clinical trial activities.

Administrative costs
Administrative costs for 2025 amounted to DKK 1,350 million, a reduction of DKK 132 million compared to 2024, driven by savings from restructuring initiatives implemented in 2024. As a percentage of revenue, administrative costs declined to 10% in 2025, down from 12% in 2024.

Other operating income, net

Other operating income of DKK 1,741 million in 2025 was primarily driven by the USD 250 million upfront payment received from Gilead Sciences in January, relating to the strategic partnership for the STAT6 program, partially offset by transaction-related costs.

Adjusted EBITDA

Operating profit before depreciation and amortization, excluding non-recurring items (adjusted EBITDA), amounted to DKK 2,107 million in 2025, up 135% compared to 2024. This represents a 9-percentage-point improvement in the adjusted EBITDA margin, reaching 16% for 2025. The margin improvement was driven by sales growth, an improved gross margin and reduced operating expenses.

Non-recurring items

Non-recurring items excluded from adjusted EBITDA amounted to income of DKK 1,644 million in 2025, reflecting the upfront payment received from Gilead Sciences, net of transaction costs and other non-recurring items. In 2024, non-recurring items constituted an expense of DKK 295 million.

Depreciation and amortization

Depreciation and amortization for 2025 totaled DKK 1,472 million, equivalent to 11% of revenue, compared to 14% in 2024. This included net impairments of DKK 49 million, compared to DKK 246 million in 2024.

EBIT

The operating profit (EBIT) for 2025 improved by DKK 3,422 million compared to 2024, reaching DKK 2,279 million, including non-recurring items. Excluding non-recurring items, the underlying operating profit increased by DKK 1,483 million, driven by revenue growth, an improved gross margin and reduced operating expenses resulting from restructuring initiatives implemented in 2024.

Net financials

Financial items amounted to a net expense of DKK 566 million for 2025, compared to DKK 814 million in 2024. The decrease was mainly due to reduced net interest expenses, driven by lower interest rates and declining net interest-bearing debt. Additionally, financial items benefited from gains on currency hedging contracts.

Income tax

Income tax for 2025 was a net income of DKK 776 million, compared to DKK 181 million in 2024. This corresponded to a negative effective tax rate of (45)% in 2025, compared to 9% in 2024.

The tax income was primarily driven by a DKK 1,043 million positive valuation allowance related to the deferred tax asset, which includes the revaluation of the deferred tax asset and other current-year changes in LEO Pharma A/S. The revaluation reflects an increased expectation of taxable income in the coming years. In addition, prior-year adjustments amounted to DKK 113 million, resulting from the recognition of deferred tax assets in affiliates. Excluding the revaluations and prior-year adjustments, the effective tax rate for 2025 was 22%.

Net profit

Net profit amounted to DKK 2,489 million in 2025, up DKK 4,265 million compared to 2024. The increase reflected improved underlying operating profitability, reduced interest expenses, the upfront payment related to the STAT6 partnership, and a favorable impact from the revaluation of the deferred tax asset.

Cash flow statement

Cash flow from operating activities
Operating activities generated a net cash inflow of DKK 1,255 million in 2025, driven primarily by the positive operating result, partially offset by changes in working capital. This reflected an increase in trade receivables due to increased sales and a decrease in trade payables impacted by timing, including significant one-off payments for product supply purchases made in 2024.

Cash flow from operating activities excludes the gain on the sale of assets related to the USD 250 million upfront payment received from Gilead Sciences. Compared to 2024, cash flow from operating activities improved by DKK 990 million, driven by the improved operating result and a decrease in paid net interest and taxes, partly offset by movements in working capital.

Cash flow from investing activities
Investing activities generated a net cash inflow of DKK 620 million in 2025 (2024: outflow of DKK 317 million), including net proceeds from M&A-related activities of DKK 935 million. These net proceeds were driven by the USD 250 million upfront payment received from Gilead Sciences, the EUR 90 million upfront payment made to Boehringer Ingelheim, the EUR 15 million upfront payment made to Junshi Biosciences and related transaction costs.

Free cash flow
As a result, free cash flow increased from a net outflow of DKK 52 million in 2024 to a net inflow of DKK 1,875 million in 2025. Excluding net proceeds of DKK 935 million from M&A-related activities, free cash flow amounted to a net inflow of DKK 940 million in 2025, mainly reflecting higher cash flow from operating activities.

Balance sheet

As of December 31, 2025, total assets amounted to DKK 20,445 million, up from DKK 20,151 million as of December 31, 2024.

The increase was mainly due to a net increase in non-current assets, partly offset by a net decrease in current assets.

Non-current assets
Non-current assets as of December 31, 2025 amounted to DKK 12,162 million, representing a DKK 685 million increase since December 31, 2024, reflecting the increase in deferred tax assets and the acquisition of Spevigo®, offset by ordinary amortization of intangible assets.

Net working capital

Net working capital stood at DKK 3,991 million as of December 31, 2025, up from DKK 3,833 million as of December 31, 2024. The increase in net working capital was the result of higher trade receivables and a decrease in trade payables, partly offset by a decrease in inventories.

NIBD and available liquidity

Net interest-bearing debt (NIBD) was DKK 9,358 million as of December 31, 2025, compared to DKK 11,115 million as of December 31, 2024. The leverage ratio, calculated as NIBD divided by adjusted EBITDA, stood at 4.4x as of December 31, 2025, compared to 12.4x as of December 31, 2024.

The reduction in net interest-bearing debt was driven by free cash flow generated in 2025, which enabled the repayment of loans and other debt to credit institutions.

Available liquidity, in the form of cash holdings and unused credit facilities, increased to DKK 5,768 million as of December 31, 2025, compared to DKK 4,147 million as of December 31, 2024.

Equity

Equity stood at DKK 5,262 million at the end of 2025, up from DKK 2,704 million as of December 31, 2024. The increase of DKK 2,558 million was primarily due to the net profit for the period of DKK 2,489 million. Other movements included other comprehensive income of DKK 27 million and an increase related to share-based payments.

Outlook

Follow-up on 2025 outlook
The financial performance in 2025 was in line with the most recent outlook, which was updated in November following the publication of the 9M 2025 results to reflect the consolidation of Spevigo® in the final quarter of the year. Revenue growth of 10% (CER) matched the high end of the most recent outlook of 8-10%. The adjusted EBITDA margin of 16% was in line with the most recent outlook of 15-17%.

Compared to the initial outlook provided in the 2024 Annual Report, which anticipated organic revenue growth of 6-9% and an adjusted EBITDA margin of 15-18%, actual 2025 performance was at the high end of both ranges when excluding revenues and investments related to Spevigo®.

Additionally, LEO Pharma delivered a positive net result and positive free cash flow, both significantly improved on 2024 and in line with the outlook provided in the 2024 Annual Report, which was maintained throughout the year.

2026 outlook
Revenue growth in 2026 is expected to be 8-11% (CER). Based on current exchange rates versus the Danish krone (at February 12, 2026), revenue growth reported in DKK is expected to be around 2 percentage points lower than at CER.

Growth at constant exchange rates includes expected organic growth of 5-8% (CER) and a contribution of 3 percentage points from the consolidation of the prior-year sales level for Spevigo in the first three quarters of the year. Organic growth is expected to be driven by the ongoing global rollout of Anzupgo® and increased uptake of Spevigo®, particularly in the U.S.

The adjusted EBITDA margin is expected to improve to 16-19% in 2026, up from 16% in 2025, driven by sales growth and gross margin expansion, partially offset by commercial investments in support of the global rollout of Anzupgo® and acceleration of Spevigo® as well as increased investments in R&D. The outlook for the adjusted EBITDA margin further reflects an adverse impact from currency developments versus 2025.

Excluding non-recurring items, pre-tax profit is expected to grow faster than adjusted EBITDA for the year, reflecting reduced depreciation and amortization expenses and lower net interest costs. Reported net profit is expected to be positive for the year.

Free cash flow (excluding M&A) is expected to exceed DKK 1 billion in 2026 with improved cash flow from operating activities.

LEO Pharma is closely monitoring risks and uncertainties that could potentially impact the outlook, including policy initiatives on trade and tariffs. All U.S. tariffs currently in effect are reflected in the outlook.

The above outlook is subject to these and other risks and uncertainties. Additional factors that could significantly alter the outlook include, but are not limited to, the impact of potential BD/M&A activities, changes in the geopolitical and macroeconomic environment, significant demand shifts and/or price reforms in key markets such as the U.S. and China, regulatory changes or delays, supply disruptions, and fluctuations in currencies, raw materials and other input costs.

Financial guidance 2026

8-11%
Group revenue growth (CER)

16-19%
Adjusted EBITDA margin

Forward-looking statements
This annual report may contain forward-looking statements, related to future operating, financial and sustainability performance and results, as well as business-related events. Such statements are subject to risks, uncertainties and assumptions, both general and specific, and actual results may differ materially from those contemplated, expressed or implied by any forward-looking statement.

Various factors may affect future results, some of which are beyond LEO Pharma's control, including, but not limited to: interest rate and exchange rate fluctuations, changes in the geopolitical and macroeconomic environment, significant demand shifts and/or price reforms in key markets, introduction of competing products, exposure to product liability, supply disruptions, developments in raw material and other input costs, and changes in laws and regulations, including on reimbursement.

Corporate matters

Corporate governance

Governance structure
LEO Pharma is co-owned by our majority shareholder, the LEO Foundation, and, since 2021, Nordic Capital. Our employees also hold shares in LEO through the Employee Share Purchase Plan.

LEO Pharma operates under a two-tier governance structure comprising the Board of Directors and the Global Leadership Team (with the CEO and CFO officially registered as Executive Management with the Danish Business Authority), with clearly defined responsibilities for each body. The two bodies are separate, and no individual serves on both.

The Board of Directors and the Board committees hold expertise in matters material to LEO Pharma, including sustainability matters as an integrated part of our strategy. External advice is brought in on specific topics when needed, including sustainability.

The profiles of all current board members are presented on pages 35-37 of this Annual Report.

Board of Directors
Accountable for LEO Pharma's governance, strategic direction and long-term sustainability.

Global Leadership Team
Manages daily operations and delivers on LEO Pharma's strategic objectives.

Audit Committee
Oversees financial and ESG reporting, risk and ethics management, and compliance with legal and regulatory requirements.

Renumeration and Nomination Committee
Ensures fair executive compensation and leads the process for board and leadership appointments.

Innovation Committee
Guides and monitors the company's pipeline, development and innovation strategy.

Data ethics
LEO Pharma is committed to maximizing the advantages of ethical data utilization while mitigating associated risks. Ethical data handling forms the foundation of responsible business conduct and is essential for preserving the trust our stakeholders place in us. Unethical data practices can cause significant harm to individuals and communities, making this commitment paramount to our operations. Our approach to data ethics is guided by a policy framework based on key principles such as accountability, autonomy, transparency, data quality, fairness, non-discrimination, ethics by design, responsible data sharing and data security. LEO Pharma recognizes the risks posed by cyberattacks and remains vigilant in protecting patient health information from data breaches and identity theft. Cyber security is a shared responsibility across LEO Pharma, and every employee plays a crucial role in defending our organization against cyber threats. To support this collective effort, we conduct annual activities to enhance awareness and cyber security across the organization, conduct mandatory and recurring compliance and cyber security training for all our employees, and perform phishing drills and cyber safety campaigns to reinforce the commitment to responsible and secure data utilization. This represents LEO Pharma's compliance with the statutory disclosure pursuant to section 99d of the Danish Financial Statements Act.

Board committees
The Board of Directors has three permanent committees:

- The Audit Committee
- The Remuneration and Nomination Committee
- The Innovation Committee

Committees for specific topics may also be formed and dissolved on an ad-hoc basis.

Audit Committee
The Audit Committee consists of at least three members, with members selected among the Board of Directors. The Board of Directors has established an Audit Committee to assist in overseeing financial reporting, auditing, risk management, ethics issues, currency and investment policies, significant fixed asset investment, compliance and non-financial reporting. All members possess the relevant qualifications as specified in the Charter for the Audit Committee.

Key topics for the year included sustainability reporting, cyber security, data privacy, AI and data ethics, regulatory compliance and internal controls.

Remuneration and Nomination Committee
The Remuneration and Nomination Committee meets at least four times a year and has at least three members, with two appointed by shareholders and the rest by the Board of Directors. It reviews and recommends LEO Pharma's Remuneration Policy and incentive guidelines annually, and proposes remuneration for the Board of Directors and Executive Management in line with policy, market standards, performance and the company's financial position. The Committee also reviews contract terms for fairness and is kept informed of total remuneration across the Group. In addition, it monitors internal and external talent pipelines, succession plans, and annually reviews and recommends the composition and performance of the Board of Directors and Executive Management.

Innovation Committee
The Innovation Committee meets at least four times a year and consists of at least two members appointed by the Board of Directors. It oversees LEO Pharma's innovation strategy and pipeline, ensuring they align with our overall strategy and market opportunities. The Innovation Committee reviews progress on research and development, evaluates new initiatives and monitors resource allocation to support innovation across the organization.

Meeting attendance 2025

Member	Board	Board meetings	Audit Committee	Remuneration and Nomination Committee	Innovation Committee
Jesper Brandgaard[1]	Chair	100% (6/6)		100% (5/5)	100% (3/3)
Paul Navarre	Vice chair	100% (6/6)	100% (6/6)		
Elisabeth Svanberg[2]	Member	100% (6/6)		100% (3/3)	100% (8/8)
Franck Maréno (E)	Member	83% (5/6)			
Henrik Bo Andersson (E)	Member	100% (6/6)			
Jannie Kogsbøll (E)	Member	83% (5/6)			
Lars Green	Member	100% (6/6)	100% (6/6)		
Liisa Hurme[3]	Member	100% (5/5)			
Mark Levick[4]	Member	100% (5/5)			100% (7/7)
Peter Haahr	Member	100% (6/6)	100% (6/6)	100% (5/5)	100% (8/8)
Raj Shah	Member	100% (6/6)			100% (8/8)
Signe Maria Christensen (E)	Member	100% (6/6)			100% (8/8)
Christian Hedegaard[5]	Observer	100% (6/6)	100% (6/6)	100% (5/5)	

○ Not yet active / participation concluded
● Attended
○ Did not attend

(E) Elected by employees
[1] Stepped out of the Innovation Committee in April.
[2] Joined the Remuneration and Nomination Committee in April. First meeting June 12, 2025.
[3] Joined in April. First meeting April 30, 2025.
[4] Joined in April. First meeting April 30, 2025.
[5] Observer status on the Board of Directors.

Board of Directors

LEO Pharma's Board of Directors brings broad industry experience and relevant functional competencies to assist the Global Leadership Team in operating LEO Pharma and executing its strategy. Representing both shareholders and employees, the Board of Directors ensures diverse perspectives and strong governance.

LEO Pharma's Board of Directors and the board committees hold expertise in matters material to the company, including sustainability matters as an integrated part of our strategy. External advice is brought in on specific topics when needed.

As of 2025, the Board of Directors consisted of eight non-executive board members elected by the shareholders, including the Chair and Vice Chair, who are up for re-election each year at the Annual General Meeting. In addition, four members are elected by employees for a four-year term, with the most recent employee election held in January 2026 and new members joining the Board of Directors in connection with the Annual General Meeting.

Composition of the Board of Directors[1]

	Unit	2025
Number of non-executive members*	**Headcount**	**12**
Number of shareholder-elected members*	Headcount	8
Number of employee-elected members*	Headcount	4
Independent members of the Board of Directors*	**Headcount**	**5**
Percentage of independent members out of shareholder-elected members*	%	63
Percentage of independent members out of shareholder- and employee-elected members*	%	42
Board's gender diversity (Women/Men) without employee representatives*	%	25/75

* Limited assurance is provided for the 2025 period.
[1] For accounting policies, please refer to page 87.

Jesper Brandgaard

Board member since 2021
Nationality: Danish
Born: 1963
Independent

Board committees, LEO Pharma
Chair of the Remuneration and Nomination Committee.

Positions and management duties
Member of the Advisory Board of VækstPartner Kapital. Executive director and board member of JBR Counselling.

Career
Former EVP Biopharm & Legal Affairs, CFO & EVP Finance, Legal & IR and SVP Corporate Finance at Novo Nordisk. Former Chair of SimCorp and Vice Chair at Novonesis and Chr. Hansen Holding.

Special competencies
Extensive executive and board experience in global pharma companies, combining finance, legal, strategy and innovation leadership. Led major transformations, risk management, M&A transactions and global finance projects at Novo Nordisk, oversaw the listings of Novozymes (today Novonesis) and NNIT while at Novo Nordisk, and steered strategic governance initiatives as Chair of SimCorp.

Paul Navarre

Board member since 2022
Nationality: French
Born: 1969
Independent

Board committees, LEO Pharma
Member of the Audit Committee.

Positions and management duties
Chair of HTL Biotechnology and Cerba Healthcare. Vice Chair of Hallura. Senior advisor to private equity funds.

Career
Former Chair of Arkopharma, CEO of Ferring Inc. and President of Allergan International. Earlier career in commercial leadership at Procter & Gamble.

Special competencies
Extensive international leadership in pharma and consumer health. Led global commercial transformation projects at Allergan, including product launch expansions in North America and Europe, drove the accelerated growth of the Allergan Aesthetic business globally and executed strategic M&A transactions in a number of companies. Skilled in strategy, ESG integration and human capital management, with longstanding board leadership experience.

Henrik Bo Andersson

Employee-elected board member since 2024
Nationality: Danish
Born: 1965
Non-independent

Board committees, LEO Pharma
N/A

Positions and management duties
Senior External Manufacturing Lead, LEO Pharma (joined 2013). Treasurer of the LEO Pharma employee association.

Career
Ongoing leadership in pharmaceutical manufacturing and employee representation.

Special competencies
Experience in external manufacturing and supply chain collaboration. Led cross-functional projects to optimize production processes, technology transfer and improve supplier integration, with experience from employee representation at LEO Pharma. Local production experience.

Signe Maria Christensen

Employee-elected board member since 2018
Nationality: Danish
Born: 1971
Non-independent

Board committees, LEO Pharma
Member of the Innovation Committee.

Positions and management duties
Senior Strategic Alliance Manager, Program Management and Development Operation, LEO Pharma (joined 2011). Vice Chair of the LEO Pharma Academics Association.

Career
Previously CMC Coordinator at NeuroSearch, API Coordinator at Novo Nordisk, Scientist at Santaris Pharma and Supervisor at Lundbeck.

Special competencies
Experience in alliance management, scientific collaboration and portfolio strategy within pharmaceuticals. Led strategic partnership projects across the value chain, including collaborations for novel dermatology compounds and joint innovation programs, advancing the drug development pipeline at LEO Pharma.

Lars Green

Board member since 2021
Nationality: Danish
Born: 1967
Non-independent

Board committees, LEO Pharma
Chair of the Audit Committee.

Positions and management duties
Board member of the LEO Foundation, LEO Holding, Pharmacosmos, H. Lundbeck (AC Chair), Novo Holdings (Chair) and the Novo Nordisk Foundation. Vice Chair of the Danish Committee on Corporate Governance.

Career
Former CFO & EVP Finance, Investor Relations, IT & Legal at Novozymes (now Novonesis). Previously EVP Business Services & Compliance, SVP Regional CFO North America and Japan as well as SVP Finance at Novo Nordisk.

Special competencies
Extensive international finance leadership experience in pharma and bioindustrial organizations. Led major finance and IT transformation projects, ESG initiatives, financial reporting enhancements, cyber security programs and risk management at Novozymes and Novo Nordisk, with expertise in technology, manufacturing, quality and corporate governance.

Peter Haahr

Board member since 2021
Nationality: Danish
Born: 1968
Non-independent

Board committees, LEO Pharma
Member of the Audit Committee, the Remuneration and Nomination Committee and the Innovation Committee.

Positions and management duties
CEO of the LEO Foundation and LEO Holding. Chair of LH Capital and House of Denmark. Board member of the World Diabetes Foundation.

Career
Former CFO of Novo Holdings and, prior to this, held various leadership roles at Novo Nordisk, including Head of Investor Relations. Earlier career as an equity analyst.

Special competencies
Extensive international experience in strategy, business development, financial planning, investor relations and leadership at Novo Nordisk. Led the risk and capital allocation committee, developed the investment strategy and implemented efficiency programs at Novo Holdings. Managed foundation initiatives and business development at the LEO Foundation and LEO Holding. Skilled in risk management, governance, investor relations and global financial oversight.

Liisa Hurme

Board member since 2025
Nationality: Finnish
Born: 1967
Independent

Board committees, LEO Pharma
N/A

Positions and management duties
President and CEO of Orion Corporation since 2022. Chair of the Board of the Chemical Industry Federation of Finland. Member of the Finnish Business and Policy Forum EVA and of the Finnish Chamber of Commerce.

Career
Earlier roles at Orion Corporation include Senior Vice President of Global Operations, Senior Vice President of Specialty Products and Senior Vice President of Proprietary Products. Started her career at Pharmacia & Upjohn Diagnostics in Sweden and also worked in Germany and France.

Special competencies
Extensive international experience in pharmaceutical divisional P&L responsible roles, R&D, business development and global operations. Led projects including specialty product launches, optimization of global supply chains and transformation of proprietary product pipelines at Orion, driving strategy and innovation.

Jannie Kogsbøll

Employee-elected board member since 1998
Nationality: Danish
Born: 1962
Non-independent

Board committees, LEO Pharma
N/A

Positions and management duties
Process Assistant, Production Ballerup, LEO Pharma (joined 1985). Chair of A/B Stenrosen. Employee-elected board member of the LEO Foundation and LEO Holding.

Career
Longstanding experience in production operations and employee representation.

Special competencies
Operational expertise in pharmaceutical production. Led quality and compliance improvement initiatives and continuous improvement projects, and engaged in corporate governance through employee representation at LEO Pharma.

Mark Levick

Board member since 2025
Nationality: British-Australian
Born: 1963
Non-independent

Board committees, LEO Pharma
Chair of the Innovation Committee.

Positions and management duties
Board member of InterAx Biotech. Partner at ThaxtonPhilip (own consultancy firm).

Career
Previously CEO of Alvotech. Held senior global R&D leadership roles at GlaxoSmithKline and Novartis. Served as Senior Medical Assessor at the Medicines and Healthcare products Regulatory Agency, supporting the European Medicines Agency on anti-infective regulation and investigational drug reviews. Previously practiced as a specialist physician in Australia and the UK.

Special competencies
Extensive clinical, regulatory and executive leadership in biotech and pharmaceutical R&D, delivering translational science and drug approval programs at GlaxoSmithKline, Novartis and Alvotech, and notably leading Alvotech's successful public listing.

Franck Maréno

Employee-elected board member since 2018
Nationality: Danish
Born: 1977
Non-independent

Board committees, LEO Pharma
N/A

Positions and management duties
Principal Technician, Fucidin® API Fermentation, LEO Pharma (joined 2008). Vice Chair of the LEO Pharma Technicians Club. Employee-elected board member of the LEO Foundation and LEO Holding.

Career
Extensive experience in pharmaceutical API production and operational excellence.

Special competencies
Strong technical expertise in fermentation processes and API production. Led process optimization projects and operational improvement initiatives within LEO Pharma's Fucidin® production, with extensive experience in laboratory methods and employee engagement.

Raj Shah

Board member since 2024
Nationality: British
Born: 1968
Independent

Board committees, LEO Pharma
Member of the Innovation Committee.

Positions and management duties
Partner and Head of Healthcare at Nordic Capital. Board member of Clario and Advanz Pharma.

Career
Former Co-Head of Goldman Sachs Healthcare Investment Banking. Graduated in Medicine and trained as a cardiac surgeon in Oxford, UK.

Special competencies
Extensive international experience in healthcare, combining financial, scientific and medical expertise. Whilst at Goldman Sachs, he led complex M&A transactions and investment projects, gaining extensive IPO and equity capital markets experience. In addition, at Nordic Capital he has led and been central to a number of investments, leading strategic transformations including ConvaTec, ERT, Anicura and The Binding site, and sits on the boards of Clario and Advanz Pharma.

Elisabeth Svanberg

Board member since 2022
Nationality: Swedish
Born: 1961
Independent

Board committees, LEO Pharma
Member of the Innovation Committee and the Remuneration and Nomination Committee.

Positions and management duties
Board member of Egetis Therapeutics AB, Galapagos NV (RemCo Chair) and EPICS Therapeutics (Chair).

Career
Former Chief Medical Officer at Kuste Biopharma and Chief Development Officer at Ixaltis SA. Previous executive roles at Janssen Pharmaceuticals (J&J), Bristol-Myers Squibb and Serono International.

Special competencies
Extensive executive and board experience in global pharmaceuticals and biotech as well as extensive experience of interacting with health authorities (U.S. and EU). Led clinical development programs, late-stage product launches and medical affairs projects at Janssen, Bristol-Myers Squibb and Serono. Advanced business development, portfolio strategy and clinical development at Ixaltis, Kuste Biopharma and in current board roles.

Overview of key competencies on the Board of Directors

LEO Pharma's Board of Directors brings broad and diverse international experience from the pharmaceutical and healthcare sectors, with members collectively contributing proven ability in steering growth and fostering innovation. These strengths contribute to furthering LEO Pharma's position as a global leader in medical dermatology.

Below is an overview of the key functional and industrial competencies primarily represented by each of the shareholder-elected board members. Practically all of the shareholder-elected board members have varying degrees of experience and knowledge across the competencies listed in the overview, acquired during their executive careers. However, the purpose of this overview of key competencies is to illustrate each board member's individual key strengths, which collectively enable the Board to provide effective oversight, set a clear strategic direction and ensure sustainable long-term value creation.

Evaluation of the Board of Directors

Annually, the Board of Directors conducts a self-evaluation to assess its composition, effectiveness and cooperation. The process covers strategic oversight, financial and risk management, alignment of competencies with business needs, individual contributions, Chair performance, succession planning and collaboration with the Global Leadership Team.

In 2025, the self-evaluation was facilitated internally based on an anonymous questionnaire and discussion of the results in the full Board of Directors. At least every three years, the Board's self-evaluation is facilitated by the assistance of an external vendor.

The 2025 self-evaluation confirmed the Board's strong engagement with LEO Pharma's purpose, ambitions and strategy, as well as its commitment to continuously advancing governance practices.

	Strategic competencies				**Functional competencies**		
Board member	External innovation	Development	Go-to-market strategy	Product supply	Finance	Legal & risk management	ESG
Jesper Brandgaard	●		●	●	●	●	
Paul Navarre	●		●		●	●	●
Lars Green	●		●	●	●	●	●
Peter Haahr	●		●		●	●	●
Liisa Hurme	●	●	●	●		●	●
Mark Levick	●	●	●	●		●	
Raj Shah	●		●		●	●	
Elisabeth Svanberg	●	●	●				●

Global Leadership Team

LEO Pharma's Global Leadership Team steers the company forward, turning strategy into action across all operations and initiatives. Backed by solid and diverse experience, the team drives growth, innovation and impact globally.

LEO Pharma's Global Leadership Team (GLT) is responsible for the day-to-day management of the company, the development and implementation of strategies and policies, the company's operations and organization, as well as timely reporting to our Board of Directors.

The GLT consists of 10 members, led by Christophe Bourdon, CEO.

See more on our website ↗

Composition of the Global Leadership Team[1]

	Unit	2025
Number of women*	Headcount	3
Number of men*	Headcount	7
Top management (women/men)*	%	30/70

* Limited assurance is provided for the 2025 period.
[1] For accounting policies, please refer to page 87.

Christophe Bourdon

Registered Executive Management
Chief Executive Officer
Joined: 2022
Nationality: French-German
Born: 1970
Gender: Man

Career
CEO at Orphazyme. SVP, General Manager US Oncology division at Amgen. SVP EMEAC at Alexion.

Education
MBA from IMD, Switzerland. BA from ISG, France.

Other positions
Board member of Sobi AB.

Philip Eickhoff

Registered Executive Management
Chief Financial Officer
Joined: 2022
Nationality: Danish
Born: 1979
Gender: Man

Career
CFO at Topsoe. CFO at Atos Medical. Regional CFO, North America & Pacific at Coloplast.

Education
MSc in Finance & Accounting from Copenhagen Business School, Denmark.

Other positions
N/A

Leadership changes
From January 2025 to February 2026, LEO Pharma welcomed a strong line-up of leaders to drive our strategy forward. Robert Spurr stepped in as Executive Vice President, Region North America; Mark Levick served as interim Executive Vice President of Development during a key transition; and Product Strategy and International Operations were strengthened as separate functions, led by Lisa Elliot (interim EVP, Product Strategy) and Frederik Kier (EVP, International Operations). Helle Hedegaard took on the role of EVP, Global People & Corporate Affairs. Sophie Lamle became EVP of Development, while Marika Murto joined as Senior Vice President, Global Product Strategy.

Helle Hedegaard Juhl

Executive Vice President
Global People & Corporate Affairs
Joined: 2025
Nationality: Danish
Born: 1967
Gender: Woman

Career
Chief Human Resources Officer at Esteve. Senior HR leadership roles at Lundbeck.

Education
MSc in Business, Language and Culture from Copenhagen Business School, Denmark.

Other positions
N/A

Frederik Kier

Executive Vice President
International Operations
Joined: 2025
Nationality: Danish
Born: 1974
Gender: Man

Career
SVP Global Obesity Unit at Novo Nordisk. SVP Region North West Europe and SVP Region AAMEO at Novo Nordisk.

Education
MSc in Business Administration from the University of Southern Denmark. MBA from the University of Utah, U.S.

Other positions
Former board member at the World Diabetes Foundation.

Sophie Lamle

Executive Vice President
Development
Joined: 2025
Nationality: British
Born: 1979
Gender: Woman

Career
SVP Global R&D Innovative Medicines at Teva Pharmaceuticals. Roles at Vectura, Novartis Pharmaceuticals and IQVIA.

Education
D.Phil. in Chemistry from the University of Oxford, UK.

Other positions
N/A

Jean Monin

Executive Vice President
Critical Care
Joined: 2024
Nationality: French
Born: 1966
Gender: Man

Career
Chief Commercial Operations Officer at Ethypharm. General Manager at Amgen France. General Manager at Sanofi Australia, Belgium, Norway and Spain.

Education
MSc in Marketing & Management from ESSEC Business School, France. Doctor in Pharmacy from Paris University, France.

Other positions
N/A

Marika Murto

Senior Vice President
Global Product Strategy
Joined: 2026
Nationality: Finnish
Born: 1974
Gender: Woman

Career
General Manager Netherlands, Global Product Lead Bone Health, Country Director Finland at Amgen. Senior commercial roles at Pfizer and Roche in oncology, vaccines and specialty medicines.

Education
PhD in Molecular Biology from the University of Helsinki, Finland. Docent/Associate Professor in Molecular Biology at the University of Helsinki, Finland. MSc in Biochemistry from the University of Eastern Finland.

Other positions
N/A

Kristian Sibilitz

Executive Vice President
Product Supply
Joined: 2024
Nationality: Danish
Born: 1979
Gender: Man

Career
Senior Vice President, Pharmaceutical Production and Supply Chain, H. Lundbeck A/S.

Education
MSc in Supply Chain Management, Technical University of Denmark (DTU).

Other positions
N/A

Robert Spurr

Executive Vice President
Region North America
Joined: 2022
Nationality: American
Born: 1962
Gender: Man

Career
President, U.S. Pharmaceuticals, Bausch Health USA. Vice President Market Access, Novartis Pharmaceuticals. Chief Commercial Officer, Repligen Corporation. VP Sales and Marketing, Lantheus Medical Imaging.

Education
MBA from Rutgers, The State University of New Jersey, U.S.

Other positions
Board member of TTC Oncology and Pharma Acuity.

Jacob Pontoppidan Thyssen

Executive Vice President
Chief Scientific Officer
Research & Early Development
Joined: 2023
Nationality: Danish
Born: 1975
Gender: Man

Career
Consultant Dermatologist at Bispebjerg Hospital. Professor at Copenhagen University. Guest Professor at the University of Zurich.

Education
Medical Doctor, PhD and DmSci in Allergy and Dermatitis from the University of Copenhagen, Denmark.

Other positions
N/A

Risk management

As a global pharmaceutical company, LEO Pharma operates in a highly complex business environment. Through our operations, we are exposed to a broad array of risks across the value chain that may have a significant impact on our business if not properly identified, evaluated, managed and monitored.

Risk management program
An Enterprise Risk Management (ERM) program is in place to ensure the structured, methodological and effective management of key risks across our business and value chain. The program is a cornerstone of LEO Pharma's risk management and covers all business areas and global functions.

In 2025, the focus was on sustaining support for and further anchoring the program and its processes across LEO Pharma leadership teams. The assessment methodology, including definitions and scales, was revisited and updated based on learnings captured in 2024. Furthermore, there was an ongoing assessment of how to apply risk management in a focused and effective way in a world characterized by increasing uncertainty.

Risk management governance
The Board of Directors holds overall responsibility for ERM, with delegation of the role of oversight of the ERM program execution to the Audit Committee (AC).

The CEO and the Global Leadership Team are responsible for ensuring that the program is updated and integrated into decision-making, as well as for setting the overall risk management strategy and level of risk tolerance. The CEO and the Global Leadership Team ultimately own and must manage all relevant risks in each business area and global function.

The Global Risk Management function drives the implementation and maintenance of the ERM program and the execution of the process, and supports the leadership teams and appointed risk ambassadors across the organization in fulfilling their ERM-related roles and responsibilities. The function also covers other aspects of risk management within LEO Pharma.

Risk identification and evaluation
The leadership teams in the business areas and global functions are responsible for identifying, assessing, managing and reporting key risks specific to their area of responsibility. They identify key risks through a structured process, interviews and workshops and include all types of risks that could reduce LEO Pharma's ability to meet its objectives or achieve its strategy over a two-year period.

Identified risks are evaluated in terms of impact (financial, people, reputational, compliance, quality, safety, information security) and likelihood. For each key risk, a clear scenario, set of assumptions and overview of implemented and planned mitigating measures are developed. The process is facilitated by Global Risk Management on a half-yearly basis.

Risk monitoring and reporting
Following the identification and evaluation of key risks across the organization, Global Risk Management prepares the consolidated top risk profile for LEO Pharma. This is then shared every six months with the CEO and the Global Leadership Team and, ultimately, with the AC, for their respective discussion, review and evaluation. The top risk profile is also shared with the Board of Directors.

This approach fosters transparency around key risks and exposures across our global value chain and creates a solid foundation for the prioritization of resources and execution of risk mitigation activities.

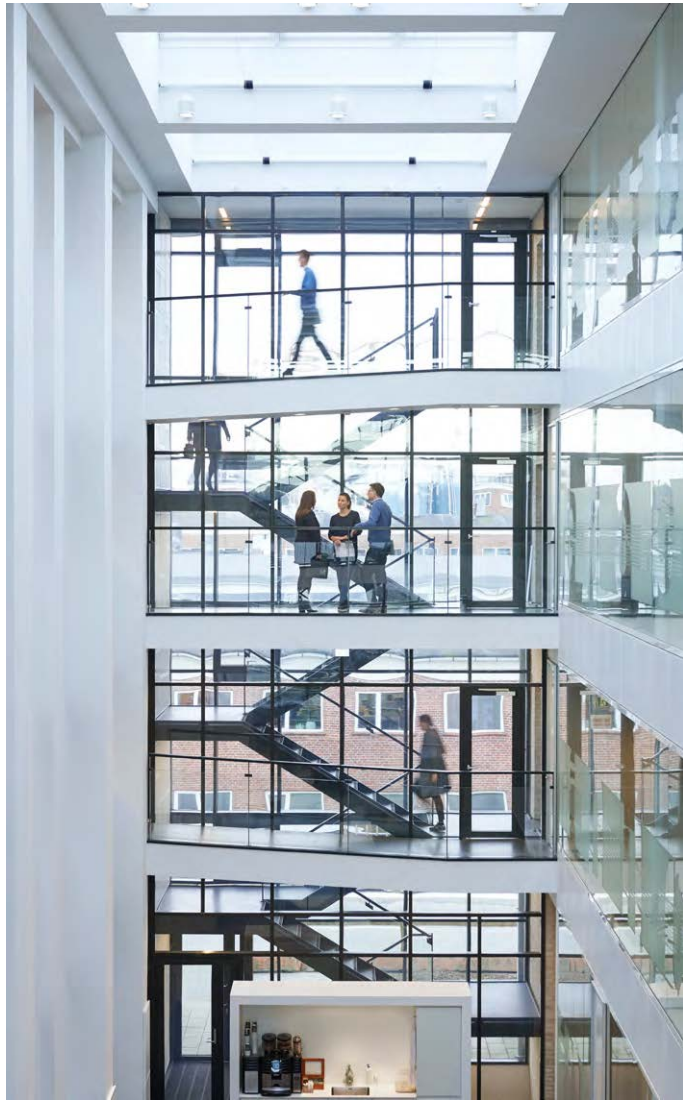
Our key risks
In the following table, our key operational risks are presented, along with mitigating actions taken to address them. In the sustainability statement section, the double materiality assessment (DMA) outlines the material sustainability-related risks to LEO Pharma, which is why they are not included here.

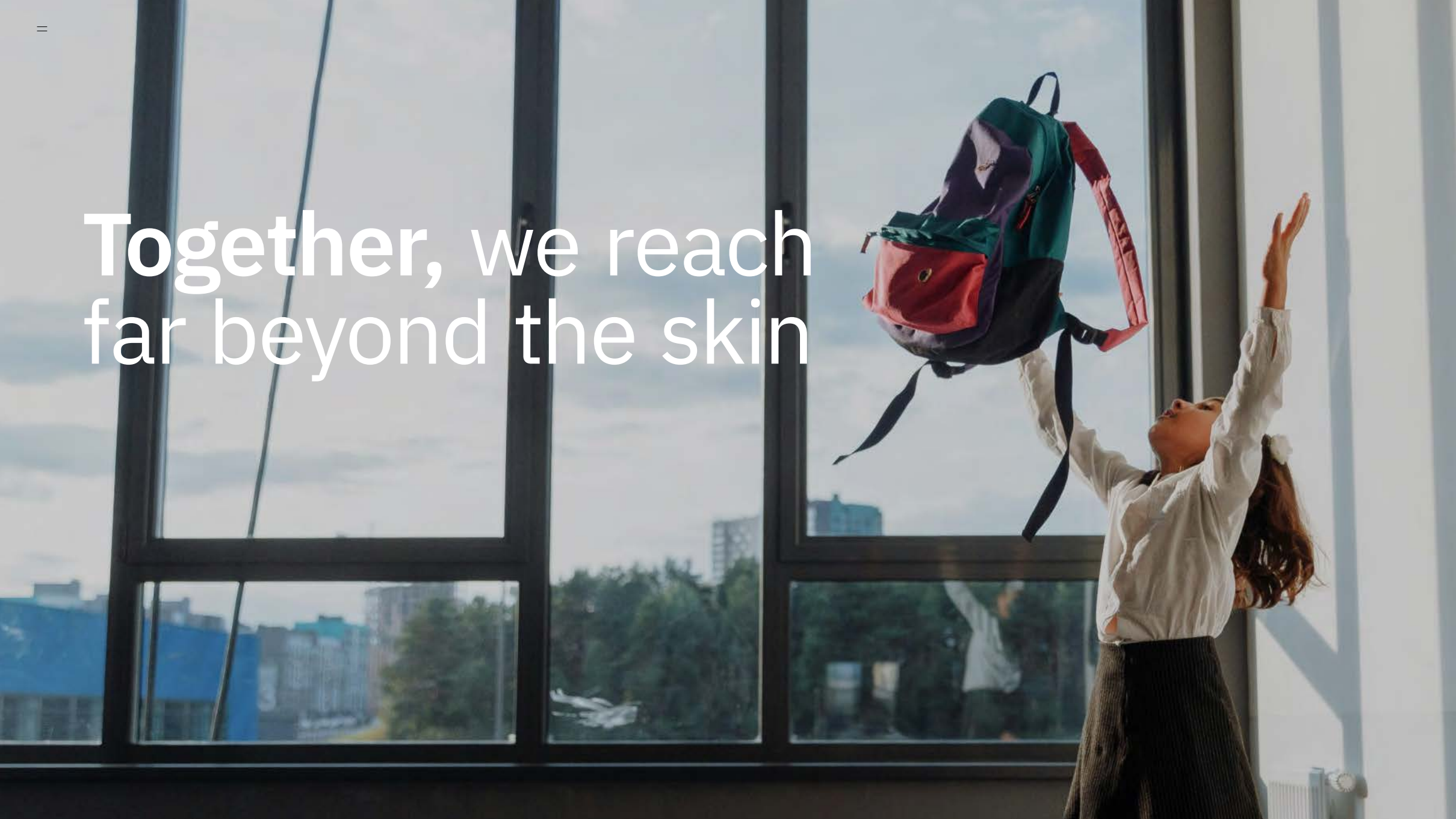
Key operational risks

Key risks	Market access and pricing	Patient safety and product quality	Legal and compliance	Supply chain
Description	Securing acceptable pricing and reimbursement levels for our products is crucial for launching new innovative treatments and sustaining the commercialization of our existing portfolio. This is influenced by factors such as competition, discount demands from private and public payers, and negotiations with national health authorities. At the same time, strained healthcare budgets in many countries have led to increased pressure on pharmaceutical manufacturers to offer greater price concessions. Most recently, the U.S. Most-Favored-Nation (MFN) executive order has further intensified the focus on pharmaceutical affordability.	The pharmaceutical industry operates under stringent regulation, requiring compliance with a broad range of legal and regulatory frameworks enforced by national and supranational health authorities across different geographies, including the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA). LEO Pharma is committed to safeguarding patients and ensuring the uncompromising quality of our products. This commitment also extends to the responsible management and protection of personal data in accordance with relevant data privacy laws.	Maintaining compliance with laws and regulations, our Code of Conduct and industry codes is critical for safeguarding LEO Pharma's reputation and operational effectiveness. Ensuring thorough due diligence throughout our value chain and staying up to date with legal and regulatory changes are essential for mitigating these risks.	Securing product availability is essential for maintaining LEO Pharma's operations, ability to deliver treatments to patients and reputation. By proactively managing supplier relationships, monitoring performance and taking swift action to address potential disruptions, we aim to mitigate risks and preserve supply chain integrity.
Impact	Not achieving acceptable pricing and reimbursement levels would limit LEO Pharma's ability to launch and commercialize our products. This could have a negative impact on expected sales and the possibility for patients to access our products and benefit from new innovative treatments.	Failure to meet regulatory requirements could threaten our license to operate. Breaches of data protection legislation or leaks of personal information may result in monetary fines, legal consequences and reputational damage. Critical quality or safety issues could compromise patient safety and disrupt operations, reduce sales, trigger product recalls and potentially lead to product liability proceedings.	Potential exposure to investigations, criminal and civil sanctions and other penalties could compromise LEO Pharma's reputation and the rights and integrity of the individuals involved. Furthermore, unexpected legal disputes, loss of exclusivity for existing and pipeline products or injunctions against our products could adversely impact future sales. Non-compliance could lead to significant financial penalties, adversely affecting our profits and market position and our ability to serve patients.	Supply disruptions, whether due to demand exceeding projections, geopolitical instability, quality-related issues, natural disasters or other adverse events, such as fires, wars or pandemics, may negatively impact product availability. Such disruptions could result in temporary shortages in some markets, potentially compromising the ability to serve patients, causing lost sales, and leading to reputational damage, alongside missed commercial opportunities.
Mitigating actions	LEO Pharma closely monitors market access and pricing developments and requirements in key markets, while working actively with payers, advocacy groups and authorities to sufficiently document the value of our products (e.g., through clinical trial data and pharmacoeconomic studies).	We foster a strong excellence in quality culture across the organization, ensuring that every employee understands and actively supports our commitment to patient safety and product integrity. This culture drives continuous improvement in our quality standards, guaranteeing that our products remain safe, effective and of the highest standard. We maintain publicly accessible channels for patients to report concerns, including online forms for adverse events and product complaints. Robust pharmacovigilance systems ensure timely and appropriate handling of all complaints and feedback. In addition, dedicated cyber safety initiatives strengthen our protection of personal data and promote responsible and secure data management.	All employees receive training on our Code of Conduct to reinforce awareness of and adherence to applicable legal and regulatory requirements. Our Global Legal, IPR and Compliance team acts as a proactive business partner to lines of business, conducting legal reviews of key activities and advising on the prevention and mitigation of material legal and compliance risks. A global Speak-Up Line enables anonymous reporting of concerns or unethical behavior. Robust policies and procedures are in place and are regularly updated to reflect changes in laws, regulations and industry codes.	Strategies for safeguarding and increasing supply capacity are continuously evaluated, including the monitoring of internal capabilities and external sourcing options. Strategic safety stocks of critical raw materials, finished products and other key components are maintained throughout the supply chain to mitigate potential disruptions and ensure continuity.

Key operational risks

Key risks	IT and cyber security	Political and macroeconomic conditions
Description	Disruptions to IT systems, whether caused by cyber-attacks from criminals, collateral damage from cyber warfare or infrastructure failures, could result in business disruption and breach of data confidentiality. Cyber security threats may arise anywhere across LEO Pharma's global value chain and locations.	The global economy is under pressure from inflation and interest rates, along with stagnating global trade growth. Healthcare budgets are tight, with payers focused on reducing drug spend by increasing pressure on the pharmaceutical industry, and patients have become more price sensitive. Geopolitical uncertainty continues to rise due to ongoing conflicts, war, social unrest and political tensions. Increased protectionism and international trade restrictions may weaken global trade by limiting market access and imposing trade barriers. Together, this creates a challenging business environment.
Impact	Being targeted by a cyber-attack could result in significant business disruption, data breach, financial losses and fines imposed by authorities. This can have a negative impact on expected sales and profits and limit patients' access to LEO Pharma's products.	Increased cost-consciousness of payers and patients could increase price pressure on LEO Pharma's existing products, lead to more challenging negotiations for reimbursement of future products as well as affect the volume of products used. Currently, inflation affects the prices of raw materials used in LEO Pharma's products, thereby increasing the overall production costs and negatively impacting profitability. Likewise, implementation of trade barriers such as tariffs could impact the cost of LEO Pharma's products and reduce competitiveness and access to our products.
Mitigating actions	LEO Pharma has implemented several mitigating measures to manage exposure from cyber security threats, including, but not limited to, conducting mandatory information and cyber security awareness training of all employees and activated e-mail phishing drills, as well as improving our technical capabilities to prevent, detect and respond to attempted attacks.	LEO Pharma monitors macroeconomic and geopolitical developments and works closely with payers and other stakeholders to demonstrate the value of our products. Various strategies are being deployed to contain increases in production costs and other costs. Furthermore, on an ongoing basis, LEO Pharma prepares political risk scenarios to address short- and long-term exposures and incorporates any considerations into its strategy planning process.




Together, we reach
far beyond the skin

Sustainability statement

General information

Transparent reporting is the foundation of trust between our business and our stakeholders. It strengthens our accountability and ensures we can create a positive impact far beyond the skin.

Philip Eickhoff, Chief Financial Officer

General disclosures[1]

Basis for preparation
Our report on Corporate Social Responsibility (the "sustainability statement") is compliant with the statutory disclosure pursuant to section 99a (2018) of the Danish Financial Statements Act.

In preparation for the mandatory reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD), which was officially postponed to 2027, the sustainability statement is proactively prepared inspired by the structure and content of the European Sustainability Reporting Standards (ESRS). However, we are still maturing our data and reporting towards full ESRS alignment, with an enhanced focus in future reporting on ESRS 2 and Social disclosures. The reporting does not constitute a sustainability statement in full compliance with the ESRS.

The metrics disclosed in the sustainability statement include consolidated data from the Parent Company, LEO Pharma A/S, and the subsidiaries in which LEO Pharma A/S exercises control, at December 31, 2025. The sustainability statement is consolidated following the Group's accounting policies disclosed in its consolidated financial statements, unless otherwise specified in the accounting policies within the relevant section of the report. In the event of acquisitions or divestments, the sustainability statement follows the same principles as the financial statements. The sustainability statement is based on our DMA for 2025, covering LEO Pharma's own operations as well as its upstream and downstream value chain. No specific piece of information on intellectual property, know-how, results of innovation and impending developments or matters in the course of negotiation has been omitted.

Specific circumstances
Sources of estimation and outcome uncertainty, including value chain estimation
The use of estimations for all the metrics, including value chain estimations, is included in the accounting policies of each metric. LEO Pharma believes that metrics covering own operations have a low amount of estimation, while metrics covering the value chain are often estimated, and thus have a higher level of uncertainty:

- Scope 3 GHG emissions: Primary data is used where available, combined with emission factors, whereas value chain estimation from indirect sources is used for categories such as purchased goods and services, capital goods or employee commuting. The accounting policies on page 62 contain a detailed description.

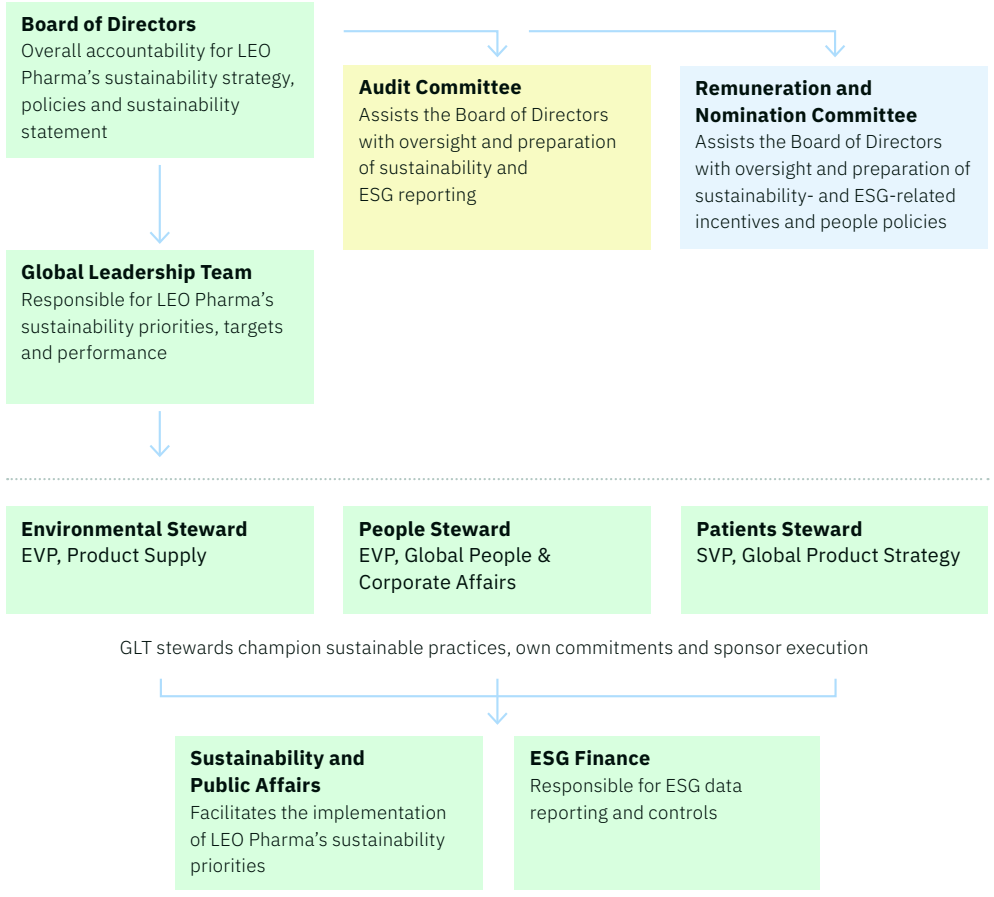
- Number of patients served: The number of patients served in the reporting year is estimated by using the average dose per product and gross sold units. The calculation does not contain value chain estimation. Actual dosage and treatment duration can vary based on individual characteristics and, due to this, an average dosage has been used. The accounting policies on page 74 contain a detailed description.

Changes in the preparation or presentation of sustainability information and errors
During 2025, we performed a gap assessment against the European Sustainability Reporting Standards (ESRS) requirements in preparation for the CSRD, for which LEO Pharma will be eligible from 2027. The preparation includes describing the individual impacts, risks and opportunities (IROs) deemed material in LEO Pharma's DMA and the policies, actions and targets associated with these. The occurrence of errors or changes in preparation since the previous reporting period have been described in the relevant accounting policies or in the relevant section where the metric is reported.

[1] Compliance with the statutory disclosure pursuant to section 99d of the Danish Financial Statements Act is covered under the Corporate matters section.

Sustainability governance

Governance model



Role of the Board

The Board of Directors holds overall responsibility for LEO Pharma's sustainability strategy and sustainability statement, including the annual review and approval of sustainability-related policies.

To ensure effective oversight, the Board of Directors has empowered the Global Leadership Team (GLT) to oversee the implementation of the strategy and monitor performance, including setting targets, ensuring alignment with sustainability objectives as defined by the material impacts, risks and opportunities (IROs) identified during the DMA. Further information on governance relating to ESG and sustainability matters is available in the chart to the left.

In 2024, in preparation for the CSRD, an internal ESG Project Group was established to act as a steering committee, supporting the implementation of ESG reporting requirements and organizational anchoring when assessing IROs.

In 2025, we updated our sustainability governance to ensure stronger integration of sustainability into strategic decision-making and daily operations. The adjustment includes sunsetting the ESG Project Group, transferring responsibilities to everyday operations and appointing three sustainability stewards within the GLT – each responsible for championing sustainable practices, being accountable for topical commitments and sponsoring execution throughout the organization.

At the next tier of governance, sustainability and ESG are anchored in two central teams responsible for facilitating implementation, providing guidance and driving strategic projects to advance LEO Pharma's sustainability agenda as well as reporting to internal and external stakeholders.

Details of the composition, diversity, skills, expertise, and independence of the Board of Directors, as well as the specific roles, responsibilities and terms of reference of the board committees, can be found in the section "Corporate matters."

Board and leadership sustainability oversight

The Board of Directors and the GLT serve as LEO Pharma's administrative, management and supervisory (AMS) body, overseeing material IROs. The Board of Directors is informed about updates on material IROs. through relevant committees, including the Audit Committee and the Remuneration and Nomination Committee, via quarterly performance updates and on an as-needed basis, to support effective oversight. When overseeing strategy, major transactions and risk management, the Board of Directors and its committees consider IROs. This includes evaluating trade-offs to ensure alignment with long-term objectives. Key matters

addressed during the reporting period include progress on ESG targets such as gender diversity and carbon reduction, risks related to compliance and ethical conduct, and the effectiveness of policies and actions. The GLT receives updates on material impacts, risks and opportunities through the annual DMA reviews in August and at the request of the GLT stewards.

An overview of LEO Pharma's material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies and committees during 2025 can be found in the section "Material impacts, risks and opportunities."

Sustainability-related performance in incentives

LEO Pharma's integration of sustainability into its business strategy is reflected in the inclusion of sustainability-related performance metrics in incentive schemes for the GLT. Sustainability-related targets account for 10% of the corporate goals in the 2025 short-term incentive program – the same as in the 2023 and 2024 long-term incentive programs. Key characteristics of these targets include performance assessments for carbon reduction, inclusive leadership and patient engagement. In addition, all employees are covered by some form of variable pay scheme. The Remuneration and Nomination Committee oversees and approves the terms of these incentive schemes, receiving regular updates on progress throughout the year.

Risk management and internal controls

Sustainability and Public Affairs is responsible for the DMA process, reporting on qualitative disclosures and coordinating the sustainability statement. ESG Finance oversees reporting of quantitative disclosures, including collecting and controlling data from relevant departments across the company. The data-owning departments are responsible for the underlying data accuracy and completeness, working closely with ESG Finance to ensure audit trails and controls. Process documentation is prepared for in-scope metrics, in which data owners describe the data collection process, calculation methodology and reporting procedures. The main risks identified include misstatements or inaccuracies due to incomplete data, incorrect definitions or human error. In 2025, a new ESG reporting system was implemented to consolidate sustainability data for reporting. The system ensures data completeness through access controls, four-eye validation and audit trails for traceability. Throughout the year, the Audit Committee received quarterly updates on progress on sustainability reporting and assurance readiness. As part of this oversight, the Audit Committee received updates on risk assessments and scoping, processes, controls and systems, and information on gaps as well as mitigation plans.

Stakeholder engagement

Strategy and business model

All of our sustainability-related goals are applicable to all products, markets and customer groups, unless otherwise stated. Details about the key elements of our strategy and how it relates to our sustainability matters and our business model can be found in the section "Our business."

Stakeholder engagement

At LEO Pharma, the views and inputs of our stakeholders are integral to ensuring that our corporate strategy meets the needs of the patients we serve. In 2025, we actively engaged with key stakeholders who provided relevant insights into sustainability matters throughout multiple processes and functions, including finance, legal, environmental, health and safety (EHS), procurement, human resources and commercial. The Global Leadership Team (GLT) and the Board of Directors are informed of stakeholder views about sustainability matters as part of the review and approval of the double materiality assessment.

LEO Pharma's strategy and business model were not amended in 2025 as a result of engagement with stakeholders.

Interests and views of stakeholders

Key stakeholders	How the engagement is operationalized	Purpose of the engagement	How outcome is taken into account
Patients	• Patient engagement maturity assessment • Partnering with healthcare leaders, scientific partners and patient associations • Patient insight surveys	• To better understand patient needs and improve treatment impact • Ensure safety	• Insights are integrated into business activities
Own workforce	• Employee-elected members of the Board of Directors • Workers' councils • LEO Voice employee engagement survey twice annually • Development conversation at least twice annually between managers and employees • KPIs	• To ensure employee perspectives, needs and developments are understood and integrated into decision-making processes, fostering a collaborative and supportive work environment	• Feedback is used to advance policies, culture, workplace initiatives and growth opportunities
Workers in the value chain	• Speak-Up Line • Supply chain due diligence	• To promote ethical practices, sustainability and compliance throughout the value chain	• Findings inform supplier engagement, risk mitigation efforts and improvements in supply chain practices
Suppliers/partners	• Contract negotiations • Third-Party Code of Conduct requirments • Supplier and quality audits • Category manager engagement	• To ensure suppliers are aligned and compliant with LEO Pharma's Third-Party Code of Conduct and other sustainability standards	• Audit results and engagement feedback are used to address non-compliance, improve supplier relationships and meet sustainability goals

Double materiality assessment

Identifying and assessing material impacts, risks and opportunities
In 2025, LEO Pharma updated its double materiality assessment (DMA) from 2024. The update prioritized reassessing identified impacts, risk and opportunities (IROs), implementing regulatory changes, capturing significant changes to the business model and value chain, and gathering new sustainability information related to identifying LEO Pharma's material IROs. The outcome defines the scope of LEO Pharma's sustainability reporting and supports our corporate strategy to maximize positive impacts, while mitigating material risks to long-term objectives and responsible business practices. LEO Pharma is able to address its material IROs with current strategic and operational

Phases in the double materiality assessment

1. Understanding our value chain activities
Mapping the business model, value chain activities and key business relationships

2. Identifying sustainability matters
Identifying impacts, risks and opportunities relevant to LEO Pharma

3. Assessing sustainability matters
Evaluating relevant impacts, risks and opportunities to identify material sustainability matters

4. Validation and approval of outcomes
Stepwise validation of outcomes by experts, Global Leadership Team and the Board of Directors

Stakeholder engagement
Continuous engagement of stakeholders to ensure diverse expert insights

capacities. No specific IROs have been assessed as having a significant influence on business model or strategy resilience. The time horizons applied for the analysis of the IROs are 0-5 years (short term), 5-10 years (medium term) and 10-20 years (long term).

Understanding value chain activities

The understanding phase focuses on mapping LEO Pharma's business model and value chain, including key partners, resources and geographical footprint, and sets the boundaries for identifying and assessing sustainability matters. In addition to the value chain, the assessment covers the key activities related to LEO Pharma's Dermatology and Critical Care, partners, patients and resources. The 2025 review identified no significant changes to LEO Pharma's value chain activities and business relationships compared to 2024.

Identifying sustainability matters

The identification phase focuses on formulating the list of IROs relevant to LEO Pharma's business model and value chain, including entity-specific IROs. The identification phase relies on internal organizational information, input from internal stakeholders with regular external engagement and desk research on sustainability matters with a heightened risk of adverse impacts.

Throughout the identification phase, each matter is evaluated for its potential to give rise to an impact, risk or opportunity and to recognize the interconnectedness of financial and impact materiality. All sustainability matters are considered on a "gross basis" before any remediation efforts during

Material impacts, risks and opportunities

Upstream
Sourcing products and services. This phase includes the sourcing and extraction of raw materials, driving early-stage drug discovery and development through partnerships covering research, formulation and clinical trials.

Own operations
Transforming resources into products. This phase includes the manufacturing of selected products in-house, ensuring quality control, regulatory compliance and protection of intellectual property across core production activities.

Downstream
Delivering products to patients. Management of distribution, marketing and global supply chain operations to deliver medicines to patients and markets efficiently.

- (−) CO_2 emissions
- (−) Air pollution from operations
- (−) Substances of concern
- (−) Water pollution
- (−) Water consumption
- (−) Waste management
- (−) Unequal pay
- (−) Harassment at work
- (−) Workers' health and safety
- (−) Health and safety in the supply chain
- (R) Patient safety
- (−) Access to treatment
- (+) Patient engagement
- (+) Lifting the burden of disease
- (R) Corruption and bribery
- (−) Animal ethics
- (−) Protection of whistleblowers
- (R) Corporate culture
- (R) Training and development

(+) Positive impact (−) Negative impact (R) Risk

Environment Social Governance

scoring. With no significant changes to the business model or the value chain mapping in 2025, it was considered sufficient to review the IROs that were assessed as material in the 2024 DMA and any new sustainability information gathered throughout the year.

Assessing sustainability matters
The assessment phase focuses on assessing the materiality of the gross list of IROs to formulate the complete list of material sustainability matters subject to reporting.

With the objective of guiding the DMA outcome and acknowledging potential adjustments after the assessment, based on learnings and calibration, different thresholds have been set for impact and financial materiality.

The impact materiality is based on a matrix setup and an inside-out perspective, with thresholds relating to individual scoring scenarios for environmental, social and governance matters where LEO Pharma could have an impact. Impact materiality is assessed using qualitative thresholds for actual and potential impacts based on severity (scale, scope and irremediability) and, for potential impacts, likelihood. Negative human rights-related impacts follow the same threshold, given that the matrix itself already gives precedence to severity.

The financial materiality is based on the financial reporting threshold and takes an outside-in perspective, where we focus on any financial risks and opportunities related to sustainability matters which could affect LEO Pharma's cash flow, financial performance, assets, cost of capital, access to finance, development or financial position.

The thresholds used to assess relevant risks and opportunities are aligned with LEO Pharma's enterprise risk assessment, and in 2025, internal risk ambassadors were included in the process as representatives of the organization to integrate of the DMA in the enterprise risk management process.

During the process, 19 IROs were assessed as material. Of these, 13 represent actual and potential negative impacts, two are positive impacts and four are identified as risks. No opportunities have been identified as part of the DMA, but this will be reassessed as part of the review in 2026.

After identifying the material sustainability matters at their various topic levels, we assessed the materiality of the datapoints by using the EFRAG datapoint list. The individual impacts and risks identified in the DMA are described in detail, including related policies, actions and target, in the individual sections throughout the report.

Validation and approval of outcomes
The DMA process is driven by a cross-functional team from Sustainability and Public Affairs and ESG Finance that is, responsible for identifying internal subject-matter experts (SMEs), engaging them in the individual phases and obtaining approval of the complete list of IROs. The ESG Project Group, comprising senior leaders from across the business, was established to ensure the completeness of the DMA, including validation of outcomes at each phase prior to engaging with management and the Audit Committee and with final sign-off by the Board of Directors.

Stakeholder engagement
To obtain the views and perspectives of affected stakeholders in the value chain, internal stakeholders from across the organization are engaged, to ensure that all relevant business areas, ESRS topics and entity-specific sustainability matters are covered. Internal stakeholders are used as proxies for external (affected) stakeholders and users of the sustainability report, in recognition of their expertise, familiarity with and knowledge of the industry in which LEO Pharma operates.

Topical DMA approach
LEO Pharma's environmental SMEs used desktop research, external assessments, international standards and site-specific data to identify and assess IROs related to environmental topics in own operations and our value chain. The assessment included site-specific data, geographical considerations, forecasts and risk analysis to evaluate water scarcity and the impacts of temperature changes, heavy winds and storm surges.

To assess IROs related to business conduct, LEO Pharma's SMEs relied on desktop research, the LEO Pharma Code of Conduct as well as internal policies and industry standards. The assessment took a global scope, including both own operations and our value chain. Internal experts were used as proxies for consultations leveraging their expertise and insights.

Future steps
Understanding sustainability matters in the context of LEO Pharma is inherent in the sustainability work continously conducted. The DMA is reviewed annually and informed by LEO Pharma's due diligence, ERM program, emerging trends, corporate environment, current value chain activities and business relationships.

In 2026, LEO Pharma plans to expand our climate-related scenario analysis with a NatCat analysis to further inform the identification and assessment of physical risks and transition risks and opportunities over the short, medium or long term.

Environmental information

2025 highlights

Scope 1

3%

Reduction in Scope 1 GHG emissions.

Scope 2

100%

Share of renewable electricity used at our manufacturing sites.

Environmental information

Climate change

Our net-zero commitment is turned into action through a climate transition plan and alignment with key partners.

Material impact and its interaction with the strategy and business model

		Location in the value chain			Time horizon		
IRO name	**IRO type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
CO_2 emissions	Actual negative impact	●	●	●	●	●	●

LEO Pharma advanced its climate strategy in 2025, anchored in a commitment to become net-zero by 2050, in line with the Science Based Targets initiative (SBTi). The transition plan translates ambitions into action, and we will engage with our major business partners to identify key emission hotspots and collaborate on strategies to effectively reduce them across the value chain.

Negative impact

CO_2 emissions

LEO Pharma's impact on the environment through CO_2 emissions stems from own operations (Scope 1 and 2) and the value chain (Scope 3). The impact from own operations is primarily due to energy consumption based on non-renewable sources, such as natural gas and the company's car fleet, and accounts for 97% of total Scope 1 and 2 emissions. The impact from the value chain comes from the sourcing through to the distribution of our products, purchased goods and services, upstream transportation and distribution and waste generated in operations.

Climate resilience analysis

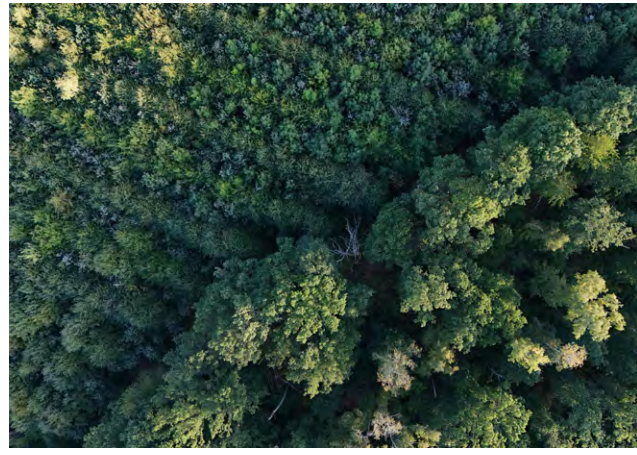
LEO Pharma applies a structured process to identify and assess climate-related impacts across its operations and value chain. Activities and strategic plans are screened for direct, indirect and value chain greenhouse gas (GHG) emission sources. GHG inventories quantify total emissions and inform risk evaluations. Impacts are identified over clearly defined time horizons: 0-5 years (short term) to align with near-term climate targets and regulatory compliance; 5-10 years (medium term) to capture post-2030 policy, market and technology changes; and 10-20 years (long term) to address systemic changes linked to 2040-2050 climate-neutrality trajectories.

Scenario analysis

In 2025, a scenario analysis was conducted to identify physical and transitional risks. Impact and risk assessments are informed by climate scenario analysis using IPCC SSP1-1.9 (net-zero, 1.5°C pathway) and IPCC SSP5-8.5 (high-emissions, high-physical-risk scenario), along with regional climate projections. These scenarios reflect relevant drivers for LEO Pharma, including carbon pricing, fossil fuel decline, energy mix changes, technological innovation in pharmaceuticals and evolving regulatory frameworks. Asset-level geographical data is used to evaluate exposure and sensitivity based on likelihood, magnitude and duration of impacts. The resilience analysis draws on desk research, historical event data and workshops with SMEs. Given LEO Pharma's manufacturing profile, the scope includes six key manufacturing sites and upstream and downstream operations, covering the full value chain. Scenarios were developed using peer-reviewed research, recognized climate models and authoritative policy sources. Risk projections were validated by SMEs for the impact assessment and by Global Finance for the evaluation of potential financial impacts.

Transitional risks and opportunities

Transition events such as regulatory change, evolving carbon pricing, market demand shifts, reputational pressures and technological developments are considered across all time horizons. Exposure assessments use IPCC SSP1-1.9 and IPCC SSP5-8.5 scenarios to analyse potential implications. No assets or activities were identified as being incompatible with a climate-neutral economy. Resilience analysis findings, including



supply chain vulnerabilities, carbon price sensitivities and opportunities in low-carbon manufacturing, renewable energy sourcing and sustainable product design, are embedded in LEO Pharma's climate transition plan, ensuring alignment between climate risk management, strategic planning and financial assumptions.

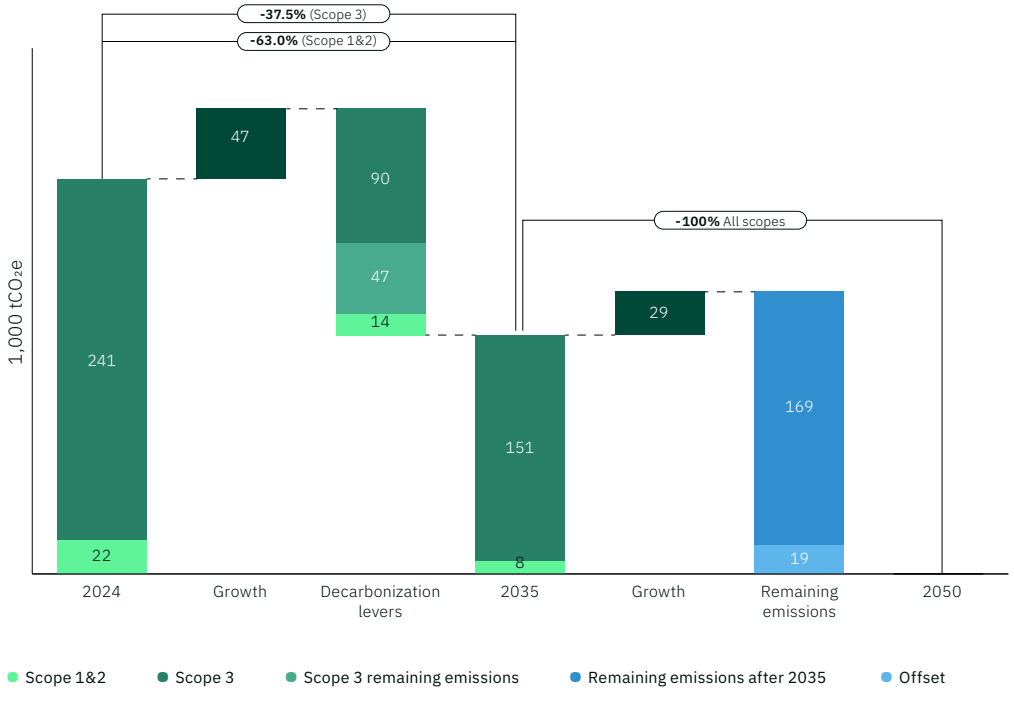
Climate transition plan

In 2025, LEO Pharma created a climate transition plan as a crucial part of achieving its net-zero commitment. Building on our 2024 commitment, the plan focuses on tangible, concrete actions toward 2035 and is reviewed on an ongoing basis to include new decarbonization levers and adjustments. It is aligned with science-based targets that support limiting global warming to 1.5°C and guides our efforts to achieve a 90% reduction in emissions by 2050, with the remaining 10% neutralized through carbon removals. Carbon credits

will only be used to neutralize residual emissions or support additional climate action and will meet recognized quality standards.

Our climate transition plan is embedded in our business strategy and overseen by the GLT and the Board of Directors. Operating expenses (OPEX) will be allocated to each lever in advance of the year in which it is scheduled for implementation and integrated into budget planning. LEO Pharma is excluded from the EU Paris-Aligned Benchmarks. The qualitative assessment of potential locked-in GHG emissions has not been completed. The company has also not assessed EU Taxonomy alignment for economic activities related to climate change mitigation. Both areas will be investigated in 2026.

Carbon emission reduction pathway



Decarbonization levers to reduce LEO Pharma's overall carbon footprint

Energy
LEO Pharma has initiated measures to reduce direct emissions from its operations. The electrification of the car fleet, launched in early 2024, is complemented by targeted operational efficiency projects aimed at lowering fossil fuel consumption within manufacturing operations. Future initiatives will include the transition to low-emission energy sources, such as biogas and district steam, as well as the electrification of fossil fuel-driven equipment. All corporate sites currently procure electricity from renewable sources through guarantees of origin, with remaining emissions from district heating projected to be eliminated by 2030.

Key levers: Car fleet electrification, district heating transition, electrical boilers, energy efficiency improvements, adoption of biogas.

OPEX is allocated to car fleet electrification and procurement of guarantees of origin on an ongoing basis. Car fleet-related expenses can be found in the financial statements under Note 3.3 Leases.

Value chain
To address emissions across the upstream and downstream value chain, LEO Pharma will actively engage with existing suppliers to establish emission-reduction targets. We will also apply greenhouse gas performance criteria in procurement for new suppliers. In addition, the organization will investigate sustainable product design, the use of sustainable production materials and the decarbonization of active pharmaceutical ingredient (API) manufacturing.

Key levers: Supplier engagement, GHG criteria in procurement, sustainable design, sustainable production materials, API decarbonization.

Culture
LEO Pharma fosters a corporate culture that supports low-carbon work practices. This includes the promotion of train travel over air travel for business purposes and the increased use of digital collaboration technologies to avoid non-essential travel.

Key levers: Business travel reduction.

Distribution
Logistics-related initiatives include optimizing freight operations by shifting transportation modes from air to sea, improving overall transport efficiency and adopting low-emission fuels.

Key levers: Logistics optimization, adoption of low-emission transport fuel.

Circularity
LEO Pharma is implementing measures to enhance resource efficiency and minimize waste generation. This is achieved through improved manufacturing process efficiencies and waste reduction initiatives.

Key levers: Waste reduction, process efficiency improvements.

Policies

LEO Pharma is committed to fostering a more sustainable future by integrating environmental stewardship into its operations and value chain to address the negative impact on climate change. This commitment is translated into LEO Pharma's Code of Conduct, Third-Party Code of Conduct, the Global Travel Guidelines and local car fleet policies. Our Environmental Policy serves as an umbrella policy that broadly addresses our material environmental topics and outlines our overall approach. The policy applies to LEO Pharma's own operations and is approved by the Board of Directors. The policy, along with other policies, can be found on our corporate website. Details about how this policy addresses specific topics can be found in the individual sections throughout the report.

Actions

LEO Pharma works to reduce its environmental impact through resource efficiency and ongoing energy performance improvements, driven by the energy management ISO 50001 certifications at all our manufacturing sites except for Vernouillet, France, and through the ISO 14001 environmental management certification to which all our manufacturing sites are certified. To achieve the reductions necessary for LEO Pharma to meet its commitment, a long-term net-zero transition plan and a roadmap of decarbonization levers toward 2035 have been developed.

In 2025, multiple actions were carried out to reduce CO_2 emissions in LEO Pharma's own operations. The replacement of water pumps and the construction of a new energy-efficient manufacturing facility in Ballerup, Denmark, will reduce the emissions from natural gas once operational. During testing and ramp-up of the new facility, there will be higher emissions due to two production lines running simultaneously. As part of transitioning toward the electrification of our car fleet, we are continuing to introduce "Battery Electric Vehicle (BEV) only" policies across our entities, contingent on each market's EV readiness.

Targets

LEO Pharma's near-term science-based targets have been validated by the SBTi. LEO Pharma has committed to reducing absolute Scope 1 and 2 GHG emissions by more than 50% by 2030 from a 2019 baseline year. The target aligns with the 1.5°C pathway, as defined by a cross-sector emission pathway and presented in the table to the right. LEO Pharma has also committed that 75% of its suppliers by emissions, covering purchased goods and services, capital goods, and upstream transportation and distribution, will have science-based targets by 2026. Furthermore, LEO Pharma has committed to achieving net-zero emissions by 2050 and submitted the targets for validation by the SBTi in December 2025, expecting to achieve validation of the targets in 2026.

Targets related to climate change mitigation and adaptation

SBTi-approved targets

	Unit	2025	2024	Baseline year 2019	Target year 2030
Scope 1 and 2 GHG emissions					
Scope 1 and 2 market-based emissions*	tCO_2e	21,751	22,316	38,771	18,222
Change in Scope 1 and 2 from the 2019 baseline*	%	-44%	-42%		

	Unit	2025*	2024*	Baseline year 2020	Target year 2026
Scope 3					
Scope 3 supplier engagement*	%	84%	81%	65%	75%

* Limited assurance is provided for the 2025 period.

Energy consumption and mix

	Unit	**2025**	2024
Energy consumption from fossil sources			
Fuel consumption from coal and coal products[1]*	MWh	-	-
Fuel consumption from crude oil and petroleum products*	MWh	16,928	19,732
Fuel consumption from natural gas*	MWh	83,890	87,244
Fuel consumption from other fossil sources*	MWh	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources*	MWh	5,712	5,517
Total fossil energy consumption*	MWh	**106,530**	**112,493**
Share of fossil sources in total energy consumption*	%	67%	70%
Energy consumption from nuclear sources			
Consumption from nuclear sources[2]*	MWh	**62**	**485**
Share of consumption from nuclear sources in total energy consumption*	%	-	-
Energy consumption from renewable sources			
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen etc.)[1]*	MWh	455	466
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources*	MWh	50,579	47,932
Consumption of self-generated non-fuel renewable energy*	MWh	237	231
Total renewable energy consumption*	MWh	**51,271**	**48,629**
Share of renewable sources in total energy consumption*	%	32%	30%
Total energy consumption*	MWh	**157,863**	**161,607**

[1] 2024 figures have been restated. We updated our methodology for how we account for the energy mix by country, related to electric vehicle charging. Reported data for 2024 was updated for Fuel consumption from coal and coal products and Fuel consumption from renewable sources from 9 MWh and 288 MWh respectively.

[2] 2024 figures have been restated due to an error in calculation. Reported data for 2024 has been updated for Energy consumption from nuclear sources from 634 MWh.

Progress: Total energy consumption in 2025 was 157,863 MWh, representing a 2% decrease compared to 2024. Natural gas accounted for 53% of total consumption in 2025, down slightly from 54% in 2024. Reduction was mainly due to lower consumption of crude oil, petroleum products and natural gas at manufacturing sites. Purchased electricity from renewable sources increased by 4%, due to the new factory in Ballerup, Denmark starting operations while the old facility remained active. By the end of 2025, the share of electric vehicles in the car fleet had risen from 17% in 2024 to 18%.

Energy intensity based on net revenue

	Unit	**2025**	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors*	MWh/DKK million	11.69	12.98

* Limited assurance is provided for the 2025 period.

§ Accounting policies

General
GHG emissions are calculated in accordance with the GHG Protocol (2015), following the operational control approach.

Energy and Scope 1 and 2 GHG emission data covers LEO Pharma's manufacturing sites and owned offices, located in Denmark, Ireland, France and Italy. Based on an operational control assessment performed in 2022, LEO Pharma does not have operational control over leased offices, and thus they are not in scope for calculating energy consumption and Scope 1 and 2 GHG emissions. If not otherwise stated, reported data covers the period January–December 2025. All GHG emission calculations include all seven GHG gases: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3.

Total energy consumption
Total energy consumption at LEO Pharma is measured as the sum of energy derived from fossil fuels and nuclear and renewable sources.

Data from manufacturing sites is based on meter readings and invoices. Data on the car fleet is based on fuel consumption or actual mileage in the reporting period sourced from leasing company reports. For electric vehicle charging, the specific energy mix of the relevant country is applied. Energy consumption from waste incineration is classified under fossil fuels. Estimation is used when primary data is not available by using consumption data from the same period last year (3%).

Consumption from fossil sources includes natural gas, heat and fuels used at LEO Pharma's six manufacturing sites, as well as the energy consumed by our car fleet.

Nuclear energy consumption covers the consumption related to nuclear energy sources for our electric vehicles, based on electricity source mix by country.

Renewable energy consumption includes the 100% renewable electricity used at manufacturing sites, the on-site solar energy produced and used at the Ballerup, Denmark and Cork, Ireland sites and the bioethanol used by company cars in the Brazilian car fleet. Reported in MWh.

Share of renewable electricity
Calculated by dividing the purchased electricity covered by bundled energy attribute certificates (guarantees of origin) in Italy, France, Denmark and Ireland by total electricity consumption. Measured as a percentage.

Share of EV cars in car fleet
Total number of electric vehicles (BEV, PHEV) in the car fleet divided by the total number of cars in the car fleet. Reported as a percentage.

Energy intensity
LEO Pharma operates in the high climate impact sector C21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations.

Calculated using the total energy consumption in MWh divided by net revenue in DKK million. The annual revenue is disclosed in Note 2 to the consolidated financial statements. Measured in MWh per DKK million.

Gross Scopes 1, 2, 3 and Total GHG emissions

	Unit	2025	2024	% vs LY
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions[1]*	tCO_2e	21,363	22,050	-3%
Biogenic emissions (out-of-scope emissions) Scope 1	tCO_2e	188	-	-
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions*	tCO_2e	6,381	5,869	9%
Gross market-based Scope 2 GHG emissions*	tCO_2e	388	266	46%
Biogenic emissions (out-of-scope emissions) Scope 2	tCO_2e	64	-	-
Scope 1 & 2 GHG emissions				
Total Scope 1 & 2 GHG emissions (market-based)*	tCO_2e	**21,751**	**22,316**	**-3%**
Significant Scope 3 GHG emissions[2]				
Total Gross indirect (Scope 3) GHG emissions	tCO_2e	**220,712**	**238,553**	**-7%**
Category 1: Purchased goods and services	tCO_2e	172,855	181,427	-5%
Category 2: Capital goods	tCO_2e	3,070	3,820	-20%
Category 3: Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO_2e	7,510	7,568	-1%
Category 4: Upstream transportation and distribution	tCO_2e	14,125	16,831	-16%
Category 5: Waste generated in operations: emissions from waste disposal	tCO_2e	10,655	14,130	-25%
Category 6: Business travel	tCO_2e	6,404	8,933	-28%
Category 7: Employee commuting	tCO_2e	3,265	3,038	7%
Category 8: Upstream leased assets	tCO_2e	811	914	-11%
Category 9: Downstream transportation and distribution	tCO_2e	487	335	45%
Category 12: End-of-life treatment of sold products	tCO_2e	1,530	1,557	-2%
Percentage of Scope 3 GHG emissions calculated using primary data	%	8%	-	-
Total GHG emissions				
Total GHG emissions location-based	tCO_2e	**248,456**	**266,472**	**-7%**
Total GHG emissions market-based	tCO_2e	**242,463**	**260,869**	**-7%**
Scope 3 supplier engagement*	%	**84%**	**81%**	**4%**

* Limited assurance is provided for the 2025 period.

[1] 2024 figures have been restated due to a reporting error. Reported data for 2024 has been updated for Gross Scope 1 GHG emissions from 20,050 tCO_2e.

[2] 2024 figures have been restated due to improved methodology and the inclusion of all material categories.

Progress: LEO Pharma's own carbon emissions were further reduced in 2025 to 44% vs. 2019 baseline and by 2% compared to 2024. Total GHG emissions, including Scope 3, declined 7% despite a revenue growth at CER in 2025 of 10%. By the end of 2025, 84% of LEO Pharma's suppliers were committed to setting climate targets.

GHG intensity based on net revenue

	Unit	2025	2024
Total GHG emissions (location-based) per net revenue*	tCO_2e/DKK million	18.41	21.40
Total GHG emissions (market-based) per net revenue*	tCO_2e/DKK million	17.96	20.95

§ Accounting policies

Scope 1 GHG emissions
Scope 1 GHG emissions comprise direct GHG emissions from manufacturing sites, owned offices and the car fleet. This includes the consumption of natural gas and fuel used at sites and by company cars. Additionally, it includes CO_2e emissions from manufacturing sites due to refrigerant leakage from cooling systems. Emissions are calculated as energy consumption by source multiplied by emission factors from DEFRA (2025), and refrigerant quantities multiplied by their respective most recent global warming potential (GWP). Measured in tonnes CO_2e (tCO_2e).

Scope 2 GHG emissions general
Scope 2 GHG emissions include indirect CO_2e emissions from purchased electricity and district heating consumed by LEO Pharma at manufacturing sites and related offices. It also includes the emissions from the electric vehicles. Measured in tCO_2e.

Location-based Scope 2 GHG emissions
Scope 2 location-based GHG emissions are calculated as the power volumes purchased multiplied by average country-specific emission factors from the International Energy Agency (IEA), version 2024.

Market-based Scope 2 GHG emissions
Scope 2 market-based emissions reflect emissions from electricity and renewable power purchased. The calculation is prepared by multiplying the power volumes by the most recently available emission factors provided by the energy suppliers. Through its suppliers, LEO Pharma purchases unbundled energy attribute certificates (guarantees of origin) for all manufacturing sites covering 100% of its electricity consumption. The certificates cover 32% of the total energy consumption in Scope 2.

Total Scope 1 & 2 GHG emissions (market-based)
Calculated based on the sum of Scope 1 and 2 emissions, using the reported market-based Scope 2 emissions. Measured in tCO_2e.

Scope 3 emissions general
Scope 3 emissions comprise all indirect GHG emissions (not included in Scope 2) that occur in LEO Pharma's value chain, including both upstream and downstream. Measured in tCO_2e. LEO Pharma has assessed all 15 categories defined by the GHG Protocol and identified 10 categories as significant. Categories 10, 11, 13, 14 and 15 are excluded, as they are not applicable to LEO Pharma's operations.

Accounting policies are detailed for the two most material categories – Categories 1 and 4 – while the remaining categories (2, 3, 5, 6, 7, 8, 9 and 12) follow the supplier-specific method, average-activity method, average spend-based method and hybrid approaches.

Emission factors are primarily sourced from Ecoinvent 3.10.1, Exiobase 3.8.2, UK Government GHG Conversion Factors (2024) and other industry databases.

Primary data from suppliers or other value chain partners was used for parts of Categories 3, 4, 5 and 6. Primary data includes company-specific power purchase data, most recent emission data from third-party transportation suppliers and business flights (part of Category 6) and company-specific tonnes of waste generated. Remaining categories rely on secondary data, industry benchmarks and assumptions.

Category 1: Purchased goods and services
Emissions from the production and transportation of goods and services purchased by LEO Pharma in the reporting year, not otherwise included in other categories. Category 1 emissions are calculated using average activity-based carbon accounting where appropriate and sufficient product information (such as volume) is available, otherwise the average spend-based approach is used.

Category 4: Upstream transportation and distribution
Emissions from transportation and distribution services purchased by LEO Pharma in the reporting year, including inbound and outbound logistics, warehousing and transportation between LEO Pharma's own facilities not otherwise included in Scope 1 and 2.

Total GHG emissions
Total GHG emissions are calculated as the sum of Scope 1, 2 and 3 GHG emissions. Measured in tCO_2e.

Scope 3 supplier engagement
Calculated based on Scope 3 emissions from Categories 1, 2 and 4 using the Scope 3 calculation methodology from our 2020 baseline. The key performance indicator (KPI) is derived by dividing emissions from suppliers publicly committed to reducing carbon emissions by the derived total Scope 3 emissions. An internal supplier tracker records and monitors supplier commitments using externally available sources (e.g., SBTi website, company websites and annual reports). Measured as a percentage.

GHG intensity based on net revenue
GHG intensity is calculated by dividing the total GHG emissions in tCO_2e by the annual net revenue in DKKm. The annual revenue is disclosed in Note 2 to the financial statements. Measured in tCO_2e/DKKm.

Biogenic emissions (out-of-scope emissions)
Biogenic emissions refer to out-of-scope emissions of CO_2e from biomass-derived district heating (Scope 2 market-based). Calculated by taking the biomass-relevant portion of the supplier-specific emission factor for district heating and multiplying it by the consumption. Also included are biogenic emissions from fuels used by the car fleet (Scope 1). Calculated by using DEFRA (2025) out-of-scope emission factors. Measured in tCO_2e.

Environmental information

Pollution

Compliance-led pollution prevention informs operations and new initiatives.

Material impacts and their interaction with our strategy and business model

		Location in the value chain			Time horizon		
IRO name	**IRO type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Air pollution from own operations	Actual negative impact		●		●	●	
Discharge of wastewater	Actual negative impact		●		●		
Substances of concern from manufacturing processes	Actual negative impact		●		●		

LEO Pharma is committed to minimizing any potential negative impact on the environment and preventing pollution. We align with regulatory requirements and aim to advance sustainable solutions in the planning of new initiatives and day-to-day operations.

Negative impact

Air pollution from own operations

Manufacturing pharmaceutical products involves the use of various chemicals, solvents and production methods that emit non-GHG pollutants and contribute to air quality degradation, impacting human health and the environment negatively.

Negative impact

Discharge of wastewater

LEO Pharma's manufacturing process generates wastewater containing residues of pharmaceutical compounds. While wastewater is treated in accordance with applicable regulation, there is a risk that pharmaceutical residues could enter the aquatic environment and potentially contribute to resistance toward pharmaceuticals.

Negative impact

Substances of concern (SoCs) and substances of very high concern (SVHCs) from manufacturing processes

LEO Pharma's manufacturing processes involve the use of hazardous chemicals, for example solvents and active pharmaceutical ingredients. Improper handling, storage and disposal of SoCs can lead to a negative impact on the environment.

Policies

We comply with the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations, which provide a framework for managing the risks associated with chemical substances. Through REACH, we ensure that our processes meet safety and environmental requirements for managing chemicals. LEO Pharma continues to operate in compliance with the EU Industrial Emissions Directive (IED), which forms the basis of our environmental permits and discharge approvals. Our Environmental Policy, approved by the Board of Directors, outlines our commitment to pollution prevention, waste minimization, emissions reduction and continuous improvement in environmental performance across our operations.

Actions

We work continuously to minimize risks and ensure that safe handling and focus on avoiding SoCs and SVHCs play an important part when entering into new partnerships. Furthermore, we have aligned our centralized chemicals register of all SoCs and SVHCs with the European Sustainability Reporting Standards requirements, to ensure continued compliance with the regulations.

Most of the SoCs and SVHCs procured are used as solvents in the production of our pharmaceutical products and collected as liquid waste managed by external partners. In 2025, SVHCs were less than 0.5% of total handled substances, and none left our sites as part of products. All manufacturing sites use and collect data on SoCs and SVHCs.

Targets

We have not set specific targets related to air pollution, discharge of wastewater and SoCs or SVHCs, beyond compliance with EU and national regulations in our manufacturing countries. While we remain committed to minimizing our environmental footprint and tracking development, our focus is on aligning with current and future regulatory requirements.

Pollution of air, water and soil

	Unit	2025
Non-methane volatile organic compounds (NMVOC)*	Tonnes	41

Progress: In 2025, the substance exceeding E-PRTR threshold limits was non-methane volatile organic compounds (NMVOC) at the Ballerup, Denmark site. NMVOC refers to all volatile organic compounds, excluding methane. These compounds are significant contributors to ground-level ozone formation and air pollution, but are not included in LEO Pharma's Scope 1 GHG emission calculations.

§ Accounting policies

Pollution of air, water and soil

The reporting of the annual emissions of pollutants includes those which exceed the thresholds according to the European Pollutant Release and Transfer Register (E-PRTR) regulations. The reporting process scope includes all manufacturing sites. The disclosed data represents the sites where the thresholds were exceeded. The NMVOC emissions at the Ballerup, Denmark site are calculated using a mass balance approach in line with "VOC-Bekendtgørelsen" (the Danish VOC Regulation), based on two sources: direct emissions from primary vents and diffuse emissions. The two primary vents at Ballerup, Denmark are a CATOX device and a carbon filter. Diffuse emissions are based on measurements of solvents lost in water, solvents used in the products, emissions of uncaptured organic solvents into the air and organic solvents discharged by other means. Where 2025 measurements are not available, 2024 data is used. Measured in tonnes.

Substances of concern and substances of very high concern

		2025	
	Unit	Substances of concern (SoCs)	Substances of very high concern (SVHCs)
Substances generated or used during production or produced (total)*	**Tonnes**	**1,113.9**	**5.1**
Human health hazard (H3xx)*	Tonnes	1,031.3	5.1
Environmental hazard (H4xx)*	Tonnes	0.4	-
Human health & environmental hazard (H3xx+H4xx)*	Tonnes	82.2	-
Substances leaving facilities as emissions, as products or as part of products (total)*	**Tonnes**	**61.3**	**0.3**
Substances leaving facilities as emissions*	**Tonnes**	**55.7**	**0.3**
Human health hazard (H3xx)*	Tonnes	51.6	0.3
Environmental hazard (H4xx)*	Tonnes	-	-
Human health & environmental hazard (H3xx+H4xx)*	Tonnes	4.1	-
Substances leaving facilities as products or part of products (total)*	**Tonnes**	**5.6**	**-**
Human health hazard (H3xx)*	Tonnes	5.2	-
Environmental hazard (H4xx)*	Tonnes	0.2	-
Human health & environmental hazard (H3xx+H4xx)*	Tonnes	0.2	-

Progress: Most of the air emissions are from the production of APIs in Ballerup, Denmark, where emissions from the primary vents are treated in the CATOX unit and carbon filter. Minor air emissions are not treated but are emitted directly from the vents above the roof. The reported quantities of emissions of substances leaving our facilities are within regulatory limits. 0.5% of the substances that were used in 2025 left as part of our products. This is mainly one substance used as a preservative in our products.

* Limited assurance is provided for the 2025 period.

§ Accounting policies

Substance of concern and substance of very high concern

Substances of concern (SoCs) and substances of very high concern (SVHCs) are defined based on the criteria detailed in the Annex to the Commission Delegated Regulation supplementing Directive 2013/34/EU.

The scope of LEO Pharma's reporting includes all manufacturing sites. SoCs and SVHCs from laboratories were deemed immaterial and are not in scope due to their small volumes. The SoCs and SVHCs are identified from LEO Pharma's internal chemical register based on used substances recorded in the ERP system.

The volumes of used substances from the ERP system include data for API production as well as for the final medicinal products manufactured at LEO Pharma's manufacturing sites.

The SoCs and SVHCs are either used in the production processes or leave the manufacturing sites as emissions or as excipients in the final medicinal products. The total weight of SoCs and SVHCs that are either used in our production processes or leave manufacturing sites as emissions or as part of our products is split into main hazard classes: human health hazard (hazard class code H3xx or EUH3xx), environmental hazard (hazard class code H4xx or EUH4xx or EUH059) and human health & environmental hazard (H3xx + H4xx).

Most of the SoCs and SVHCs used are employed as solvents in the production of our APIs. During the production process, almost all of the SoCs and SVHCs are collected as liquid waste and managed by external partners in compliance with the regulations.

The estimated quantities of SoCs and SVHCs leaving LEO Pharma manufacturing sites as emissions are based on the annual report to the Danish Environmental Protection Agency, which states that approximately 5% of used solvents are released as emissions. This percentage is considered representative of all LEO Pharma manufacturing sites.

The actual percentage of emissions from the used substances recorded in the ERP system is expected to be below 5%, as some SoCs and SVHCs are not organic solvents. Consequently, a higher proportion of these substances is found in collected liquid waste compared to emissions of organic solvents. The identification of SoCs and SVHCs in final products is conducted by cross-referencing the list of SoCs and SVHCs identified from used substances using ChemGes, where all product formulations are recorded. The volumes of SoCs and SVHCs in the products are then estimated based on their percentage content in the products and the production volumes of those products. The remaining amount of SoCs and SVHCs leaves our factories as emissions to air and water.

Data is collected once a year. Reported in tonnes.

Environmental information

Water

Efficient water management is balanced with strict pharmaceutical quality and safety standards.

Material impact and its interaction with our strategy and business model

		Location in the value chain			Time horizon		
IRO name	**IRO type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Water consumption	Actual negative impact		●		●		

LEO Pharma is committed to effectively managing its water consumption and aims to minimize the environmental impact. Our manufacturing sites are not in water-stressed regions, and efficient water use is continuously balanced with strict pharmaceutical quality and safety standards.

Negative impact

Water consumption

LEO Pharma's manufacturing processes require extensive use of water for various purposes, including cleaning, cooling and as a solvent in chemical reactions, and water is an essential component in ensuring the quality, safety and sterility of our products. As water is considered a scarce resource, high water usage contributes to the global shortage of water, resulting in adverse effects on the environment.

Policies

LEO Pharma is committed to effectively managing its water consumption and aims to minimize the environmental impact. This commitment is translated into the global Environmental Policy and the good behaviors outlined in the LEO Pharma Code of Conduct. Day-to-day water management is individually managed at the manufacturing sites to meet local requirements.

Actions

Although our sites are not located in areas of high water stress according to the WWF Water Scarcity Risk Current Trend Scenario 2050 assessment, we recognize that our manufacturing processes are relatively water-intensive, and we remain committed to responsible water management. We continuously work on responsible water management conducted in line with the environmental management certification ISO 14001, to which all our sites are certified. LEO Pharma is investigating the possibilities of improving water metering and monitoring at all manufacturing sites and has selected processes to keep track of continual water consumption. This will further enable us to react promptly when identifying excess use of water, for example due to leakages.

Targets

We have not set specific targets for reducing water consumption. While we are committed to using water responsibly and efficiently, the nature of our operations requires a careful balance between environmental considerations and compliance with strict pharmaceutical quality and safety standards. We continue to monitor and track water consumption to evaluate progress and future ambitions.

Water consumption and description of development

	Unit	**2025**	2024
Total water consumption*	m^3	364,058	339,639
Water intensity (m^3 consumption per net revenue)*	m^3/DKK million	26.97	27.27
Share of the measure obtained from direct measurement, sampling etc.	%	91%	-

Progress: Total water consumption increased by 7% in 2025, whereas water intensity remained constant. In 2025, higher water usage was partly caused by increased production activity at several of our sites. Additionally, maintenance work on water equipment at our Segrate, Italy and Dublin, Ireland sites contributed to the rise in consumption.

Accounting policies

Total water consumption

Measured as the sum of water consumption at our six manufacturing sites reported throughout the year. Data is based on meter readings and invoices. In cases where no supporting document is available, estimation is used. The approach for estimation followed by the sites is to calculate the average daily consumption according to the invoices and multiply this by the number of days of consumption. Measured in m^3.

Water intensity ratio

Calculated as total water consumption at manufacturing sites in m^3 per DKK million net revenue. The annual revenue is disclosed in Note 2 to the financial statements. Measured in m^3/DKK million.

* Limited assurance is provided for the 2025 period.

Environmental information

Waste

90% of waste is diverted from disposal, underscoring strong waste management at local sites.

Material impact and its interaction with our strategy and business model

		Location in the value chain			Time horizon		
IRO name	**IRO type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Disposal of pharmaceutical waste	Actual negative impact		●			●	

LEO Pharma is committed to managing all waste responsibly and minimizing environmental impacts from disposal. All sites are certified to ISO 14001 and manage waste individually to meet local requirements.

Negative impact

The disposal of pharmaceutical waste generated during the manufacturing process, including solvents, chemicals and by-products, often involves incineration or landfilling, which can have negative impacts on the environment.

Policies

LEO Pharma is committed to effectively managing the waste generated during its manufacturing processes and aims to minimize the environmental impact of waste disposal, including chemicals and by-products. This commitment is translated into the global Environmental Policy, approved by the Board of Directors, and the good behaviors outlined in the LEO Pharma Code of Conduct.

Actions

Day-to-day waste handling is managed at the manufacturing sites to ensure compliance with local requirements and standards. Besides the continuous work on responsible waste management conducted in line with the environmental management certification ISO 14001, to which all our sites are certified, the focus in 2025 was on aligning waste reporting with the ESRS requirements and establishing an internal waste network to assist defining future ambitions across sites. In 2025, LEO Pharma achieved a 90% recycling rate, despite a 12% year-on-year increase in total waste generation.

Targets

While we always work to reduce our residual waste, we have not set specific waste targets. We plan to use data from the 2025 reporting to set a baseline in 2026 and, subsequently, define future targets.

Total waste generated in operations

		2025		
	Unit	Hazardous	Non-hazardous	Total
Total waste generated*	**Tonnes**	**8,611**	**66,661**	**75,272**
Diverted from disposal				
Preparation for reuse*	Tonnes	100	112	212
Recycling*	Tonnes	60	7,774	7,834
Other recovery operations*	Tonnes	2,130	57,857	59,987
Total waste diverted from disposal*	**Tonnes**	**2,290**	**65,743**	**68,033**
Directed to disposal				
Incineration*	Tonnes	6,298	690	6,988
Landfill*	Tonnes	7	206	213
Other disposal operations*	Tonnes	16	22	38
Total directed to disposal*	**Tonnes**	**6,321**	**918**	**7,239**
Non-recycled waste				
Total non-recycled waste*	**Tonnes**	**6,321**	**918**	**7,239**
Percentage of non-recycled waste*	%	73%	1%	10%

Progress: Total amount of waste generated in 2025 was 75,272 tonnes. 90% of our waste was diverted from disposal. Most of this amount is related to Fertigro (classed under Other recovery operations), which is converted to biogas by our handling partner. A large portion of our disposed waste contains incinerated waste from our Ballerup, Denmark site, where a new manufacturing facility started operation in 2025.

* Limited assurance is provided for the 2025 period.

§ Accounting policies

Waste

Total waste reported covers waste generated from LEO Pharma's manufacturing sites and subsidiaries. Waste is categorized in two main categories: hazardous waste and non-hazardous waste, which is either diverted from disposal or directed to disposal.

Hazardous waste includes: medical waste, electronic waste, laboratory waste, process waste, contaminated containers, potentially infectious waste, maintenance oils and insulation.

Non-hazardous waste includes: glass, paper, food, plastic, aluminum, cardboard, compost, mixed metals, pallets, toner and sewage sludge.

Preparation for reuse covers mostly plastic. Recycling covers paper, cardboard, plastic, metal and wood/timber. Other recovery operations cover the Fertigro use for biogas production from our Esbjerg, Denmark site.

Incineration covers hazardous chemical waste from production activity.

Landfilling covers sludge used in the wastewater purifier treatment plant at our Segrate, Italy site.

Data is collected from manufacturing sites through supplier reports, and estimation (0.1%) is used when primary data is not available by using data for the same period last year. For subsidiaries, data is derived from estimation (0.1%) based on the weight of the office waste per FTE at our Ballerup, Denmark site in the current reporting year.

EU Taxonomy

Taxonomy eligibility
As part of the eligibility assessment, LEO Pharma screened our business activities against those listed in the Taxonomy Compass to identify the eligible share of Turnover, CAPEX and OPEX. Based on this assessment, we identified the following activities for the KPIs identified below:

Turnover: LEO Pharma recognizes turnover from the sale of pharmaceutical products (Note 2.1 Revenue, Annual Report 2025). By linking the revenue of each end-product to our core activity, we determined that 100% of our net revenue is eligible under "Manufacture of medicinal products" (PPC 1.2).

CAPEX: LEO Pharma assessed the eligibility of our CAPEX by reviewing the additions to fixed assets, intangible assets and leased assets throughout the year (Note 3.1 Intangible assets, Note 3.2 Property, plant and equipment, Note 3.3 Leases, Annual Report 2025).

In 2025, we identified eligible projects under activities "Manufacture of medicinal products" (PPC1.2), "Transport by motorbikes, passenger cars and light commercial vehicles" (6.5), "Construction of new buildings" (CCM 7.1) and Installation, maintenance and repair of energy efficiency equipment" (CCM 7.3). The first activity is associated with tangible assets in production and intangible assets, whereas the second activity is related to our car fleet. The latter two activities are related to the expansion of our manufacturing sites in Denmark and Ireland, and the installation of heating and cooling equipment at manufacturing sites respectively.

OPEX: To determine OPEX eligibility, we reviewed our income statement as well as the definition and content of general ledger accounts. We selected general ledger accounts related to maitenance, repair and research and development expenses and assessed their content by cost centers. In 2025, we identified expenses related to "Manufacture of medicinal products" (PPC 1.2).

We avoid double counting by allocating CAPEX and OPEX to our core activity first and then to other environmental objectives. None of our activities contribute to multiple objectives. There was no disaggregation of turnover, CAPEX or OPEX KPIs for any economic activity assessed.

Future eligibility considerations and Taxonomy alignment
In accordance with the regulation, we will be reviewing our eligibility assessment annually, and plan to include the result of the Taxonomy alignment assessment in 2026. Due to uncertainties in interpretations, we may update our future reporting as best practice evolves.

Reporting according to the EU Taxonomy
The EU Taxonomy is a classification system that identifies environmentally sustainable economic activities. Its purpose is to guide investments toward the EU's climate goals and a low-carbon economy. Eligible activities have the potential to be considered sustainable, while aligned activities also fulfill the criteria for being sustainable.

In 2025, for the first time, we include reporting on eligible EU Taxonomy activities. Our eligibility assessment is performed in accordance with Article 8 of the EU Taxonomy Regulation (EU) 2020/852. We report only on turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) for eligible activities (not alignment). This reporting does not constitute EU Taxonomy reporting in compliance with the regulation, and the tables included are not compliant with the mandatory tables in Annex I of the Disclosure Delegated Act (EU) 2021/2178.

EU Taxonomy summary table 2025

			Turnover		OPEX		CAPEX	
Environmental objective	Economic activity		DKK million	%	DKK million	%	DKK million	%
Eligible and aligned (A1.)	N/A		-	-	-	-	-	-
Eligible not aligned (A2.)			13,499	100%	718	86%	918	77%
Pollution prevention and control*	Manufacture of medicinal products	PP 1.2	13,499	100%	718	86%	851	71%
Climate change mitigation*	Construction of new buildings	CCM 7.1	-	-	-	-	14	1%
Climate change mitigation*	Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	-	-	-	-	12	1%
Climate change mitigation*	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	-	-	-	-	41	3%
Total (A1. + A2.)*			**13,499**	**100%**	**718**	**86%**	**918**	**77%**
Taxonomy non-eligible activities (B.) *					117	14%	281	23%
Total turnover, CAPEX, OPEX (A1. + A2. + B.)*			**13,499**	**100%**	**835**	**100%**	**1,199**	**100%**

§ Accounting policies

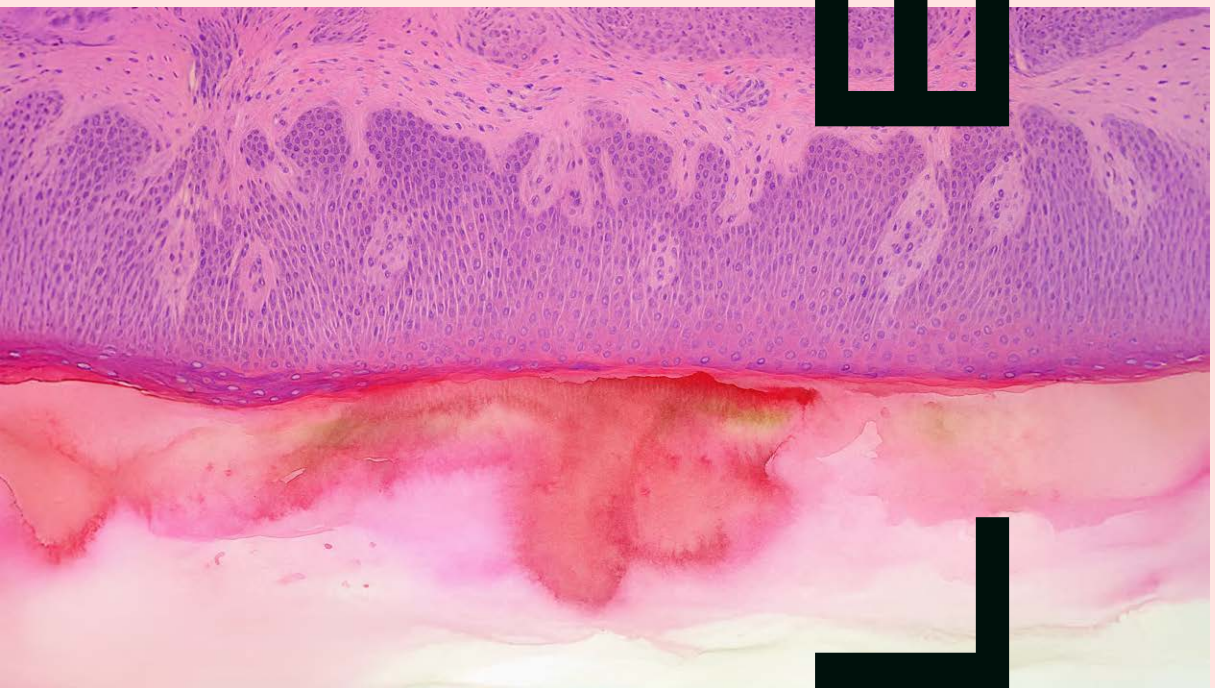
Turnover KPI: The revenue denominator is derived from LEO Pharma's total revenue in the consolidated financial statements (Note 2.1 Revenue). Eligibility is defined by linking the revenue streams for each patient solution to eligible economic activities (numerator). The turnover KPI is defined as taxonomy eligible revenue (numerator) divided by total revenue (denominator).

CAPEX KPI: The CAPEX denominator is derived from the additions to LEO Pharma's tangible, intangible and right-of-use assets during the year (Notes 3.1-3.3). considered before depreciation, amortization and any re-measurements, including those resulting from re-valuations and impairments, for the year and excluding fair value changes. The denominator sets the baseline against which the share of taxonomy eligible investments are identified (numerator).

OPEX KPI: The denominator shall cover direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditure relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to which activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. OPEX does not include amortization or impairment. The denominator sets the baseline against which the share of taxonomy eligible operating expenses is defined (numerator).

* Limited assurance is provided for the 2025 period.

Social information



2025 highlights

Thousand of units donated

92+

Adjusted gender pay gap

1.6%

Social information

Patients

By working closely with patients and partners, we help advance the standard of care.

Material impacts and risks and their interaction with our strategy and business model

		Location in the value chain			Time horizon		
IRO name	**IRO type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Burden of disease	Actual positive impact			●		●	●
Patient engagement	Actual positive impact			●		●	●
Access to treatment	Potential negative impact			●	●		
Patient safety	Risk		●			●	

As a global leader in medical dermatology, LEO Pharma is committed to delivering first- or best-in-class treatments that address patients' unmet needs. With more than 100 million patients served this year and more than 92,000 units donated, we place patients at the center of our work to deliver safe, effective and easier-to-use medicines that reduce the burden of disease.

Negative impact

Access to treatment

LEO Pharma's strategy focuses on advancing the standard of care in medical dermatology and developing treatments for patients with unmet needs. Decisions to exit markets or adjust product access are made following careful consideration of alternative treatment pathways, quality oversight and regulatory compliance. Where not appropriately managed, such decisions could negatively affect patient access, particularly in underserved countries or disease areas with limited therapeutic options.

Positive impact

Patient engagement

Patient engagement is a strategic enabler for LEO Pharma's ambition to raise the standard of care in medical dermatology. By engaging patients in development and lifecycle management, we strengthen our understanding of diseases and unmet needs, supporting the development of first- or best-in-class treatments.

Positive impact

Burden of disease

Skin diseases represent a significant global health burden. As a leader in medical dermatology, LEO Pharma delivers first-in-class treatments that may improve outcomes and reduce disease burden across large chronic skin diseases and rarer but severe skin conditions with limited or no current treatment options.

Risk

Patient safety

Patient safety is fundamental to LEO Pharma and anchored in our Code of Conduct. Failure to meet clinical or regulatory standards could delay product approvals, disrupt strategic launches and limit patient access, adversely affecting strategy execution, financial performance and reputation. The financial effects of this risk occur in our own operations and have been evaluated to be potentially material in the medium term.

Policies

LEO Pharma's Code of Conduct guides the management of material impacts, risks and opportunities related to patients, setting ethical and compliance standards across development, clinical testing, commercialization and lifecycle management. It ensures patient safety, regulatory compliance and responsible market conduct.

The Donations, Grants & Sponsorships Principle Procedure guides product donations to humanitarian efforts, supporting unmet needs related to the burden of disease through product, equipment and community support donations in compliance with WHO guidelines, national regulations and internal quality standards.

The Global Pricing Policy guides market access decisions by ensuring equitable and sustainable pricing that aligns with regulatory requirements and supports affordability, while enabling patient access and supporting LEO Pharma's strategic objectives to lessen the burden of disease. Equitable access is also assessed within operational decisions, considering regulatory compliance, quality oversight and alternative treatment pathways, with exits from markets ensuring that local patients have options. The policy is approved by responsible GLT members.

Patient engagement is embedded in our business strategy as central to innovation and development. Global partnerships and acquisitions enhance LEO Pharma's platform and accelerate innovation, shaping early-stage research, advancing opportunities and maximizing asset value with the aim of

lessening the burden of diseases; these are driven by strategic objectives rather than standalone policies.

Actions

In 2025, LEO Pharma served more than 100 million patients in more than 70 markets. We engage with healthcare professionals, partners and patient communities to understand needs and ensure that treatment options remain available. We assess our markets against clear criteria, such as profitability, risk, complexity and growth potential, and ensure that decisions to exit, consolidate or transition are balanced with safeguarding patient access.

In addition, LEO Pharma's partnership with International Health Partners (IHP) helps extend access to our medicines to communities in crisis situations where, often, we do not have a commercial presence. Since 2013, the partnership has shipped more than 475,000 units to 30 countries, reaching more than 600,000 patients.

Processes for engaging with patients about impacts

We engage with patients directly and through proxies, such as partners, hospitals and patient organizations, to understand needs, address challenges and improve outcomes, using systematic, documented and externally assessed approaches. We engage with patients across multiple stages of our operations, including R&D, clinical trials, delivery of care, and in measurement and reporting. Frequency varies by stage, with clinical trial engagement tied to trial milestones and operational engagement as part of ongoing business processes.

Patient engagement is embedded across development and lifecycle management, gathering insights from healthcare professionals, partners and patient communities to address access challenges and unmet medical needs. This collaborative approach drives innovation, ensures medicines are relevant, effective and easy to use, and builds trust with patient communities. We assess the maturity of patient engagement through an externally evaluated framework measuring across nine value chain dimensions, with outcomes guiding improvements and supporting agreements to enhance integration of patient experience data.

At LEO Pharma, we work through strategic partnerships to bring innovative answers to help tackle the personal and global consequences of skin disease. More information on strategic partnerships can be found in the section "Our business."

Processes to remediate negative impacts and channels for stakeholders to raise concerns

LEO Pharma provides multiple channels for stakeholders to raise concerns or share information: the Speak-Up Line for confidential reporting of unethical behavior, product complaint submissions via phone or e-mail to the relevant market and reports directly to Global Safety, with data handled in accordance with pharmacovigilance and data protection guidelines. Both the Speak-Up Line and Global Safety pharmacovigilance channels have a specific process for reporting and addressing patient issues. All channels are publicly available on LEO Pharma's website. Access to a grievance mechanism is stipulated in the Third-Party Code of Conduct (TPCC) for suppliers and business partners.

The Speak-Up and Non-Retaliation Principle Procedure defines the process for Speak-Up Line reports, including whistleblower protection. The Pharmacovigilance department applies strict protocols for timely and proper handling of all complaints, performing due diligence and periodic trend analysis to detect patterns and guide corrective or preventive actions. Regular reviews ensure channels remain effective, accessible and responsive.

LEO Pharma builds patient trust by providing clear, timely feedback after investigations, with reports shared when required by local regulations in collaboration with LEO Pharma's Quality function.

Number of patients served and number of units donated

	Unit	**2025**	2024
Number of patients served*	Number in thousands	101,585	100,053
Number of units donated*	Units	92,032	-

§ Accounting policies

Number of patients served in a year
Calculated by dividing the gross sales volume by product in the year by the estimated average dose consumed per patient for each product. Only products that are sold under the LEO Pharma brand are included, thus generics (sold to other pharma companies) and products where LEO Pharma acts as a contract manufacturing organization (CMO) are excluded. The average dose used is calculated internally by using data from clinical trials for new products and by tracking patient surveys and prescriber numbers for existing products. Measured in number of patients.

Number of units donated
The number of units donated refers to products offered free of charge to International Health Partners (IHP), recognized only upon confirmed delivery to the recipient country. Eligible products must be UK- or EU-licensed medicines with a required shelf life and certification and exclude strategic priority brands.

Patient safety activities are executed through continuous risk management, annual safety reporting, regulatory engagement and compliance inspections. Each new product includes a risk management plan, with processes in place to identify and resolve issues early, update labeling, adapt trials when needed and meet post-authorization commitments. This aims to ensure safe, innovative treatments over the long term.

Targets

While we take on a systematic approach to measure, track and evaluate our patient engagement maturity across the organization, we do not have specific external targets.

In 2025, we did not produce for donation or set specific external donation targets. We ensure that we respond to requests from our partners and communities with donation as well as evaluating any excess stock to provide for donations.

* Limited assurance is provided for the 2025 period.

Social information

Own workforce

By putting people first, we create the conditions to influence what's next in medical dermatology.

Material impacts and risks and their interaction with our strategy and business model

		Location in the value chain			Time horizon		
IRO name	**IRO type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Unequal pay	Actual negative impact		●			●	
Violence and harassment in the workplace	Actual negative impact		●		●		
Workers' health and safety	Actual negative impact		●		●		
Training and skills development	Risk		●			●	

LEO Pharma aims to be an inspiring and safe workplace that attracts, retains and develops top talent, with non-discrimination and inclusivity as a core priority. We focus on continuous learning, strengthening strategic capabilities, fostering a strong organizational culture and maintaining transparent leadership. By investing in our people, we nurture innovation to advance the standard of care in medical dermatology.

Negative impact

Unequal pay

LEO Pharma's global operations and diverse workforce may result in cases of adjusted and unadjusted unequal pay, potentially leading to decreased morale or reduced job satisfaction.

Negative impact

Violence and harassment in the workplace

If LEO Pharma fails to implement processes to prevent violence and harassment at work, it can adversely impact the physical safety and mental well-being of employees.

Negative impact

Workers' health and safety

LEO Pharma's manufacturing and operational activities involve workers being exposed to safety risks as part of their job, which may result in injuries or fatalities.

Risk

Training and skills development

Lack of training and skills development can negatively impact LEO Pharma's ability to raise the bar by elevating our leadership and strategic capabilities. The risk of not attracting and retaining talent may negatively impact our ability to deliver on our strategy and pipeline. The financial effects of this risk occur in our own operations and have been evaluated to be potentially material in the medium term.

Policies

LEO Pharma is committed to fostering a safe, fair and respectful workplace through robust policies that uphold human rights and support the well-being and development of our people. Our Human Rights Policy, approved by the Board of Directors, affirms alignment with the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We commit to upholding applicable wage, safety and benefit laws, prohibiting forced and child labor, preventing harassment, bullying and discrimination, and respecting freedom of association and collective bargaining. These commitments are embedded in the LEO Pharma Code of Conduct and underlying EHS policies and HR policies, including those on global anti-harassment and bullying and diversity, equity & inclusion (DE&I).

Actions

LEO Pharma uses established processes to identify and address negative impacts on its workforce through reviews of workforce data, employee feedback, operational monitoring and alignment with local regulations and global standards. When impacts are identified, relevant functions such as Compliance, Global People and EHS assess the severity, root causes and actions, which may include revising policies, enhancing training or increasing monitoring, with issues channeled to leadership when necessary. Effectiveness is tracked against set benchmarks, including metrics retating to employee demographics, health and safety data, LEO Voice results and EHS performance evaluations. EHS findings are documented, integrated into risk assessments and communicated for timely action. For unequal pay, processes include an annual gender pay gap review lead Rewards and a review of remuneration across all geographies to identify barriers, assess root causes and, where possible, address them through our annual salary review. This is delivered in alignment with Global People-led analysis of potential issues relating to morale, job satisfaction and discrimination, as identified through LEO Voice.

The share of women in management increased slightly across all levels from 46% to 47%, driven by gender diversity in middle management. Voluntary turnover declined significantly year on year to 7.0% from 9.9% in 2024, indicating improved retention and engagement. The adjusted gender pay gap declined further to 1.6%. Fair pay practices support employee trust and help mitigate potential impact on engagement or job satisfaction.

To address workplace violence or harassment, reporting channels are maintained, annual Code of Conduct training is provided and zero-tolerance policies are enforced by Global Compliance and the Investigations Committee. Building on our 2025 pilot, we will embed inclusion and training across all business levels in 2026, reinforcing our commitment to fairness and non-discrimination while strengthening our culture.

Safety risks in manufacturing and operations are managed through the global EHS Management System aligned with ISO 45001, including risk assessments, protective equipment and incident response protocols. EHS manages health and safety risks together with global and site-specific measures, with variations for each site. In 2025, health and safety data included both manufacturing sites and subsidiaries for the first time. LEO Pharma had 11 work-related accidents, which resulted in a Lost Time Injury (LTI) rate of 1.6. Of the total days lost, 199 were related to accidents that occurred in 2025, and 247 days stemmed from two injuries in Vernouillet, France in 2024.

Training is delivered via the LEO Academy and site-specific programs. By investing in training and skills development and inclusion training, we strengthen our leadership and strategic capabilities and enhance talent attraction and retention to ensure we are well positioned to deliver on our strategic objectives. In 2025, 84% of employees completed their development plans and concluded an average of 13.5 hours of training. Information on our professional development initiatives can be found in the section "Unite as one team".

Health and safety

	Unit	2025
Percentage of workforce covered by LEO Pharma's health and safety management system*	%	100
Number of recordable work-related accidents (LTI)*	#	11
Rate of recordable work-related accidents*	Incidents per million hours	1.6
Number of fatalities*	#	0
Number of days lost due to work-related injuries and fatalities*	#	446

* Limited assurance is provided for the 2025 period.

§ Accounting policies

Health and safety data is collected from manufacturing sites and subsidiaries in LEO Pharma's ESG reporting system.

Percentage of workforce covered by LEO Pharma's health and safety management system
The percentage of employees in LEO Pharma's own workforce who are covered by our health and safety management system based on the recognized standards and guidelines is calculated as the number of employees covered by the above divided by all employees (headcount). Manufacturing sites are covered by the health and safety management system certified to ISO 45001. Internal health and safety guidelines apply to all other LEO Pharma sites.

Number of fatalities
Fatalities refer to the number of own employees and other workers (contractors and consultants working on site, including canteen and cleaning staff) who passed away due to work-related injuries.

Number of recordable work-related accidents (LTI)
The number of work-related reportable accidents is recorded if the injured person was absent beyond the day of the injury (from day 1), as this is reportable according to Danish legislation.

Number of days lost due to work-related injuries and fatalities
Defined as the number of work days the employee was unable to work (excluding the day of the accident) as a result of a direct work-related injury.

Rate of recordable work-related accidents (LTI rate)
Determined by the number of work-related accidents with absence per 1 million working hours. The total hours worked is calculated by multiplying the average number of FTEs in 2025 by the OECD average annual hours for 2025.

Processes for engaging with own workers and workers' representatives about impacts
LEO Pharma engages with its employees through structured channels, including the LEO Voice employee survey for feedback on non-discrimination, non-retaliation, offensive behavior and fair working conditions. LEO Pharma Speak-Up, our whistleblower hotline, is further used to take reports of employee and other stakeholders. Feedback and reports from these channels are escalated through established governance routes so that the GLT and the Board of Directors receive oversight and can direct action where required.

Processes to remediate negative impacts and channels for own workers to raise concerns
Issues raised through the externally managed Speak-Up Line lead to an internal investigation and corrective action procedures. Issues identified through the LEO Voice survey are addressed through our 1-2-3 approach – a simple, actionable follow-up structure that all managers are asked

to implement with their teams after the LEO Voice survey results are shared. It is designed to make feedback tangible, ensure action and keep discussions focused on what matters most. Together, these elements operationalize our duty to respect internationally recognized human and labor rights, by combining substantive protections, ongoing monitoring, governance and accessible reporting mechanisms.

Targets

LEO Pharma has been working actively on promoting non-discrimination and increasing equal opportunities for the underrepresented gender (currently women) in leadership since 2020. At the end of 2025, we reached our targets of at least 45% underrepresented gender representation at senior and middle management level, with a 55/45 and 52/48 gender distribution within senior and middle management respectively.

In 2026, we plan to review our targets related to gender diversity to ensure we maintain a strong position in promoting inclusive behavior and non-discrimination across all management levels and reflect the requirements of the Danish Gender Balance Act.

Our commitment to inclusivity and non-discrimination extends to our GLT and the Board of Directors, where we aspire to reach a balanced representation of gender. At the end of 2025, the underrepresented gender (currently women) accounted for three out of the ten GLT members. By 2027, at least 36.4% of the GLT members should be of the underrepresented gender (currently women). This equates to four GLT members out of 11 total GLT members. Similar targets exist for our Board of Directors, where at least 37.5% should be of the underrepresented gender (currently women). This equates to three board members out of eight total board members[1]. In 2025, only two out of eight board members, excluding employee representatives, were of the underrepresented gender (currently women).

While we track, measure and evaluate unequal pay continuously, we do not have specific external targets. Beyond gender, LEO Pharma recognizes the importance of diverse experiences and backgrounds, including age, geography and education. To nurture an inclusive work environment and attract and retain talent with diverse perspectives and insights, we monitor team composition and aspire to improve this cross-functionally. Health and safety KPIs are set within the ISO 45001 management system and followed up on via monthly scorecards.

More details about the composition and diversity of the Board of Directors and the GLT can be found in the section "Corporate matters".

Number of employees by gender

	Unit	2025	2024	2023
Women*	Headcount	2,420	2,289	2,440
Men*	Headcount	1,833	1,769	1,850
Total number of employees at year-end*	Headcount	**4,253**	**4,058**	**4,290**
Average number of employees	Headcount	**4,085**	**4,184**	**4,490**

Number of employees by country
(where LEO Pharma has at least 50 employees representing at least 10% of its total number of employees)

	Unit	2025
Denmark*	Headcount	1,007
France*	Headcount	578
Ireland*	Headcount	427
Other countries*	Headcount	2,241
Total number of employees at year-end*	Headcount	**4,253**

* Limited assurance is provided for the 2025 period.

[1] We adhere to the guidance from the Danish Business Authority on target figures for the gender composition of managers.

Employees by contract type, broken down by gender

		2025		2024		2023	
	Unit	Women	Men	Women	Men	Women	Men
Number of employees*	Headcount	2,420	1,833	2,289	1,769	2,440	1,850
Number of permanent employees*	Headcount	2,197	1,712	2104	1,681	2,255	1,739
Number of temporary employees*	Headcount	223	121	185	88	185	111
Number of full-time employees*	Headcount	2,228	1,793	2,099	1,721	2,251	1,810
Number of part-time employees*	Headcount	192	40	190	48	189	40

Employee turnover

	Unit	2025	2024	2023
Employee turnover*	Headcount	638	758	1,138
Employee turnover rate*	%	16%	18%	26%
Voluntary turnover rate*	%	7%	10%	13%

* Limited assurance is provided for the 2025 period.

§ Accounting policies

Characteristics of employees
Workforce is defined as all active employees who are employed by LEO Pharma on December 31, 2025, excluding externals and employees on garden leave. The numbers are reported as headcount. Workforce data is sourced from LEO Pharma's global HR system.

Please refer to Note 2.2. to the consolidated financial statements for the most representative employee number.
For reporting by gender, the Women/Men breakdown is used.

Permanent employees are determined as employees whose employment contract is without a specified end-date. Temporary employees are determined as employees whose employment contract has a specified end-date. LEO Pharma does not have non-guaranteed hours employees.

For breaking down countries, employees' work location is used. The countries with fewer than 50 employees are classified as "other countries."

Number of employees who left LEO Pharma includes the total number of employees who left during the year voluntarily, due to dismissal or for other reasons (retirement, death etc.), excluding employees whose fixed-term contracts expired. The annual turnover rate is calculated by dividing the number of employees who left during the year by the average headcount during the year. Measured as a percentage.

The voluntary turnover rate is calculated by dividing the number of employees who left voluntarily during the year by the average number of employees (headcount). Measured as a percentage.

Average number of employees (headcount)
Calculated as rolling 12 months by calculating the headcount for each month-end during the reporting period. Includes all active employees who are employed by LEO Pharma at the end of each month. Excludes externals and employees on garden leave.

Distribution of employees by age group

	Unit	2025	2024	2023
Under 30 years old (% of total)*	%	10%	7%	8%
30-50 years old (% of total)*	%	54%	53%	57%
Over 50 years old (% of total)*	%	36%	40%	35%

Diversity in management

	Unit	2025	2024	2023
Gender diversity in senior management*	% Women/Men	45/55	45/55	41/59
Gender diversity in middle management*	% Women/Men	48/52	47/53	50/50
Gender diversity – all managers*	% Women/Men	47/53	46/54	48/52

§ Accounting policies

Diversity metrics data is sourced from LEO Pharma's global HR system at December 31, 2025.

Distribution of employees by age group
The age distribution is based on calculating the age for employees as full years. After determining the number of employees in each age group, it is expressed as a proportion of the total number of employees at year-end.

Gender distribution in management
All managers (Women/Men)
Managers are defined as employees with at least one internal direct report and on a management job path. Reported as an average ratio of women to men.

Senior management and middle management
Bands at LEO Pharma are used to describe the high-level grouping of job levels with related responsibilities, skills and requirements. Senior management is defined as all employees (people managers) in bands C and D. Middle management is defined as employees (people managers) in band E and below. Measured as an average ratio of women to men.

* Limited assurance is provided for the 2025 period..

Training and skills development

	2025	
	Employee development plans completed*	Average number of training hours
Women	85%	13.3
Men	83%	13.8
Total average	**84%**	**13.5**

§ Accounting policies

Employee development plans completed*
Calculated as the percentage of eligible employees who completed a development plan (LEO GROW plan) during the year. Eligibility includes all active employees at year-end, excluding those at job level P0 (interns, trainees, students) and employees in Ireland covered by collective bargaining agreements who, as part of their union arrangements, do not participate in the LEO GROW development planning process. Completion is defined by the presence of a "development" goal type in the employee's plan. Separate percentages are calculated for women and men using the same eligibility criteria.

Average number of training hours
Calculated as the total number of training hours offered to and completed by employees during the reporting year, divided by the total number of active employees in each gender category at December 31, 2025, excluding externals and employees on garden leave. The numbers are measured in hours. Training hours include formal internal training programs (both on-site and online) and exclude informal learning, unless clearly defined.

Adjusted gender pay gap

	Unit	2025	2024	2023
Adjusted gender pay gap (in favor of men)	%	1.6%	1.8%	1.8%

§ Accounting policies

Adjusted gender pay gap
The adjusted gender pay gap is calculated as the difference between the average annualized base salary for men and women, after controlling for factors such as job level, experience, tenure, location and job type. The calculation uses multiple regression analysis to isolate the impact of gender on pay, independently of other variables that typically influence compensation.

All active internal employees receiving an annual base salary are included in the analysis, with exclusions applied to external personnel, interns, expats, and employees in bands A and B.

* Limited assurance is provided for the 2025 period.

Social information

Workers in the value chain

We mitigate health and safety risks in the value chain through supplier requirements, audits and engagement.

Material impacts and their interaction with our strategy and business model

		Location in the value chain			Time horizon		
IRO name	**IRO type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Health and safety in the value chain	Actual negative impact	●				●	

LEO Pharma works actively to reduce health and safety risks for workers in its value chain through supplier requirements and audits. Beyond risk reduction, we aim to promote decent and fair working conditions, creating a more resilient and responsible value chain.

Negative impact

Health and safety in the value chain

Activities in LEO Pharma's value chain involve workers being exposed to safety risks as part of their job, which may result in injuries or fatalities.

Policies

In addition to the health and safety safeguards in LEO Pharma's Human Rights Policy that cover safe working conditions, fair treatment and freedom from discrimination, our Third-Party Code of Conduct (TPCC) sets clear requirements for suppliers to protect workers from hazards, avoid precarious work, prevent human trafficking and prohibit forced and child labor. Aligned with ILO conventions and good clinical practice, the TPCC mandates safe, healthy workplaces, occupational health and safety management systems, hazard protection, emergency preparedness, compliance with regulations and regular safety training. It addresses material risks in the value chain, including flammable materials at manufacturing sites, and requires suppliers to cascade these standards to subcontractors. Through these measures, we aim to safeguard the health, safety and dignity of workers across our value chain.

In 2025, the previous Sustainability Standards for LEO Pharma Business Partners were updated to a TPCC, which is currently being rolled out and incorporated into supplier contracts. The structure and contractual enforceability were strengthened, with provisions tightened and simplified to focus on material risks, including occupational health and safety expectations and alignment with international standards. The TCPP is approved by senior leaders in each line of business.

Actions

The structured supplier sustainability assessment process, aligned with ISO 20400 and OECD guidance, includes risk-based workflows, mandatory EHS assessments for high-risk categories and detailed self-assessment questionnaires covering occupational health and safety, human rights, anti-corruption and environmental practices. Where risks are identified, mitigation actions such as on-site audits and contractual safety requirements are applied. Collaboration between Sustainable Procurement, EHS and compliance teams ensures monitoring, follow-up and continual improvement. Exiting a supplier relationship is the last resort, and we prioritize supporting improvement efforts unless change is unfeasible. These measures reduce accident risks, strengthen safety systems, enhance supplier capabilities and foster a safer, more resilient supply chain that protects the health, safety and dignity of workers across our value chain.

LEO Pharma measures effectiveness of initiatives by tracking supplier improvements against agreed mitigation actions, changes in risk ratings and maturity levels and completion rates of tasks. Outcomes include formal supplier approval with strengthened contractual commitments, increased supplier maturity and, if sustained non-compliance continues, structured disengagement as a last resort.

Processes for engaging with value chain workers about impacts

We engage indirectly with value chain workers through our risk-based supplier sustainability assessment process, integrated into supplier onboarding, tenders and ongoing relationship management. We require our suppliers and contract manufacturing organizations (CMOs) to comply with our TPCC. Suppliers complete a self-assessment questionnaire, and this information, combined with risk screening and EHS assessments, informs risk ratings, approval decisions and any follow-up actions. Direct insights into workers' realities, as well as opportunities to inspire improvements in EHS matters, only become apparent as a result of, or during, on-site audits.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Two processes are used to manage issues raised by value chain workers. Serious misconduct can be reported via the global Speak-Up Line, which is

open to employees, suppliers, business partners and other stakeholders. Reports are handled confidentially through a third party, with those in scope addressed by an internal independent Investigation Group. Outcomes include disciplinary sanctions and preventive measures, with accountability assigned to relevant business lines and issues channeled to management.

The supplier sustainability assessment process in the supplier due diligence platform is also used to engage suppliers as proxies for their employees, agree on mitigation actions and track improvements. Remedy focuses on using leverage and building capacity. Reports of issues are logged by Global Compliance and by Global Procurement. The company monitors closure of issues and verifies corrective actions, but does not currently perform a formal assessment of grievance channel effectiveness.

Targets

While we have not set specific targets for health and safety in the value chain, we focus on continuous improvement, monitoring performance and implementing measures to address issues as they arise.

Governance information

2025 highlights

Employees completing Code of Conduct and anti-bribery and anti-corruption trainings

100%

Governance information

Business conduct

Our strong governance and values-driven culture provide the foundation for conducting business responsibly.

Material impacts and risks and their interaction with our strategy and business model

		Location in the value chain			Time horizon		
IRO name	**IRO type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Animal ethics	Actual negative impact	●			●		
Corporate culture	Risk		●		●	●	
Corruption & bribery	Risk	●	●	●	●	●	●
Failure to protect whistleblowers	Potential negative impact	●	●	●	●	●	

At LEO Pharma, trust in how we develop and commercialize medicines is grounded in strong governance and our values-driven culture. We set clear principles for ethical conduct, anti-corruption, transparency and protection for those who may raise concerns. Through training, accountability and monitoring, we work to prevent misconduct, safeguard patients and ensure responsible decisions across our value chain.

Information about corporate governance, the experience and competencies of the Board of Directors and the Global Leadership Team as well as the specific roles, responsibilities and terms of reference of the board committees in business conduct matters can be found in the section "Corporate matters."

Negative impact

Animal ethics

The development of new medicines requires testing in experimental animals to meet regulatory and safety requirements before use in humans. Such testing can negatively affect animal well-being and, in rare cases, result in severe harm or death.

Risk

Corporate culture

If LEO Pharma employees fail to live up to our responsibilities as set out in the LEO Pharma Code of Conduct, which embodies the ethical principles and policies we apply to our activities, it may result in weakened credibility, fines or a negative impact on LEO Pharma's reputation. The financial effects of this risk occur in our own operations and have been evaluated to be potentially material in the short and medium term. In 2025, however, no financial impact was seen on our position, performance or cash flows.

Risk

Corruption and bribery

LEO Pharma must comply with strict regulations and anti-corruption policies to prevent bribery, corruption and fraud. Without proper policies and training, employees may act unethically, increasing the risk of lawsuits, regulatory fines, financial losses and reputational damage. This risk was identified as potentially having material financial effects on LEO Pharma in the short, medium and long term. In 2025, however, the risk of corruption and bribery had no financial impact on our position, performance, or cash flows.

Impact

Failure to protect whistleblowers

If LEO Pharma fails to adequately protect whistleblowers, it may discourage reporting of unlawful or harmful behaviors, harm workers and communities, and expose whistleblowers to retaliation.

Policies

At LEO Pharma, our corporate culture is established through values-driven frameworks such as our Code of Conduct, our Animal Welfare Policy and our Speak-Up and Non-Retaliation Principle Procedure, setting expectations across all operations. We develop it via training, onboarding, leadership engagement and regular policy updates. It is promoted through awareness campaigns, open communication and a "culture of care". We evaluate our culture through feedback, case reviews and compliance monitoring to ensure it remains ethical, responsible and aligned with our values.

Animal ethics

LEO Pharma conducts only necessary animal testing and works to minimize potential stress or discomfort to the animals involved, guided by our Animal Welfare Policy and communicated through our Code of Conduct to employees. Animal ethics considerations are included in our TPCC, which is incorporated into our third-party contracts. The policy applies globally, meets Danish legislation and EU Directive standards and requires third-party audits for compliance. Furthermore, as a signatory to the Marseille Declaration, LEO Pharma promotes high global standards for animal care, following the principles of replacement, reduction and refinement to limit use and suffering.

Corporate culture

We are committed to ethical business practices, recognizing that trust and accountability are vital to those we serve, employ and partner with. LEO Pharma's Code of Conduct reflects this commitment to fostering a culture of integrity and

accountability. The Code of Conduct is distributed electronically in 15 languages to all employees annually. It is also embedded in our TPCC and contracts to ensure that expectations are clear for external partners. The Code of Conduct is supported by a grievance mechanism for raising concerns across the organization, operated through the Speak-Up Line and governed by the Speak-Up and Non-Retaliation Principle Procedure. This ensures that all concerns are handled confidentially, appropriately and without retaliation. Robust implementation activities equip employees to navigate complex situations responsibly, mitigating risks and safeguarding our impact on healthcare systems, patients and society. Failure to comply with the Code of Conduct equally poses a significant risk to our operations and outcomes.

All employees, third parties and business partners can access the Speak-Up Line, ensuring transparency, accountability and protection. We foster a robust reporting culture through the aforementioned mandatory annual Code of Conduct training, which equips employees to identify violations, offers Speak-Up guidance, explains non-retaliation protection and is supported by communication campaigns to encourage reporting. In 2025, 38 cases were reported via the Speak-Up Line.

The Speak-Up and Non-Retaliation Principle Procedure ensures that individuals who report concerns in good faith are protected from retaliation or adverse actions, such as changes in work duties, career prospects or reputation. It also provides guidance on how to report any instances of retaliation and outlines the steps LEO Pharma will take to address such cases. Reports submitted through Speak-Up are handled with strict confidentiality, and whistleblowers may remain anonymous unless prohibited by law. Training is provided for those receiving Speak-Up Line reports. We recognize the courage it takes to speak up and are dedicated to creating a safe and supportive environment for all employees, third parties and business partners to raise concerns.

Through our commitment to the United Nations Global Compact, including Principle 10 on combating corruption, we strengthen our policies and approach to sustainability and ethical business conduct. These principles serve as a third-party standard, guiding the implementation of our policies to manage material sustainability matters.

Prevention and detection of corruption and bribery

We are committed to ethical business conduct, supported by robust policies, procedures and training to prevent and detect corruption and bribery. Detection of incidents is managed through employee training and awareness campaigns and is designed to be identified through the Speak-Up Line. An alternate reporting pathway is to speak with line management directly. There were no incidents of corruption and bribery in 2025.

Training and awareness

To mitigate risks relating to bribery and corruption, all new employees and external consultants with internal IDs must complete the LEO Pharma Code of Conduct (CoC) and Anti-Bribery and Anti-Corruption (ABAC) e-learning modules as part of onboarding. As part of the annual retraining campaign, all employees and external consultants with internal IDs who are not considered new joiners in the current year are assigned CoC and ABAC refresher training. Production workers are exempt from the ABAC training due to their lower risk profile. In 2025, all eligible employees completed the CoC and ABAC training. An annual communications campaign, led by our CEO and Chief Compliance Officer, further reinforces LEO Pharma's culture of transparency, integrity and care.

These initiatives provide employees with clear guidance on ethical decision-making and compliance with applicable laws and industry regulations.

LEO Pharma Speak-Up Line

	Unit	**2025**
Number of cases reported through the LEO Pharma Speak-Up Line*	#	38

Compliance training completion

	Unit	**2025**	2024	2023
Completion rate of Code of Conduct training*	%	100%	99%	99%
Completion rate of anti-bribery and anti-corruption training*	%	100%	99%	-

§ Accounting policies

LEO Pharma Speak-Up Line

The Speak-up Line is LEO Pharma's publicly available channel to report serious violations of applicable law, breaches of the LEO Pharma Code of Conduct, policies and procedures and/or other serious concerns. The metric includes all cases reported through the Speak-Up Line in the reporting period.

* Limited assurance is provided for the 2025 period.

§ Accounting policies

Employees completing global annual Code of Conduct training
Comprises the mandatory Code of Conduct e-learning and test completed by the end of the reporting period by all active employees (full-time and part-time) – excluding externals and employees on garden or long-term leave – as part of their onboarding process and the mandatory annual retraining. Calculated by dividing the number of employees in scope who completed the training by all employees in scope at November 15, 2025. Measured as a percentage.

Employees completing global annual anti-bribery and anti-corruption (ABAC) training
Includes the mandatory ABAC e-learning and test completed by the end of the reporting period by all employees (full-time and part-time) – excluding externals and employees on garden or long-term leave – as part of their onboarding process and the mandatory annual retraining. We consider all non-production workers as functions at risk, as they have or might have contact with third parties and, therefore, potentially pose a risk to LEO Pharma. Production workers are excluded from the retraining as they pose a lower risk, and LEO Pharma deems the onboarding sufficient to mitigate this risk. The training is not assigned to the Board of Directors as LEO Pharma considers that the purpose of the Board is to supervise the GLT and to define the strategy. Therefore, the Board of Directors does not act on behalf of LEO Pharma on a day-to-day basis. The metric is calculated by dividing the number of employees in scope who completed the training by all employees in scope at November 15, 2025. Measured as a percentage.

Speak-Up and non-retaliation
LEO Pharma has established a whistleblowing system and hotline which is accessible to internal and external stakeholders (the Speak-Up Line). The Speak-Up Line is available globally 24 hours a day, seven days a week, in 64 languages. It can be used to raise and report any concerns, including reasonable suspicions of breaches of the LEO Pharma Code of Conduct, anti-corruption laws and laws within the scope of the EU Whistleblower Protection Directive, or any other concern about misconduct or unethical practices. The Speak-Up Line allows for anonymous reporting. Due to the robustness of this channel and associated process, no additional process exists beyond this, and specific measures are in place to ensure the independence of the Investigation Group.

All reports, which are channeled through a third-party system, are handled independently and confidentially by a designated Investigation Group which is trained in receiving reports via the system. All reports are initially assessed by the Global Compliance team to determine their scope and are then presented to the Investigation Group, which operates under the responsibility of the Group General Counsel, Global Legal, IPR & Compliance.

The Investigation Group may consult or engage external advisors with relevant expertise to assist in the investigation, ensuring impartiality. Additionally, strict confidentiality is maintained throughout the process. For cases involving potential conflicts of interest, such as reports concerning members of the Investigation Group or senior leadership, a special handling procedure is applied to ensure objectivity. Regular reporting to the Audit Committee further reinforces oversight and transparency. These steps collectively ensure that investigations are handled with integrity, impartiality and fairness. Investigations are conducted as quickly as possible, with regular progress updates provided throughout the process to the relevant stakeholders.

Annual communication campaigns serve to reinforce the Speak-Up and Non-Retaliation Principle Procedure. These campaigns, with touchpoints at global townhalls and on the employee intranet, emphasize the importance of raising concerns without fear, outline the mechanisms for doing so and ensure that the principles of protection and accountability are firmly embedded across the organization.

Retaliation against reporters is strictly prohibited, and any such cases are investigated promptly, reinforcing our commitment to those who depend on us. Governance is overseen by the Board of Directors.

Incidents of corruption and bribery

	Unit	2025
Convictions for violation of anti-corruption and anti-bribery laws*	#	0
Fines for violation of anti-corruption and anti-bribery laws*	DKK million	0

§ Accounting policies

Incidents of corruption and bribery
The number of confirmed convictions for corruption and bribery during the reporting year. Global Compliance manages the system used to capture and verify these incidents. The associated monetary fines are reported in DKK million.

* Limited assurance is provided for the 2025 period.

§ Accounting policies

Composition of the Board of Directors[1]
LEO Pharma follows the Danish Corporate Governance Recommendations on board composition and the responsibilities of the Board.

Number of non-executive members
All members of the Board of Directors are considered non-executive, as the Board of Directors serves as the governing body and the Global Leadership Team as the management body at LEO Pharma.

Number of shareholder-elected members
Number of board members who were elected by shareholders.

Number of employee-elected members
Number of board members who were elected by employees.

Independent members of the Board of Directors
Number of board members who exercise independent judgment free from any external influence or conflicts of interest, as described in the Danish Corporate Governance Recommendations.

Percentage of independent members out of the shareholder-elected members
Number of independent members divided by the number of shareholder-elected members of the Board of Directors.

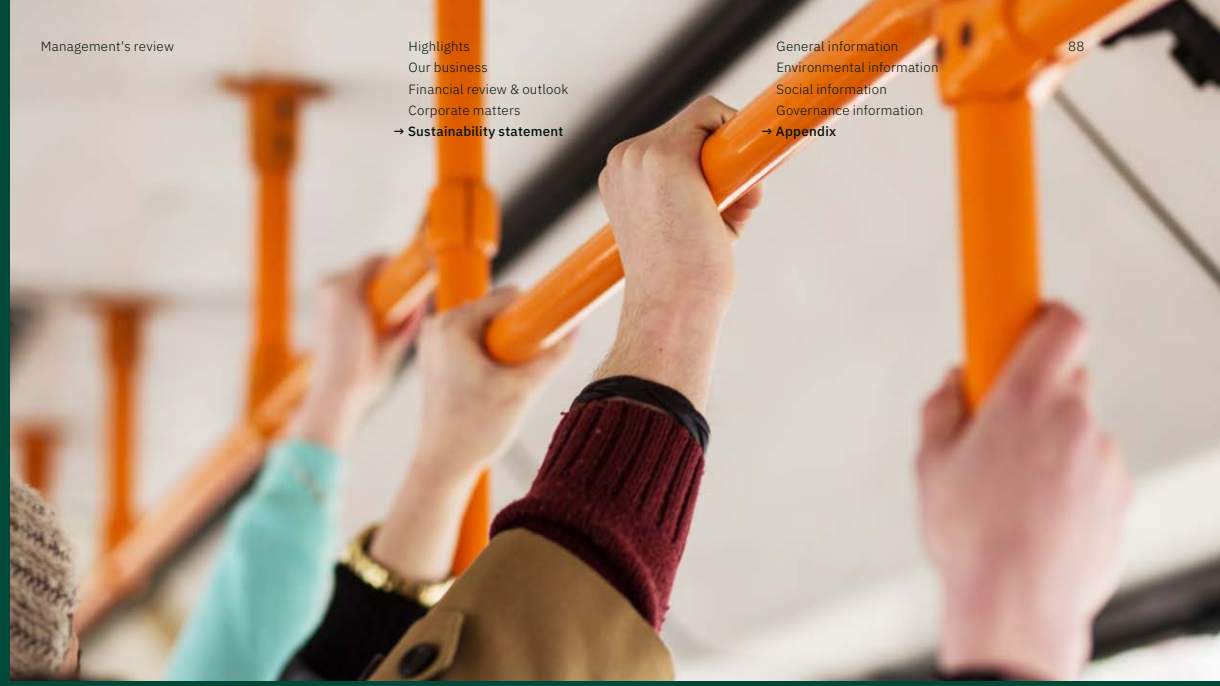
Percentage of independent members out of shareholder- and employee-elected members
Number of independent members divided by the number of employee-elected members of the Board of Directors.

Board of Directors' gender diversity (Women/Men) without employee representatives
Measured by reviewing the gender representation of shareholder-elected members of the Board of Directors. Calculated as the average ratio of female to male board members, excluding employee-elected members.

Composition of the Global Leadership Team[2]
Defined as the CEO and direct reports with management responsibilities who are part of the Global Leadership Team. Reported both in headcount and as an average ratio of female to male members.

[1] Please refer to Composition of the Board of Directors table, page 35.
[2] Please refer to Composition of the Global Leadership Team table, page 39.

Appendix



Statement on due diligence

LEO Pharma conducts due diligence activities across specific areas of its business. As part of our ongoing efforts to embed sustainability in key business functions, we have identified the need to further advance our sustainability due diligence framework in the coming years in alignment with the UN Guiding Principles on Business and Human Rights, ILO Core Conventions and OECD Guidelines, building on our existing processes for identifying, preventing, mitigating and tracking impacts, risks and opportunities. The table below outlines the specific processes and their locations within the sustainability statement.

Core elements of due diligence	Pages in the sustainability statement	The disclosure relates to environment and/or people
Embedding due diligence in governance, strategy and business model	52-54	Environment and people
Engaging with affected stakeholders in all key steps of due diligence	51, 54 51, 56, 58 51, 73, 75, 81	Environment and people Environment People
Identifying and assessing adverse impacts	51-54 56-58 73, 75, 81	Environment and people Environment People
Taking actions to address those adverse impacts	56, 58, 63, 67 73, 75, 81, 85	Environment People
Tracking effectiveness of these efforts and communicating	66 73-75, 81, 83	Environment People

Consolidated financial statements

Consolidated financial statements

Income statement

January 1 - December 31

(DKK million)	Note	**2025**	2024
Revenue	2.1	13,499	12,453
Cost of sales	2.2, 3.1, 3.2, 4.2	(5,259)	(4,935)
Gross profit		**8,240**	**7,518**
Sales and distribution costs	2.2, 3.1, 3.2, 3.3	(4,956)	(4,922)
Research and development costs	2.2, 3.1, 3.2	(1,396)	(2,270)
Administrative costs	2.2, 3.1, 3.2	(1,350)	(1,482)
Other operating income, net	2.3	1,741	13
Operating profit/(loss) (EBIT)		**2,279**	**(1,143)**
Financial income	5.1	122	132
Financial expenses	5.1	(688)	(946)
Profit/(loss) before tax		**1,713**	**(1,957)**
Income tax	2.4	776	181
Net profit/(loss)		**2,489**	**(1,776)**

Statement of comprehensive income

January 1 - December 31

(DKK million)	Note	**2025**	2024
Net profit/(loss)		2,489	(1,776)
Other comprehensive income			
Remeasurement of defined benefit plans	3.4	(12)	27
Tax	2.4	(5)	(4)
Items that will not be reclassified subsequently to the income statement		(17)	23
Foreign exchange adjustments, subsidiaries		(28)	(31)
Fair value adjustment of cash flow hedges	5.3	128	(117)
Cash flow hedges reclassified to financial expenses	5.3	(36)	(5)
Tax	2.4	(20)	27
Items that may be reclassified subsequently to the income statement		44	(126)
Total other comprehensive income/(loss) after tax		27	(103)
Total comprehensive income/(loss)		**2,516**	**(1,879)**

Consolidated financial statements

Balance sheet

at December 31

(DKK million)	Note	2025	2024
Assets			
Goodwill	3.1	192	192
Intangible assets	3.1	4,548	4,750
Property, plant and equipment	3.2	4,367	4,445
Right-of-use assets	3.3	212	208
Deferred tax assets	2.4	2,491	1,482
Pensions	3.4	239	206
Other financial assets		113	194
Non-current assets		**12,162**	**11,477**
Inventories	4.2	4,050	4,973
Trade receivables	4.1	3,041	2,368
Tax receivables		337	553
Other receivables		620	553
Cash and cash equivalents	5.2	235	227
Current assets		**8,283**	**8,674**
Assets		**20,445**	**20,151**

(DKK million)	Note	2025	2024
Equity and liabilities			
Share capital		384	383
Reserves		(326)	(370)
Retained earnings		5,204	2,691
Equity	5.5	**5,262**	**2,704**
Loans and credit institutions	5.2, 5.4	8,470	10,414
Deferred tax liabilities	2.4	44	37
Pensions	3.4	61	75
Provisions	4.4	295	307
Lease liabilities	3.3	168	164
Tax payables		32	65
Other non-current liabilities	5.4	285	464
Non-current liabilities		**9,355**	**11,526**
Loans and credit institutions	5.2, 5.4	889	502
Trade payables		1,017	1,440
Provisions	4.4	980	1,164
Lease liabilities	3.3	66	82
Tax payables		173	112
Other payables	4.3	2,703	2,621
Current liabilities		**5,828**	**5,921**
Liabilities		**15,183**	**17,447**
Equity and liabilities		**20,445**	**20,151**

Consolidated financial statements

Statement of changes in equity

January 1 - December 31

		2025					2024				
			Reserves					Reserves			
(DKK million)	Note	**Share capital**	**Currency translation**	**Cash flow hedges**	**Retained earnings**	**Total**	Share capital	Currency translation	Cash flow hedges	Retained earnings	Total
Equity at January 1		383	(295)	(75)	2,691	2,704	383	(264)	20	4,386	4,525
Comprehensive income											
Net profit/(loss)		-	-	-	2,489	2,489	-	-	-	(1,776)	(1,776)
Remeasurement of defined benefit plans		-	-	-	(12)	(12)	-	-	-	27	27
Adjustment of cash flow hedges		-	-	92	-	92	-	-	(122)	-	(122)
Foreign exchange adjustments, subsidiaries		-	(28)	-	-	(28)	-	(31)	-	-	(31)
Tax on other comprehensive income		-	-	(20)	(5)	(25)	-	-	27	(4)	23
Other comprehensive income/(loss)		**-**	**(28)**	**72**	**(17)**	**27**	**-**	**(31)**	**(95)**	**23**	**(103)**
Total comprehensive income/(loss)		**-**	**(28)**	**72**	**2,472**	**2,516**	**-**	**(31)**	**(95)**	**(1,753)**	**(1,879)**
Transactions with owners											
Capital increase		1	-	-	(1)	0	0	-	-	29	29
Purchase of treasury shares	5.5	-	-	-	(7)	(7)	-	-	-	(9)	(9)
Sale of treasury shares		-	-	-	4	4	-	-	-	0	0
Share-based payment	6.2	-	-	-	45	45	-	-	-	38	38
Total transactions with owners		**1**	**-**	**-**	**41**	**42**	**-**	**-**	**-**	**58**	**58**
Equity at December 31		**384**	**(323)**	**(3)**	**5,204**	**5,262**	**383**	**(295)**	**(75)**	**2,691**	**2,704**

Consolidated financial statements

Cash flow statement

January 1 - December 31

(DKK million)	Note	**2025**	2024
Operating profit/(loss)		2,279	(1,143)
Adjustment for depreciation, amortization and impairment	3.1, 3.2, 3.3	1,472	1,742
Adjustment for (gain)/loss on sale of non-current assets		(1,739)	(3)
Adjustment for other non-cash operating items	6.5	(10)	322
Changes in working capital	6.5	(150)	474
Interest etc., received		24	91
Interest etc., paid		(597)	(857)
Income tax, paid	2.4	(24)	(361)
Cash flow from operating activities		**1,255**	**265**
Investments in intangible assets	3.1	(870)	(61)
Investments in property, plant and equipment	3.2	(256)	(259)
Proceeds from sale of intangible assets		1,739	-
Proceeds from sale of property, plant and equipment		8	3
Investments in other securities		(1)	-
Cash flow from investing activities		**620**	**(317)**
Cash flows from operating and investing activities (free cash flow)		**1,875**	**(52)**

(DKK million)	Note	**2025**	2024
Proceeds from loans	5.2	950	1,170
Repayment of loans	5.2	(2,910)	(1,160)
Overdraft facilities	5.2	387	220
Other financing arrangements		(209)	(61)
Proceeds from issue of shares	5.5	-	29
Purchase of treasury shares	5.5	(7)	(9)
Sale of treasury shares	5.5	4	0
Repayment of lease liabilities	3.3, 5.2	(93)	(110)
Cash flow from financing activities		**(1,878)**	**79**
Net cash flow		**(3)**	**27**
Cash and cash equivalents at January 1		227	216
Foreign exchange adjustments		11	(16)
Cash and cash equivalents at December 31		**235**	**227**

Consolidated financial statements

Notes

Section 1 Basis of reporting

Note 1.1 Basis of preparation

The consolidated financial statements comprise the Parent Company and its subsidiaries (together referred to as the "Group" or "LEO Pharma").

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) as adopted by the EU, and the additional requirements of the Danish Financial Statements Act for Class C (large) companies.

The consolidated financial statements are presented in Danish kroner (DKK), which is also the functional currency of the Parent Company. The presentation is in million, unless otherwise stated.

Global market and climate uncertainties
Management continuously monitors the overall geopolitical environment, supply chain conditions and macroeconomic indicators, including inflation rates, interest rate developments and foreign exchange movements, which could influence LEO Pharma's financial performance. In addition, developments in global trade policy, such as changes in import/export regulations, imposition or removal of tariffs, and regional trade agreements, are assessed for potential impact on the Group's procurement costs and market access. The Group also evaluates the potential implications of climate-related events and evolving environmental regulations for operations and supply chains. Consistent with the 2025 statements, Management confirms that, to date, these global market and climate uncertainties have not had a significant adverse effect on LEO Pharma's activities. LEO Pharma remains vigilant and proactive in identifying, assessing and mitigating such risks as part of the Group's ongoing commitment to sustainable growth and value creation.

Application of materiality
In the preparation of the consolidated financial statements, LEO Pharma aims to focus on information that is material and relevant to the users of the consolidated financial statements. The consolidated financial statements are the result of aggregating large numbers of transactions into classes of similar items, according to their nature or function. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes.

Key accounting estimates and judgments
The preparation of the consolidated financial statements requires Management to apply accounting policies involving judgments, estimates and assumptions that impact the reported amounts of assets, liabilities, income and expenses, and related disclosures, and affect the application of the accounting policies. Judgments represent decisions made in applying accounting policies, while estimates involve measurement uncertainties requiring assumptions about future events. Estimates and underlying assumptions are reviewed regularly and updated as necessary; changes are recognized prospectively in the current and future periods.

The areas described in the following table represent the key judgments and sources of estimation uncertainty that have the most significant effect on amounts recognized in the consolidated financial statements:

Note	Key accounting estimates and judgments	Estimate/ judgment	Potential impact
2.4 Tax	Valuation of deferred tax assets Recoverability of deferred tax assets	Estimate Judgment	High
3.1 Goodwill and intangible assets	Useful lives and valuation of intangible assets Impairment testing of intangible assets	Estimate Judgment	High
4.2 Inventories	Cost of inventories and write-downs for obsolete, damaged, unsalable or nearly expired items	Estimate	Medium
4.4 Provisions	Estimated sales deductions (mainly in the US market)	Estimate	Medium

Key accounting estimates

Key accounting estimates are derived from quantitative and qualitative factors that may significantly affect the measurement of assets and liabilities in the reporting period.

Such estimates are based on historical experience and assumptions that Management considers reasonable under the current circumstances. Actual outcomes may differ from these estimates as conditions change or more precise information becomes available.

Example: Estimating the useful life of intangible assets requires consideration of contractual terms, expected market conditions, technological developments and other economic factors.

Key accounting judgments

Key accounting judgments are decisions made by Management in applying the Group's accounting policies that can significantly affect the amounts recognized in the consolidated financial statements.

Judgments are typically made based on the guidance in applicable IFRS standards, supported by the best information available at the time.

Example: Determining if there are any indications of impairment for intangible assets requires judgment in evaluating market conditions, technological developments and regulatory changes.

Section 1 Basis of reporting

Note 1.2 Accounting policies

Material accounting policies
LEO Pharma's material accounting policies are described in the individual notes to the consolidated financial statements.

Consolidation
The consolidated financial statements include the financial statements of the Parent Company, LEO Pharma A/S, and all subsidiaries over which LEO Pharma A/S exercises control at December 31, 2025. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the entity. The consolidated financial statements are prepared by combining the financial statements of the Parent Company and its subsidiaries line-by-line, followed by elimination of intercompany transactions, balances, shareholdings and unrealized profits arising from intragroup transactions. The financial statements of all subsidiaries are prepared in accordance with the Group's accounting policies.

Foreign currency translation
Each company in the Group measures its transactions in its functional currency, defined as the currency of its primary economic environment. Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction date.

Receivables, payables and other monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date, with exchange differences recognized in financial income or financial expenses in the consolidated income statement.

In the consolidation of foreign subsidiaries with a functional currency other than DKK, income and expenses are translated into DKK at the exchange rates on the transaction date. The previous month-end exchange rate is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions. Assets and liabilities are translated at the closing rate at the reporting date. Exchange differences arising from the translation of opening equity balances and income statements at different rates are recognized in other comprehensive income. Likewise, adjustments to balances with foreign entities that are considered part of the net investment in the subsidiary are recognized within a separate translation reserve in other comprehensive income in the consolidated financial statements.

Cash flow statement
The consolidated cash flow statement is prepared using the indirect method and is based on operating profit or loss. The statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated by adjusting operating profit or loss for non-cash items such as depreciation, amortization and impairment losses, together with changes in working capital, which comprises inventories, trade receivables, trade payables and other operating items.

Cash flows from investing activities comprise payments related to the acquisition and disposal of intangible assets and property, plant and equipment, as well as net investments in securities.

Cash flows from financing activities comprise the raising and repayment of current and non-current debt and transactions with shareholders. Cash and cash equivalents consist solely of cash at bank and in hand.

Implementation of new and amended standards and interpretations
Effective January 1, 2025, LEO Pharma implemented all new or amended accounting standards and interpretations, issued by the International Accounting Standards Board (IASB) and endorsed by the EU. Amendments to IAS 21 Lack of Exchangeability concerning how to assess whether a currency is exchangable, and how to determine the exchange rate when it is not; had no material impact on the disclosures or the amounts reported in the consolidated financial statements.

New and revised IFRS issued, but not yet effective, that are relevant to the Group
IASB has issued new or amended accounting standards and interpretations that have not yet become effective:

In 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements and amend IAS 7 Statement of Cash Flows for annual periods beginning on or after January 1, 2027. The standard introduces a revised structure for the income statement, requiring presentation of income and expenses separate from operating activities, investing activities and financing activities, as well as disclosure requirements for management defined performance measures and enhanced guidance on aggregation and disaggregation of items in the financial statements.

LEO Pharma expects to adopt the IFRS standards and interpretations when they become mandatory.

LEO Pharma is currently assessing the full impact of IFRS 18 on the presentation of the primary consolidated financial statements and related notes as well as disclosure of management defined performance measures. The preliminary assessment is that the adoption of IFRS 18 is expected to change the structure and presentation of the income statement and to introduce additional disclosure requirements. In line with IFRS 18 requirements, goodwill is presented as a separate line item in the balance sheet in the 2025 Annual Report. IFRS 18 does not change LEO Pharma's accounting policies on recognition and measurement and accordingly is not expected to have any impact on the Group's consolidated equity or net results.

Section 1 Basis of reporting

Note 1.3 Non-IFRS measures

The Financial review & outlook section include financial performance measures that are not defined according to IFRS Accounting Standards. These measures are considered to provide relevant information to stakeholders. Since other companies might calculate these differently from LEO Pharma, they may not be comparable to the measures calculated by other companies. These financial measures should therefore not be considered a replacement for performance measures as defined under IFRS, but rather as supplementary information.

The following non-IFRS measures are presented in the Annual Report, and "Reported" refers to the amounts presented in the income statement in accordance with IFRS Accounting Standards.

Revenue growth at constant exchange rates (CER) (%) and organic growth

Revenue growth at constant exchange rates (CER) excludes the effect of changes in exchange rates when comparing revenue for the current year with revenue in the prior year. The revenue for the current year is recalculated using the average exchange rates in the prior year and then compared with the reported revenue in the prior year.

Organic revenue growth is a measure of growth excluding the impact of acquisitions and divestments and the effect of change in exchange rates when comparing revenue for the current year with the revenue in the prior year. Revenue growth is derived from the existing business, including pro-forma sales from acquisitions in the prior year and excluding revenue from divested business in the prior year, if any.

(DKK million)	**2025**	2024
Reported revenue	13,499	12,453
Effect of exchange rates	196	143
Revenue at prior year's exchange rates (calc.)	**13,695**	**12,596**
Prior year's reported revenue	12,453	11,392
Revenue growth at constant exchange rates (CER)	**10%**	**11%**
Prior year's revenue, incl. proforma M&A	12,574	11,392
Organic revenue growth	**9%**	**11%**

(DKK million)	**2025**	2024
Reported revenue, dermatology (refer to Note 2.1 Revenue and segment information)	10,991	10,008
Effect of exchange rates	190	146
Dermatology revenue at prior year's exchange rates (calc.)	**11,181**	**10,154**
Prior year's reported dermatology revenue	10,008	9,039
Dermatology revenue growth at constant exchange rates (CER)	**12%**	**12%**

EBITDA and EBITDA margin (%)

EBITDA is the reported operating profit/(loss), adjusted for depreciation, amortization and impairment, and therefore presents the earnings before financial income and expenses, tax, depreciation, amortization and impairment. EBITDA margin is EBITDA as a percentage of reported revenue.

(DKK million)	**2025**	2024
Reported operating profit/(loss) (EBIT)	2,279	(1,143)
Depreciation, amortization and impairment	1,472	1,743
EBITDA	**3,751**	**600**
Reported revenue	13,499	12,453
EBITDA margin	**28%**	**5%**

Adjusted EBITDA and adjusted EBITDA margin (%)

Adjusted EBITDA is considered to best reflect the Group's underlying operational profitability, as it excludes the impact from significant non-recurring items that Management assesses are not representative of the ordinary course of the business.

To arrive at adjusted EBITDA, EBITDA is adjusted for significant transformation and restructuring costs, capital transaction costs, M&A including integration costs and other material non-recurring income or expenses. Adjusted EBITDA margin is adjusted EBITDA as a percentage of reported revenue.

(DKK million)	**2025**	2024
EBITDA	**3,751**	**600**
Gain from sale of assets (net), "STAT6 Program"	(1,739)	-
Integration costs, Spevigo®	53	-
Restructuring programs	-	274
Other non-recurring items, net	42	21
Adjusted EBITDA	**2,107**	**895**
Reported revenue	13,499	12,453
Adjusted EBITDA margin	**16%**	**7%**

The above non-recurring items for 2025 are reflected in the consolidated income statement as follows: a gain of DKK 1,739m recognized under other operating income, net of DKK 54m under cost of sales, DKK 15m under sales and distribution costs, DKK 12m under research and development costs and DKK 14m under administrative costs.

Section 2 Operating profit and tax

Note 2.1 Revenue and segment information

LEO Pharma is a global medical dermatology company advancing innovative treatments for skin health. Headquartered in Denmark, the company serves patients worldwide.

LEO Pharma's Registered Executive Management, as the Chief Operating Decision Maker, reviews the business performance and allocates resources to the Group as a whole, based on internal reporting. As such, LEO Pharma is considered a single operating segment, and the financial information presented in these consolidated financial statements is consistent with the information reviewed by Management.

In the table below, the geographical regions correspond to LEO Pharma's main markets, while the product split by portfolio reflects the Group's internal management perspective.

(DKK million)	**2025**	2024
Revenue by region		
Europe	7,022	6,836
North America	2,897	2,234
Rest of World	3,580	3,383
Total	**13,499**	**12,453**
Revenue by portfolio		
Dermatology	**10,991**	**10,008**
Strategic brands	3,023	2,091
Established brands	7,968	7,917
Critical Care	**2,280**	**2,304**
Other	**228**	**141**
Total	**13,499**	**12,453**

Revenue recognized in 2025 includes adjustments arising from changes in the transaction price of performance obligations satisfied in previous years. These adjustments primarily relate to the reversal of provisions for sales deductions and revised estimates of product returns. While such changes are reflected in reported revenue for the year, their impact on the Group's overall revenue is not significant.

In 2025, the U.S. was the only country where revenue from external customers based on location exceeded 10% of the Group's total net revenue, amounting to DKK 2,164m (2024: DKK 1,454m). Revenue from external customers located in the Group's country of domicile, Denmark, amounted to DKK 47m (2024: DKK 48m). Revenue arising from Japan, Australia, New Zealand, South Korea, Hong Kong, Singapore and Taiwan is included in Rest of World, and represents 7.6% of the total revenue. During the year, no individual customer contributed 10% or more to the Group's total net revenue. The specification of non-current assets by country of location is presented below:

(DKK million)	**2025**	2024
Non-current assets* by country of location		
Denmark	7,257	7,504
Ireland	964	972
Other countries	1,098	1,119
Total	**9,319**	**9,595**

* Non-current assets consist of goodwill, intangible assets, property, plant and equipment, and right-of-use assets.

§ Accounting policies

Revenue comprises sale of goods, primarily from own production, and to a lesser extent from sales-based royalties.

Sale of goods
Revenue from sale of goods is recognized when customers obtain control of the goods, which is typically at the time of delivery.

Sales deductions and product returns
Revenue recognized at the time control of goods is transferred to the customer is reduced for expected sales deductions and product returns. Such adjustments are estimated based on historical experience, contractual terms and other relevant factors specific to the product, customer and market.

Sales deductions may include rebates, chargebacks, discounts and other sales-related incentives. Estimated amounts are recognized as a reduction of revenue, with a corresponding refund liability recorded in provisions or other payables, depending on the nature of the deduction (please refer to Note 4.4 Provisions). Product returns are estimated based on past return patterns and anticipated future activity. Estimated amounts are recognized as a reduction of revenue, with a corresponding refund liability recorded in provisions or other payables, depending on the nature of the expected return (please refer to Note 4.4 Provisions).

Sales-based royalties
Sales-based royalties from outlicensed products and milestone payments are recognized when the sale occurs.

Section 2 Operating profit and tax

Note 2.2 Employee costs

(DKK million)	**2025**	2024
Wages and salaries	2,827	3,120
Pensions	220	243
Share-based payment	47	44
Social security costs	357	337
Other employee costs	204	210
Total employee costs	**3,655**	**3,954**
Of which capitalized as intangible assets	(11)	(22)
Total employee costs in the income statement	**3,644**	**3,932**
Employee costs are included in:		
Cost of sales and change in employee costs included in inventories	782	739
Sales and distribution costs	1,870	2,022
Research and development costs	442	607
Administrative costs	550	564
Total employee costs	**3,644**	**3,932**
Average number of full-time employees	**4,104**	**4,184**

In 2024, an announced restructuring program impacted the total employee costs by DKK 265m.

Please also refer to Note 6.1 Management remuneration and Note 6.2 Share-based payment.

Note 2.3 Other operating income and expenses

(DKK million)	**2025**	2024
Gain on sale of non-current assets	1,742	5
Other income	2	35
Other operating income	**1,744**	**40**
Loss on sale of non-current assets	(3)	(2)
Other expenses	0	(25)
Other operating expenses	**(3)**	**(27)**
Other operating income, net	**1,741**	**13**

Other operating income and expenses comprise items of a secondary nature to the Group's primary activities, i.e. gains and losses on sale of intellectual property rights and on sale of property, plant and equipment.

Gain on sale of assets includes DKK 1,739m net gain from sale of assets related to the upfront payment from the strategic partnership with Gilead Sciences entered into on January 11, 2025.

Section 2 Operating profit and tax

Note 2.4 Tax

Income tax for the year

(DKK million)	2025	2024
Current tax	(255)	(93)
Change in deferred tax	893	364
Prior-year adjustments, current tax	(13)	(14)
Prior-year adjustments, deferred tax	126	(53)
Total tax income/(expense) for the year	**751**	**204**
Tax for the year is included in:		
Tax on profit/(loss) for the year	776	181
Tax in other comprehensive income	(25)	23
Total tax income/(expense) for the year	**751**	**204**

For specification of tax in other comprehensive income, please refer to the statement of changes in equity.

The Group has recognized an uncertain tax position of DKK 60m in 2025 (2024: DKK 0m).

LEO Group Tax Policy

LEO Pharma is committed to responsible and transparent tax practices, ensuring compliance with all applicable laws and regulations. The Tax Policy guides the approach to corporate taxes, reflecting a dedication to ethical business conduct and sustainable value creation. For more information, please visit the Tax Policy on LEO Pharma's website (Link: https://www.leo-pharma.com/who-we-are/position-and-views).

The Parent Company is utilizing Denmark's 108% "Super Deduction" for R&D costs for the fiscal year 2025. This incentive provides valuable support for the Group's continued focus on innovation, which remains a key priority for LEO Pharma. Similarly, R&D tax credits are applied in other LEO Pharma entities, all in accordance with the Group's Tax Policy.

Reconciliation of the Group's effective tax rate relative to the Danish corporate income tax rate

	2025		2024	
	DKK million	**%**	DKK million	%
Profit/(loss) before tax	**1,713**		**(1,957)**	
Calculated tax, 22% (Danish corporate income tax)	(377)	22.0%	430	22.0%
Tax effect of:				
Differences in the income tax rates of foreign subsidiaries compared to the Danish corporate income tax rate	94	(5.5)%	83	4.2%
Non-deductible expenses/non-taxable income and other permanent differences	(116)	6.8%	50	2.5%
Other taxes	6	(0.3)%	(3)	(0.2)%
Change in deferred tax as a result of change in income tax rates	13	(0.8)%	7	0.4%
Change in valuation of net deferred tax assets	1,043	(60.9)%	(319)	(16.3)%
Prior-year tax adjustments	113	(6.6)%	(67)	(3.4)%
Effective tax/tax rate for the year	**776**	**(45.3)%**	**181**	**9.2%**

Pillar II

In 2023, the Danish Ministry of Taxation adopted the EU Minimum Tax Directive (Pillar II) in Danish national legislation, effective January 1, 2024. Under this legislation, the Group is liable to pay top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15% minimum rate. The Group has estimated that the GloBE effective tax rates exceed 15% in all jurisdictions in which it operates except for Ireland, due to their low corporate income tax rate. Considering the impact of specific adjustments in the GloBE income calculation, the top-up tax provision is estimated to be DKK 30m (2024: DKK 0m), which has been recognized as non-current tax payable in the balance sheet. The determination is based on the consolidated financial statements for 2025.

Section 2 Operating profit and tax

Note 2.4 Tax (continued)

Deferred tax

(DKK million)	2025 Balance at January 1	2025 Exchange rate adjustment	2025 Prior-year adjustments	2025 Current-year movements	2025 Balance at December 31	2024 Balance at January 1	2024 Exchange rate adjustment	2024 Prior-year adjustments	2024 Current-year movements	2024 Balance at December 31
Intangible assets	1,462	-	(13)	(48)	1,401	1,158	0	(7)	311	1,462
Property, plant and equipment	668	-	29	23	720	631	0	(1)	38	668
Inventories	531	(15)	13	(5)	524	592	1	(4)	(58)	531
Provisions	225	(1)	81	55	360	200	2	12	11	225
Other items	100	1	(9)	(67)	25	59	4	11	26	100
Special tax credits	234	(2)	41	(133)	140	203	-	6	25	234
Tax loss carryforwards	2,616	-	(16)	25	2,625	2,312	0	(26)	330	2,616
Valuation allowances on deferred tax assets	(4,391)	-	-	1,043	(3,348)	(4,028)	-	(44)	(319)	(4,391)
Total temporary differences	**1,445**	**(17)**	**126**	**893**	**2,447**	**1,127**	**7**	**(53)**	**364**	**1,445**
Deferred tax assets	1,482	(18)	124	903	2,491	1,157	9	(54)	370	1,482
Deferred tax liabilities	37	(1)	(2)	10	44	30	2	(1)	6	37
Deferred tax assets/(tax liabilities)	**1,445**	**(17)**	**126**	**893**	**2,447**	**1,127**	**7**	**(53)**	**364**	**1,445**

In prior years, deferred tax was recognized in jurisdictions where it was assessed to be material, in line with the applicable policy at the time. As of 2025, deferred tax will be recognized across all jurisdictions to align with a more refined and comprehensive approach.

Deferred tax assets primarily represent tax loss carryforwards (TLCF) and other temporary tax differences across the Group. A significant portion of the Group's deferred tax assets resides with the Parent Company, stemming equally from accumulated TLCF and other tax assets. The unused TLCF and the other tax assets related to Parent Company do not have an expiration date.

As of 31 December 2025, net deferred tax assets totaling DKK 2,447m (2024: DKK 1,445m) have been recognized, based on expected utilization of the deferred tax assets in the near future, which is re-evaluated on a yearly basis.

The stated valuation allowance represents the unrecognized deferred tax assets, which relate solely to Parent Company and amount to DKK 3,348m (2024: DKK 4,391m) as of 31 December 2025. The recognized deferred tax assets in the Parent Company amount to DKK 1,650m (2024: DKK 746m) and hence the value of the total deferred tax assets in the Parent Company amounts to DKK 4,998m as of 31 December 2025 (2024: DKK 5,137m).

In 2025, the Group achieved a positive net financial result. This development is the result of a transformation that LEO has pursued over the last years. A continued positive development is forecasted for the coming years, driven by continued revenue growth, supported by recent strategic product launches, as well as general expectations regarding future operating and taxable profits. As a result, an increased deferred tax asset of DKK 904m was recognized in the Parent Company.

Management assesses all relevant evidence, both positive and negative, to determine the recognition of deferred tax assets. This includes evaluating the likelihood of generating sufficient future taxable profits based on historical performance, profit forecasts and external factors. Sensitivity analyses highlight the Group's forward-looking growth assumptions as critical, while other inputs are less sensitive or significant to the recognition of deferred tax assets. The judgment and key estimates are attributable to the Parent Company, that holds these assets.

Tax value of unrecognized tax assets

(DKK million)	2025	2024
Tax loss carryforwards	2,625	2,616
Other tax assets	723	1,775
Unrecognized tax assets at December 31	**3,348**	**4,391**

Section 2 Operating profit and tax

Note 2.4 Tax (continued)

Accounting policies

Income tax
Income tax for the year, which consists of the year's current tax, the change in deferred tax and adjustments in respect of previous years, is recognized in the income statement at the amount that can be attributed to the profit/(loss) for the year and in other comprehensive income at the amount that can be attributed to items in other comprehensive income.

The change in deferred tax as a result of changed income tax rates or tax rules is recognized in the income statement. Interest on tax cases that are ongoing or have been settled during the year is recognized under financial items in the income statement.

Current tax for the year is calculated on the basis of the income tax rates in the respective countries and rules enacted at the balance sheet date. The Parent Company, the Danish subsidiary and LEO Holding A/S are jointly taxed.

Deferred tax
Deferred tax is recognized on all temporary differences between the carrying amounts of assets and liabilities and their tax bases, except for temporary differences arising on initial recognition of a transaction that is not a business combination, and where the temporary difference ascertained at the time of initial recognition affects neither the financial result nor the taxable income.

Deferred tax is measured on the basis of the income tax rates and tax rules substantially enacted in the respective countries at the balance sheet date.

Deferred tax assets, including the tax assets on tax loss carryforwards, are recognized in the balance sheet at the value at which the assets are expected to be utilized.

Deferred tax assets and liabilities are offset if the Group has a legal right to offset these and intends to settle these on a net basis, or to realize the assets and settle the liabilities simultaneously.

Key accounting estimates

Significant assumptions regarding the valuation of the recognized deferred tax assets are both the ability to meet the objectives in the strategy for the next five years and the return on the investment portfolio within the joint taxation group. The return on the investment portfolio is sensitive to general market fluctuations.

Management's estimate of future income according to forecasts, strategy and initiatives scheduled for the coming years forms the basis for estimating the utilization of the deferred tax assets in future periods. A forecast period of five years is applied to the estimated utilization of deferred tax assets for LEO Pharma A/S and the companies under the joint taxation scheme.

Key accounting judgments

Judgment is made concerning the recoverability of deferred tax assets and whether to recognize deferred tax assets in relation to tax loss carryforwards.

The Group records uncertain tax positions in accordance with IAS 12 Income Taxes using the 2-step test whereby (1) LEO Pharma determines whether it is probable that the tax positions will be accepted by the relevant taxing authorities, and (2) for those tax positions that are not probable that a tax authority will accept in full the position, the Group recognizes uncertain tax position using either the most likely amount or the expected value, depending on specific facts and circumstances.

Section 3 Invested capital

Note 3.1 Goodwill and intangible assets

Intellectual property rights
At December 31, 2025, intellectual property rights comprise the following individually significant intangible assets:

- Dermatology portfolio (mainly Skinoren®, Advantan®, Travocort® and Travogen®) at a carrying amount of DKK 2,261m (2024: DKK 2,527m) and with a remaining useful life of 8.5 years.
- Tralokinumab at a carrying amount of DKK 704m (2024: DKK 790m) and with a remaining useful life of 8 years.
- Spevigo® at a carrying amount of DKK 670m (2024: N/A) and with a remaining useful life of 15 years.

During 2025, LEO Pharma completed an asset purchase transaction with Boehringer Ingelheim and obtained an exclusive global license to commercialize and advance the development of Spevigo®. An amount of DKK 682m was recognized based on the upfront payment and directly attributable transaction costs. The asset is amortized on a straight-line basis under sales and distribution costs in the income statement. Additional contingent milestone and tiered royalty payments will be recognized when the relevant conditions are met.

Software
Software comprises purchased and internally developed software.

Development projects and software in progress
Development projects and software in progress comprise development projects, DKK 10m (2024: DKK 0m), and software in progress, DKK 54m (2024: DKK 23m).

	2025					2024				
(DKK million)	**Goodwill**	**Intellectual property rights**	**Software**	**Development projects and software in progress**	**Total**	Goodwill	Intellectual property rights	Software	Development projects and software in progress	Total
Cost at January 1	192	14,163	2,534	126	17,015	192	14,069	2,885	209	17,355
Exchange rate adjustment	-	1	-	-	1	-	(6)	-	-	(6)
Additions	-	826	-	44	870	-	-	-	158	158
Disposals	-	-	(183)	-	(183)	-	-	(388)	(104)	(492)
Transfers	-	-	3	(3)	-	-	100	37	(137)	-
Cost at December 31	**192**	**14,990**	**2,354**	**167**	**17,703**	**192**	**14,163**	**2,534**	**126**	**17,015**
Amortization and impairment at January 1	-	(10,325)	(1,645)	(103)	(12,073)	-	(9,568)	(1,679)	(9)	(11,256)
Exchange rate adjustment	-	(1)	-	-	(1)	-	2	-	-	2
Amortization	-	(720)	(333)	-	(1,053)	-	(748)	(350)	-	(1,098)
Disposals	-	-	183	-	183	-	-	388	104	492
Impairment	-	-	(50)	-	(50)	-	(11)	(4)	(198)	(213)
Impairment reversal	-	31	-	-	31	-	-	-	-	-
Amortization and impairment at December 31	**-**	**(11,015)**	**(1,845)**	**(103)**	**(12,963)**	**-**	**(10,325)**	**(1,645)**	**(103)**	**(12,073)**
Carrying amount at December 31	**192**	**3,975**	**509**	**64**	**4,740**	**192**	**3,838**	**889**	**23**	**4,942**

Section 3 Invested capital

Note 3.1 Goodwill and intangible assets (continued)

Impairment testing

Goodwill

LEO Pharma is considered as a single identifiable group of assets that generates independent cash inflows, as Management makes decisions and assesses business performance at consolidated level.

In 2025, the recoverable amount of LEO Pharma as a single cash-generating unit (CGU) was based on a method of assessing the fair value less cost of disposal. The fair value of LEO Pharma is based on the actual valuation of the enterprise value of LEO Pharma compared with the carrying amount of equity. Management has not identified any goodwill impairment at December 31, 2025.

Intellectual property rights and software

When preparing the impairment tests by using the discounted future cash flows to determine the recoverable amount of an asset, Management consideres the potential impact of reasonably possible changes in the key assumptions applied.

2025: Reversal of impairment of IP rights of DKK 31m, recognized under sales and distribution costs in the income statement, relates to the tralokinumab asset, which was impaired in 2023. The expected future cash flows have been reassessed to reflect the current market conditions and changes in Management's expectation for the strategy.

Impairment of software of DKK 50m mainly relates to software no longer in use of which DKK 33m was recognized under sales and distribution costs, DKK 11m under research and development costs and DKK 6m under administrative costs in the income statement.

2024: No individually material impairment losses, or reversals of previously recognized impairment losses, were recognized, based on the impairment test.

Development projects and software in progress

The Group performs annual impairment tests on single internal assets in progress and acquired development assets that are not yet commercialized. The recoverable amount of intellectual property rights and development projects is based on the value in use of the discounted expected future cash flows. The recoverable amounts of the specific assets are compared with the carrying amount.

2025: No individually material impairment losses, or reversals of previously recognized impairment losses, were recognized, based on the impairment test.

2024: Impairment losses recognized on development projects amounted to DKK 198m and primarily related to discontinuation of the TMB-001 development project at DKK 104m which was terminated. Other impairment losses on development projects amounted to DKK 94m and related to discontinuation of various development projects.

The impairment losses of DKK 198m were recognized under research and development costs. No reversals of impairment losses from prior periods were recognized in 2024.

Research and development costs

In 2025, research and development costs recognized in the income statement amounted to DKK 1,396m (2024: DKK 2,270m), including impairment losses of DKK 11m (2024: DKK 198m).

Specification of amortization

(DKK million)	**2025**	2024
Cost of sales	10	31
Sales and distribution costs	748	769
Research and development costs	66	55
Administrative costs	229	243
Total	**1,053**	**1,098**

§ Accounting policies

Intellectual property rights and software
Intangible assets acquired separately are initially recognized at cost. After initial recognition, such assets are measured at cost less accumulated amortization and, where applicable, accumulated impairment losses. Identifiable intangible assets acquired in a business combination are initially recognized at fair value at the acquisition date.

Sales milestone payments relating to acquired intangible assets are recognized as a liability and capitalized as part of the asset's cost only when the triggering event has occurred. The additional cost is amortized prospectively over the remaining useful life of the asset, with the expense classified consistently with the asset's underlying function (e.g, sales and distribution costs for the Spevigo® license or cost of sales if linked directly to production rights).

Amortization of acquired or internally developed intellectual property rights is provided on a straight-line basis over the expected useful life of the assets and recognized in sales and distribution costs in the income statement. Costs relating to the maintenance of patents etc. are expensed in the income statement as incurred.

Section 3 Invested capital

Note 3.1 Goodwill and intangible assets (continued)

Accounting policies (continued)

Software purchased or internally developed is amortized on a straight-line basis over its expected useful life. Amortization and any impairment losses are recognized in the income statement within the relevant functional expense categories, reflecting the area of the business that uses the asset (e.g., cost of sales, sales and distribution costs, research and development costs or administrative costs).

The expected useful lives are as follows:

Intellectual property rights	5-15 years
Software	3-10 years

Development projects and software in progress
Acquired or internal development projects and software in progress are recognized as intangible assets if the recognition criteria are met:

- The projects are clearly defined and identifiable.
- The Group intends to use the projects once completed.
- The future earnings from the projects are expected to cover the development and administrative costs.
- The cost can be reliably measured.

Regulatory milestone payments related to acquired clinical intellectual rights are added to the cost of the asset when it becomes probable that the milestone will be reached under the cost accumulation method, provided that the criteria for recognition outlined above are met.

Research costs are expensed in the income statement. Consistent with industry practice, internal and subcontracted development costs are expensed as incurred, due to significant regulatory uncertainties inherent in developing new products. Once marketing approval by a regulatory authority is obtained or considered highly probable, development costs are capitalized as intangible assets.

Development projects are not amortized, as the assets are not available for use.

The costs of software in progress include direct salaries, materials and other direct costs attributable to the development activities.

Impairment testing
Goodwill, development projects and software in progress are tested for impairment annually or if there are indications of impairment during the year. Other intangible assets are tested for impairment when an indication of impairment is identified. If an indication of impairment is identified, the carrying amount is written down to the recoverable amount, which is the higher of fair value less costs of disposal and value in use.

Development projects are assessed on an ongoing basis taking due account of development progress, expected approvals and commercial utilization.

When assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Research and development costs
Research and development costs comprise internal and external costs related to studies, employee costs, materials, costs for subcontracted development activities, depreciation, amortization, impairment losses and other directly attributable costs.

Key accounting judgments

Impairment testing, indicators
Management makes judgments to assess if there are any indications of impairment. To identify indications of impairment, Management considers amongst others the following events:

- Changes in patent and license rights
- Changes in expected future cash inflows to and outflows from the Group
- Research and development results
- Technological changes
- Development of competing products

Key accounting estimates

Valuation of intangible assets
To determine the recoverable amount of intangible assets, the future cash flows are discounted to present value by applying a discount rate that reflects the risks associated with the cash flow. The expected future cash flows are based on budgets and target plans for the patent period or other applicable period for marketable products. The budgets and target plans are based on Management's expectations of current market conditions and future growth expectations. Key factors estimated in the valuation include discount and growth rates and working capital.

Estimated useful life
The useful life and amortization period are estimated individually in each case and are initially assessed when the assets are acquired or brought into use. The main factors considered are contractual terms that may limit the useful life, the useful life of other assets to which the intangible asset may relate and economic factors. Management assesses intangible assets for changes in useful life on an annual basis.

Section 3 Invested capital

Note 3.2 Property, plant and equipment

(DKK million)	2025 Land and buildings	2025 Plant and machinery	2025 Other fixtures and fittings, tools and equipment	2025 Assets under construction	2025 Total	2024 Land and buildings	2024 Plant and machinery	2024 Other fixtures and fittings, tools and equipment	2024 Assets under construction	2024 Total
Cost at January 1	2,598	3,411	494	2,437	8,940	2,672	3,271	544	2,355	8,842
Exchange rate adjustment	(2)	3	(4)	-	(3)	4	1	2	0	7
Additions	4	6	42	204	256	2	6	14	236	258
Disposals	(38)	(499)	(36)	-	(573)	(85)	(11)	(71)	-	(167)
Transfers	700	1,656	97	(2,453)	-	5	144	5	(154)	-
Cost at December 31	**3,262**	**4,577**	**593**	**188**	**8,620**	**2,598**	**3,411**	**494**	**2,437**	**8,940**
Depreciation and impairment at January 1	(1,658)	(2,454)	(383)	-	(4,495)	(1,665)	(2,267)	(394)	-	(4,326)
Exchange rate adjustment	2	1	2	-	5	(2)	(1)	(0)	-	(3)
Disposals	35	495	36	-	566	85	11	71	-	167
Depreciation	(68)	(186)	(45)	-	(299)	(65)	(197)	(48)	-	(310)
Impairment	(4)	(16)	(10)	-	(30)	(11)	-	(12)	-	(23)
Depreciation and impairment at December 31	**(1,693)**	**(2,160)**	**(400)**	**-**	**(4,253)**	**(1,658)**	**(2,454)**	**(383)**	**-**	**(4,495)**
Carrying amount at December 31	**1,569**	**2,417**	**193**	**188**	**4,367**	**940**	**957**	**111**	**2,437**	**4,445**

Transfers of assets under construction mainly relate to a new manufacturing facility in Ballerup, Denmark, at a carrying amount of DKK 1,909m and expansion of an existing facility in Ireland at a carrying amount of DKK 456m.

As at December 31, 2025, assets at the Ballerup site were pledged as collateral for loans. The carrying amount of these assets was DKK 2,432m (2024: DKK 2,549m).

For capital commitments, please refer to Note 6.3 Guarantees, contingencies and commitments.

Note 3 Invested capital

Note 3.2 Property, plant and equipment (continued)

Specification of depreciation and impairment

(DKK million)	**2025**	2024
Cost of sales	266	250
Sales and distribution costs	9	23
Research and development costs	14	31
Administrative costs	40	29
Total	**329**	**333**

§ Accounting policies

For self-constructed assets, cost comprises the direct costs of materials, subsuppliers and salaries etc. The total cost of an asset is broken down into components that are depreciated separately if the expected useful life of the individual components is not the same.

If the recoverable amount of an asset is estimated to be less than the carrying amount, an impairment is recognized. Impairment losses are recognized in the respective function that the asset belongs to on recognition, such as cost of sales, sales and distribution costs, research and development costs and administrative costs.

Depreciation is provided on a straight-line basis over the expected useful life. The useful life is reassessed once a year to ascertain that the depreciation profile reflects the expected useful life and future residual value of the assets. Land is not depreciated.

The expected useful lives are as follows:

Buildings	10-50 years
Plant and machinery	5-15 years
Other fixtures and fittings, tools and equipment	3-10 years

Leasehold improvements are depreciated over the term of the leased assets.

Note 3.3 Leases

LEO Pharma mainly leases offices and cars.

Lease contracts are negotiated on an individual basis and contain a wide range of different terms and conditions.

Lease contracts are typically signed for fixed periods. If a rental contract includes an extension option for LEO Pharma, Management assesses whether it is reasonably certain that the extension option will be utilized.

Right-of-use assets

	2025			2024		
(DKK million)	**Properties**	**Cars etc.**	**Total**	Properties	Cars etc.	Total
Carrying amount at January 1	135	73	208	235	71	306
Exchange rate adjustment	(7)	(2)	(9)	3	-	3
Additions	28	45	73	16	42	58
Remeasurements	11	-	11	(38)	-	(38)
Disposals	-	-	-	(22)	0	(22)
Depreciation	(36)	(35)	(71)	(48)	(40)	(88)
Impairment	-	-	-	(11)	-	(11)
Carrying amount at December 31	**131**	**81**	**212**	**135**	**73**	**208**

Section 3 Invested capital

Note 3.3 Leases (continued)

Lease liabilities

(DKK million)	2025	2024
Current liabilities	66	82
Non-current liabilities	168	164
Total	**234**	**246**

For a contractual maturity analysis of lease liabilities, please refer to Note 5.2 Financial risks, contractual maturity analysis for financial liabilities.

Lease liabilities impacted the cash flow by DKK 104m (2024: DKK 120m), of which DKK 11m (2024: DKK 10m) impacted the operating cash flow and DKK 93m (2024: DKK 110m) impacted the cash flow from financing activities.

Amounts expensed in the income statement

(DKK million)	2025	2024
Other operating income, net	-	6
Depreciation of right-of-use assets	(71)	(99)
Interest expense on lease liabilities	(11)	(10)
Total	**(82)**	**(103)**

Variable lease payments, short-term leases and leases of low-value assets were not material in 2025 or 2024.

Depreciation is included in sales and distribution costs in the income statement.

§ Accounting policies

On initial recognition, right-of-use assets correspond to the lease liability recognized, adjusted for any lease prepayments, and including dismantling and restoration costs. The lease payments include fixed payments less any lease incentives receivable and variable lease payments. Variable lease payments that are not included in the measurement of the lease liability are recognized as expenses in the income statement.

The lease payments are discounted using the interest rate implicit in the contract if the rate can be determined, or otherwise using LEO Pharma's incremental borrowing rate that the entities would have to pay to borrow the funds necessary to obtain assets with similar characteristics to the leased assets, in a similar economic environment and with similar terms and conditions.

For contracts with a rolling term (evergreen leases), the lease term is estimated at five years. Properties of strategic importance are estimated based on the time frame necessary to vacate the premises. The estimated lease term is reassessed at each reporting date or in case of a significant event or a significant change in circumstances that is within the control of LEO Pharma.

Depreciation follows the straight-line method over the lease term.

The Group applies the short-term lease recognition exemption to lease contracts that, at the commencement date, have a lease term of 12 months or less for all classes of underlying assets, and the exemption for lease contracts for which the underlying asset is of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

Section 3 Invested capital

Note 3.4 Pensions

The Group operates a number of pension plans with different characteristics for certain groups of employees in various countries. The vast majority of these pension plans are defined contribution plans.

	2025			2024		
(DKK million)	**Present value of pension obligations**	**Fair value of plan assets**	**Net obligations**	Present value of pension obligations	Fair value of plan assets	Net obligations
Value at January 1	1,374	1,505	(131)	1,446	1,514	(68)
Effect of exchange rate adjustment	(36)	(30)	(6)	25	32	(7)
Current and past service costs	(11)	-	(11)	2	-	2
Interest on obligation/asset	55	63	(8)	53	57	(4)
Total amount recognized in the income statement	**8**	**33**	**(25)**	**80**	**89**	**(9)**
Actuarial (gains)/losses on changes in demographic assumptions	(51)	-	(51)	(6)	-	(6)
Actuarial (gains)/losses on changes in financial assumptions	(4)	-	(4)	(78)	-	(78)
Actuarial (gains)/losses on experience adjustments	18	-	18	(4)	-	(4)
Return on plan assets	-	(49)	49	-	(61)	61
Total amount recognized in other comprehensive income	**(37)**	**(49)**	**12**	**(88)**	**(61)**	**(27)**
Benefits paid to employees	(77)	(67)	(10)	(64)	(61)	(3)
Employer contributions	-	24	(24)	-	24	(24)
Value at December 31	**1,268**	**1,446**	**(178)**	**1,374**	**1,505**	**(131)**
Recognized as						
Non-current assets			239			206
Non-current liabilities			61			75
Total			**(178)**			**(131)**

Section 3 Invested capital

Note 3.4 Pensions (continued)

Defined contribution plans

Defined contribution plans are externally funded through payments of premiums to insurance companies and pension funds that are legally separate from the Group. The Group's responsibility to current or former employees is limited to the payment of the premium.

Defined benefit plans

For defined benefit plans, the Group is responsible for the pension obligation to the employees, which exposes the Group to actuarial risks, such as mortality, interest rate and salaries. The plans entitle the employees to an annual pension on retirement based on service and salary level up to retirement.

The Group operates defined benefit plans in a few countries, of which the most significant are in Ireland and the UK.

The plans in Ireland and the UK are funded and constituted under a trust, the assets of which are legally separated from those of the Group. Under the UK scheme-funding regime, the trustees are required to undertake regular scheme-funding valuations for the plans and to establish a schedule of contributions and a recovery plan if there is a shortfall.

Financial assets totalling DKK 148m (2024: DKK 145m) have been pledged as collateral for the pension fund in Ireland (please refer to Note 5.4 Financial assets and liabilities by category).

Key assumptions and sensitivity analysis

The most significant assumptions used in the calculation of the obligation concerning defined benefit plans are the discount rates.

The average discount rate applied is 4.5% (2024: 4.1%).

(DKK million)	**2025**	2024
Sensitivity analysis		
Decrease of 0.5% in discount rate	79	93
Increase of 0.5% in discount rate	(78)	(86)

Accounting policies

Defined contribution plans
Payments to defined contribution plans are recognized in the income statement in the period to which they relate, and any amounts payable are recognized as other payables under current liabilities in the balance sheet.

Defined benefit plans
Under defined benefit plans, the Group has an obligation to pay a defined benefit on retirement. The actuarially calculated present value of pension obligations less the fair value of any plan assets is recognized under pensions in the balance sheet.

The present value is calculated on the basis of assumptions relating to future developments in salary, interest rates, inflation, mortality and other factors. The present value is calculated solely for the benefits to which the employees have earned a right through their employment in the Group. Plan assets are recognized to the extent that the Group is able to obtain future economic benefits in the form of reimbursement from the pension scheme or reduction of future payments. Pension costs for the year are recognized in the income statement on the basis of actuarial estimates and financial expectations at the beginning of the year. Actuarial gains and losses are recognized in other comprehensive income. Past service costs are recognized in the income statement as incurred.

The value of the defined benefit plans is based on valuations from external actuaries. The valuation is based on a number of actuarial assumptions, including discount rates, expected return on plan assets, expected growth in wages and salaries, mortality and retirement benefits. The discount rate is the most significant assumption used in the calculation of the obligation concerning defined benefit plans.

Section 4 Operating assets and liabilities

Note 4.1 Trade receivables

Trade receivables arise primarily from sale of goods produced in-house and sales-based royalty income. The amounts due from customers include the net value of products sold, taking into account commercial discounts and chargebacks as contractually agreed compensation to LEO Pharma's contract partners, as well as credit notes for returned products as per contractual agreements.

LEO Pharma's contracts with customers have initial payment terms that range from 45 to 90 days.

The factoring program was closed during the year and no trade receivables are subject to factoring at December 31, 2025.

(DKK million)	**2025**	2024
Trade receivables	3,073	2,400
Allowances for expected credit loss	(32)	(32)
Trade receivables at December 31	**3,041**	**2,368**

Movements in write-downs, which are included in trade receivables

(DKK million)	**2025**	2024
Write-downs at January 1	32	31
Additions	36	15
Realized loss	(9)	0
Reversals	(27)	(14)
Write-downs at December 31	**32**	**32**

The table below details the risk profile for trade receivables. The Group's historical credit losses do not show different patterns for different customer segments. Historical credit losses are assessed by country of incorporation.

Maturity analysis of trade receivables

(DKK million)	**Expected credit loss rate**	**Gross carrying amount**	**Write-downs**	**Carrying amount**
2025				
Not due	0%	2,720	(5)	2,715
1-90 days past due	1%	224	(1)	223
91-180 days past due	1%	67	0	67
181-360 days past due	22%	32	(14)	18
More than 360 days past due	38%	30	(12)	18
Trade receivables at December 31		**3,073**	**(32)**	**3,041**
2024				
Not due	0%	2,184	0	2,184
1-90 days past due	1%	136	(1)	135
91-180 days past due	1%	32	0	32
181-360 days past due	36%	23	(9)	14
More than 360 days past due	88%	25	(22)	3
Trade receivables at December 31		**2,400**	**(32)**	**2,368**

Accounting policies

On initial recognition, trade receivables are measured at fair value, and subsequently at amortized cost, which usually corresponds to the nominal value less write-downs to counter the risk of losses. Write-downs are calculated using the "lifetime expected credit losses" method.

Write-downs are recognized in the income statement under sales and distribution costs.

Section 4 Operating assets and liabilities

Note 4.2 Inventories

(DKK million)	2025	2024
Raw materials and consumables	993	1,260
Work in progress	1,627	2,158
Finished goods and goods for resale	1,430	1,555
Total inventories, net	**4,050**	**4,973**
The above includes write-downs at December 31	(429)	(283)
Cost of goods sold included under cost of sales	4,659	4,383

In 2025, inventory write-downs mainly relate to excess and obsolete finished goods and active pharmaceutical ingredients (API), recognized as an expense under cost of sales in the income statement.

Accounting policies

Inventories are measured at the lower of cost and net realizable value, and are assigned using the first-in, first-out (FIFO) cost formula.

Finished goods and work in progress comprise the cost of raw materials, consumables, direct labor and indirect production costs. Indirect production costs comprise indirect consumables and labor, as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process, and the costs of factory administration and management.

The net realizable value of inventories is calculated as the sales price less the costs of completion and the expenses incurred to effect the sale allowing for marketability, obsolescence and development in expected sales price. Obsolete goods, including slow-moving goods, are written down in the period in which the impairment is identified.

Key accounting estimates

Cost of inventories
Management uses the standard cost method to measure cost and performs a yearly assessment to determine if this results in approximate cost. The standard cost is adjusted if there are significant deviations.

Indirect production overheads are calculated on the basis of relevant assumptions concerning capacity utilization, production time and other relevant factors and allocated on the basis of the normal production capacity.

Key accounting estimates (continued)

Inventory write-down
Inventory write-down involves assessing the value of inventory to ensure it is reported at the lower of cost and net realizable value. This estimate requires significant assumptions and analysis, which entails the Group considering market conditions, product demand and potential obsolescence. Inventory write-downs include items that became obsolete, damaged or unsalable, including those no longer used in production or nearing expiration.

Note 4.3 Other payables

(DKK million)	2025	2024
Employee-related	725	734
Sales deductions	614	490
Accrued clinical trial expenses	406	241
Royalties	106	74
Public authorities	80	80
Financial derivatives	50	113
Deferred revenue	36	184
Other accruals and payables	686	705
Total	**2,703**	**2,621**

Accounting policies

Other payables include liabilities that are settled on an ongoing basis and due less than one year from the balance sheet date.

Other payables include amounts owed to employees, amounts owed for the purchase of research and development projects, accrued clinical trial expenses, sales deductions related to customer programs and accrued interest. They also include preregistered returns where the absolute amounts are known.

Section 4 Operating assets and liabilities

Note 4.4 Provisions

(DKK million)	Sales deductions	Product returns	Employee-related provisions	Other provisions	2025 Total	2024 Total
Provisions at January 1	773	253	307	138	1,471	1,056
Exchange rate adjustment	(71)	(26)	(2)	(3)	(102)	36
Additions	1,846	112	111	29	2,098	2,427
Utilization	(1,531)	(37)	(182)	(67)	(1,817)	(1,701)
Reversals	(306)	(23)	(25)	(21)	(375)	(347)
Transfer	-	-	3	(3)	-	-
Provisions at December 31	**711**	**279**	**212**	**73**	**1,275**	**1,471**
Of which classified as:						
Current liabilities	711	122	92	55	980	1,164
Non-current liabilities	-	157	120	18	295	307

Sales deductions and product returns are expected to be settled within a period of 1-2 years from delivery of the related products.

Accounting policies

Provisions are recognized when the Group has a legal or a constructive obligation as a result of past events and it is probable that there may be an outflow of economic resources to settle the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date, discounted to present value where the effect of the time value of money is material.

Provisions mainly consist of sales deductions, product returns, restructuring, legal disputes and onerous contracts.

Provisions for unsettled sales deductions and product returns where the timing and amount are uncertain are recognized at the time the related revenue is recognized.

Sales deductions and returns where absolute amounts are known are recognized as other payables.

Provisions for restructuring mainly include employee-related costs. These are recognized when a constructive obligation exists, detailed restructuring plans are in place and a valid expectation of those affected has been raised.

Other provisions consist of provisions for legal disputes, onerous contracts and non-employee-related restructuring provisions.

Key accounting estimates

Provisions for sales deductions
Provisions for sales deductions represent estimates of the related obligations. Management's estimate of sales discounts and rebates is based on a calculation that includes a combination of historical utilization data and expectations in relation to the development in sales and rebate rates. Furthermore, specific circumstances regarding the different programs are considered.

Sales discounts and rebates are predominantly issued in the U.S. in connection with various commercial arrangements, managed healthcare organizations, co-pay arrangements, and government programs such as Medicaid and Medicare. Estimates for these programs are most at risk of material adjustment because of the extensive time delay between recording the provision and its final settlement.

Section 5 Capital structure and financing

Note 5.1 Financial income and expenses

In 2025, the Group's interest expenses decreased, primarily due to positive cash generation from operating and investing activities, which reduced funding requirements.

Interest expenses on financial liabilities measured at amortized cost amounted to DKK 486m (2024: DKK 744m).

Financial income and expenses

(DKK million)	**2025**	2024
Interest income	24	32
Gain arising on forward foreign exchange contracts	78	61
Interest hedges	-	22
Foreign exchange gain, net	9	-
Other financial income	11	17
Financial income	**122**	**132**
Interest expenses, credit institutions	475	734
Interest expense on lease liabilities	11	10
Interest hedges	26	-
Fair value adjustment of cash-settled share-based incentives	36	25
Foreign exchange loss, net	-	69
Other financial expenses	140	108
Financial expenses	**688**	**946**

Accounting policies

Financial income and expenses comprise interest, realized and unrealized exchange rate adjustments, fair value adjustment of cash-settled share-based incentive programs, fair value adjustments of financial assets and liabilities, and other financial income and expenses.

Fair value adjustments of currency derivatives reclassified from other comprehensive income and fair value adjustments recognized for fair value hedges are presented under gain arising on forward foreign exchange contracts in financial income or loss arising on forward foreign exchange contracts in financial expenses.

Interest income and interest expenses on financial assets and liabilities are recognized using the effective interest method.

Note 5.2 Financial risks

LEO Pharma is exposed to several financial risks arising from its worldwide operating, investing and financing activities, including foreign exchange risk, liquidity risk, interest rate risk and credit risk. Financial risk management is conducted by the Group's treasury department in accordance with objectives and policies approved by the Board of Directors. The treasury policies cover funding, trade credit, foreign exchange and interest risks, and were updated in 2025 with regard to foreign exchange exposure and related hedging activities. The Group uses derivative financial instruments to hedge certain exposures, and the use of derivatives for speculative purposes is prohibited.

Financial risks & exposures	Risk management policies	Mitigating actions in 2025	Risk
Foreign exchange risk Based on the Group's revenue and cost structure, the primary foreign exchange exposures are related to USD, CAD, CNY and GBP. On a standalone basis, EUR represents a significant exposure in terms of transaction volume, without material impact on the Group's risk exposure. External financing is denominated in DKK.	The Group's hedging policy for foreign exchange rates defines hedging of financial and commercial FX risks to reduce the potential adverse short-term (up to 15 months) impact of FX fluctuation on operational cash flow.	Ongoing hedge of substantial proportions of expected net cash flow in foreign currencies to secure the EBITDA contribution of the material currencies for the next 15 months. Review of minor currencies.	Low
Liquidity risk Loans and credit facilities. Loan covenant on EBITDA adjusted for certain items.	The Group's funding policy regulates minimum available liquidity and potential refunding processes for loan facilities.	Diversified funding portfolio (syndicated, mortgage, bank loans). Sufficient and increasing headroom.	Low-Medium
Interest rate risk Net interest-bearing debt (NIBD). The main loans and credit facilities are regulated at floating interest rates.	The Group's interest hedging policy defines the fixed interest duration on future NIBD and reduces the risk of volatile interest expenses.	Portfolio of interest rate swaps.	Low
Credit risk The exposure arises primarily from trade receivables.	The Group's credit policy defines credit terms for sales. Credit management is governed by treasury.	Credit rating of customers. Regular monitoring of trade receivables.	Low

Section 5 Capital structure and financing

Note 5.2 Financial risks (continued)

Foreign exchange risk

LEO Pharma is exposed to foreign exchange risk related to commercial transactions, primarily in USD, CAD, CNY and GBP. The Group's policy is to minimize this exposure by matching inflows and outflows, and by hedging a proportion of the unmatched flow, balance and cash positions denominated in foreign currencies according to the Treasury Policy.

The Group primarily uses FX forward contracts to hedge cash flows and foreign currency balance sheet items. Cash flow hedges are made on a 15-month rolling basis. LEO Pharma designates foreign exchange derivatives as either cash flow or fair value hedges. Please refer to Note 5.3 Derivative financial instruments.

Sensitivity analysis for foreign exchange risk

The sensitivity analysis below illustrates the potential impact on LEO Pharma's income statement and equity of fluctuations in the key currencies to which LEO Pharma is significantly exposed at the balance sheet date. The sensitivity analysis is based on a 5% increase in the key currencies, with all other variables, including interest rates, held constant. It covers cash and cash equivalents, current receivables, trade payables, current and non-current loans, intercompany balances and forward exchange rate contracts as at December 31.

Foreign currency sensitivity analysis

Sensitivity of an immediate 5% increase in key currencies on December 31, versus DKK:

	2025		2024	
	Profit or loss	**Equity**	Profit or loss	Equity
USD	(7)	(30)	(11)	-
CAD	(1)	(22)	0	(29)
CNY	0	(20)	(3)	(38)
GBP	(1)	(16)	(6)	(15)

An immediate decrease of 5% would have the opposite impact.

Liquidity risk

The Group maintains a financial reserve to cover contractual obligations, and holds sufficient liquidity reserves and available resources to explore investment opportunities.

Liquidity reserves

The Group's liquidity reserves at December 31

(DKK million)	**2025**	2024
Cash and cash equivalents	235	227
Unused financing facilities	5,533	3,920
Total	**5,768**	**4,147**

Financing facilities

The Group's syndicated facility agreement, which expires on January 1, 2029, includes loan covenant terms linked to financial metrics based on EBITDA for selected business areas. Compliance is measured quarterly. As at December 31, 2025 the carrying amount of loans subject to this covenant was DKK 7,120m (2024: DKK 8,678m).

LEO Pharma has complied with all covenant requirements throughout the year with significant headroom to the applicable thresholds.

Based on the Group's financial plans and strategy for the coming year, Management does not anticipate any difficulties in meeting the covenant requirements for the next 12 months, as headroom remains significant and is expected to increase further.

Section 5 Capital structure and financing

Note 5.2 Financial risks (continued)

Borrowing proceeds

	2025					2024				
(DKK million)	**Borrowings, January 1**	**Proceeds**	**Repayments**	**Other non-cash items**	**Borrowings, December 31**	Borrowings, January 1	Proceeds	Repayments	Other non-cash items	Borrowings, December 31
Loans and overdraft facilities	10,916	1,337	(2,910)	16	9,359	10,669	1,390	(1,160)	17	10,916
Lease liabilities	246	-	(93)	81	234	325	-	(110)	31	246
Total borrowings	**11,162**	**1,337**	**(3,003)**	**97**	**9,593**	**10,994**	**1,390**	**(1,270)**	**48**	**11,162**
Of which classified as:										
Current liabilities					955					584
Non-current liabilities					8,638					10,578

Other non-cash items for loans and overdraft facilities mainly comprise amortization of costs and fees that are directly attributable to recognition of loans and minor exchange rate adjustments.

Contractual maturity analysis for financial liabilities

	2025				2024			
(DKK million)	**Contractual amount**	**Less than 1 year**	**1-5 years**	**More than 5 years**	Contractual amount	Less than 1 year	1-5 years	More than 5 years
Loans and credit institutions	10,589	350	7,920	2,319	13,683	531	10,574	2,578
Lease liabilities	260	75	155	30	262	89	149	24
Trade and other payables	3,554	3,554	-	-	3,685	3,685	-	-
Other non-current liabilities	-	-	-	-	180	-	-	180
Total non-derivative financial liabilities	**14,403**	**3,979**	**8,075**	**2,349**	**17,810**	**4,305**	**10,723**	**2,782**
Derivative financial liabilities	50	35	15	-	113	66	47	-
Total financial liabilities at December 31	**14,453**	**4,014**	**8,090**	**2,349**	**17,923**	**4,371**	**10,770**	**2,782**

The maturity analysis is based on non-discounted contractual cash flows, including interest. Future interest payments are determined based on market expectations at December 31.

The analysis assumes that derivatives will be settled according to their contractual terms.

Section 5 Capital structure and financing

Note 5.2 Financial risks (continued)

Interest rate risk

LEO Pharma`s major non-current loan related to the syndicated facility has a floating interest rate. Fluctuations in interest rates pose a risk for financial expenses. To mitigate the interest rate risk, LEO Pharma enters into interest rate swaps and collars as hedge instruments, subject to the Treasury Policy. The weighted average effective interest rate, including the hedging instruments, for the utilized syndicated facility was 4.37% (2024: 5.56%). LEO Pharma designates the hedging instruments for interest rate risk as cash flow hedges. No ineffectiveness was observed in 2025 or 2024. The interest rates on mortgage loans will be renewed in the period from 2026 to 2028.

Sensitivity analysis for interest rate risk

A 1 percentage point increase in floating interest rates would result in a net increase in interest expenses in the income statement for the year of DKK 19m (2024: DKK 19m) and increase other comprehensive income by DKK 101m (2024: DKK 102m). The calculation applied in the sensitivity analysis is based on LEO Pharma's interest-bearing debt and the change in fair value of the interest hedging instruments as at December 31.

Interest-bearing loans with banking partners

(DKK million)	Currency	Expiry of commitment	Fixed/floating	Weighted avg. effective interest rate (%)	**Amortized cost**	**Nominal value**	**Fair value**
2025							
Syndicated facility	DKK	2029	Floating	4.37	7,120	7,164	7,164
Mortgage loans	DKK	2038	Fixed 3-5 years	4.64	1,188	1,200	1,241
Mortgage loans	DKK	2042	Fixed 3-5 years	4.54	1,051	1,065	1,085
Total					**9,359**	**9,429**	**9,490**
2024							
Syndicated facility	DKK	2029	Floating	5.56	8,678	8,737	8,737
Mortgage loans	DKK	2038	Fixed 3-5 years	4.64	1,188	1,200	1,253
Mortgage loans	DKK	2042	Fixed 3-5 years	4.54	1,050	1,065	1,093
Total					**10,916**	**11,002**	**11,083**

The weigheted average effective interest rate in the above table includes the effect on hedging.

Net interest-bearing debt (NIBD)

The net interest-bearing debt (NIBD) is the interest-bearing liabilities less cash and cash equivalents.

(DKK million)	**2025**	2024
Loans and credit facilities	9,359	10,916
Lease liabilities	234	246
Other non-current liabilities, interest-bearing	-	180
Cash and cash equivalents	(235)	(227)
Net interest-bearing debt (NIBD)	**9,358**	**11,115**

Other non-current liabilities of DKK 285m (2024: DKK 464m) in the consolidated balance sheet include DKK 0m (2024: DKK 180m) interest-bearing and DKK 285m (2024: DKK 284m) non-interest-bearing liabilities.

Credit risk

Credit risk primarily refers to the potential losses or reduction in cash flow in the event that customers are unable to fulfill their obligations in a timely manner. LEO Pharma´s trade receivables are spread across many counterparties and customers, and the Group therefore has no significant concentration of credit risk. Historically, realized losses on trade receivables have been insignificant. Please refer to Note 4.1 Trade receivables.

A financial counterparty risk also arises when entities within the Group hold deposits at financial institutions. To mitigate this risk, surplus cash positions in the subsidiaries are centralized by treasury and held in the current accounts of subsidiaries. If a financial institution has a rating below Investment grade, treasury adopts a stricter policy of maintaining the lowest possible bank balance.

Transactions involving derivative financial instruments are exclusively conducted with banks that participate in the Group's syndicated loan facility.

Section 5 Capital structure and financing

Note 5.3 Derivative financial instruments

Foreign exchange contracts

LEO Pharma manages foreign currency risk on highly probable forecast sales and purchases using a layered hedging strategy. This involves covering approximately 80% of the net exposure for the nearest quarter, with the hedge ratio gradually reduced to about 25% for exposures five quarters ahead.

Cash flow hedges

The designated financial contracts are expected to impact the income statement over the next 15 months as the cash flow hedges mature and amounts are reclassified from other comprehensive income to financial income or financial expenses. LEO Pharma performs both quantitative and qualitative assessments of the effectiveness of its cash flow hedges. The value of the hedged items is expected to move systematically in the opposite direction to the value of the hedging instruments. Hedge effectiveness is assessed on both a retrospective and prospective basis. No ineffectiveness was observed in 2025 or 2024.

Fair value hedges

LEO Pharma applies fair value hedge accounting to mitigate exposure to changes in the fair value of recognized assets and liabilities attributable to foreign currency risk. In 2025, a fair value gain on forward foreign exchange contracts of DKK 16m was recognized in the income statement under financial income (2024: DKK 78m). Future impacts will depend on market exchange rate movements, with fair value adjustments being recognized directly in profit or loss as they occur.

Interest rate hedges

As described in Note 5.2 'Financial risks,' LEO Pharma has entered into hedging arrangements to mitigate the exposure to floating interest rate risk arising from its syndicated loan facility.

To mitigate the currency risks described in Note 5.2 Financial risks, LEO Pharma has entered into FX forward contracts as hedging instruments, maturing within 15 months from the balance sheet date.

Foreign exchange contracts	**2025**			2024		
(DKK million)	**Average hedge rate**	**Contract amount, net***	**Fair value, assets/ (liabilities)**	Average hedge rate	Contract amount, net*	Fair value, assets/ (liabilities)
Cash flow hedges						
USD	6.31	596	3	N/A	N/A	N/A
CAD	4.68	451	6	4.96	572	2
CNH	0.93	399	9	0.96	749	(12)
Other currencies, net	N/A	560	9	N/A	934	(11)
Fair value hedges						
USD	6.34	(342)	(2)	6.90	(985)	30
Other currencies, net	N/A	(505)	12	N/A	(463)	2
Foreign exchange contracts at December 31			**37**			**11**

* Positive contract amounts represent a sale of currencies versus DKK, and negative contract amounts represent a purchase.

Interest rate hedges	**2025**			2024		
(DKK million)	**Notional value, interest hedge**	**Average fixed interest rate**	**Fair value, assets/ (liabilities)**	Notional value, interest hedge	Average fixed interest rate	Fair value, assets/ (liabilities)
Cash flow hedges						
Interest rate swap	6,850	2.60%	(28)	4,250	2.94%	(62)
Collar	2,000	2.13%-3.69%	(2)	5,000	1.75%-3.73%	(13)
Total			**(30)**			**(75)**

Notional value of interest hedges includes the value of interest rate swaps with forward start and, following the expiry of active contracts, amounts to DKK 3,600m as at December 31, 2025 (2024: DKK 2,500m for interest rate swap and collar). The interest rate swaps and collars outstanding as at December 31, 2025 are denominated in DKK and mature between 2026 and 2030.

Section 5 Capital structure and financing

Note 5.3 Derivative financial instruments (continued)

Fair value adjustment

(DKK million)	**2025**	2024
Cash flow hedge - foreign exchange		
Fair value adjustment for the year recognized in other comprehensive income	110	(34)
Reclassified from equity to the income statement, financial (income) / expenses	(62)	17
Cash flow hedge - interest rate		
Fair value adjustment for the year recognized in other comprehensive income	18	(83)
Reclassified from equity to the income statement, financial (income) / expenses	26	(22)
Fair value hedge - foreign exchange		
Recognized in the income statement, financial (income) / expenses	(16)	(78)
Cash flow and fair value hedges recognized in the income statement, (income) / expenses	**(52)**	**(83)**

Accounting policies

Derivative financial instruments
Derivative financial instruments are used to manage the exposure to interest rate and foreign exchange risk. On initiation of the contract, LEO Pharma designates each derivative financial contract as either a hedge of the fair value of a recognized asset or liability (fair value hedge) or as a hedge of a future transaction (cash flow hedge).

All contracts are initially recognized at fair value and subsequently remeasured at fair value at the end of the reporting period. The resulting gain or loss is recognized in the income statement immediately, unless the derivative is designated and effected as a cash flow hedging instrument. In this case, the timing of recognition in the income statement depends on the nature of the hedge relationship; please refer to Hedge accounting below.

Forward foreign exchange contract assets and liabilities are presented as either other receivables or other payables in the balance sheet.

Hedge accounting
The fair value adjustment of qualifying hedging instruments is recognized in the income statement when the hedging instrument is designated as a fair value hedge. Value adjustments of the effective part of cash flow hedges are recognized in equity through other comprehensive income. The cumulative value adjustment of these contracts is reclassified from other comprehensive income to financial income/financial expenses in the income statement.

Discontinuation of hedge accounting
When a hedging instrument expires or is terminated but the hedge still meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is reclassified to financial income/financial expenses when the forecast transaction is ultimately recognized in the income statement.

If a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the income statement under financial income or financial expenses.

Section 5 Capital structure and financing

Note 5.4 Financial assets and liabilities by category

The financial assets and liabilities presented in the balance sheet can be categorized as follows:

(DKK million)	**2025**	2024
Financial assets		
Cash and bank balances	235	227
Trade and other receivables	3,537	2,682
Other financial assets	27	99
Financial assets at amortized cost	**3,799**	**3,008**
Other financial assets	86	95
Derivative instruments in designated fair value hedging relationship	21	39
Financial assets at fair value through profit or loss	**107**	**134**
Derivative instruments in designated cash flow hedging relationship	36	10
Financial assets at fair value through other comprehensive income	**36**	**10**
Total financial assets	**3,942**	**3,152**

(DKK million)	**2025**	2024
Financial liabilities		
Trade and other payables	3,554	3,685
Bank loans (current and non-current)	7,120	8,678
Mortgage loans	2,239	2,238
Lease liabilities (current and non-current)	234	246
Other non-current liabilities	285	464
Financial liabilities at amortized cost	**13,432**	**15,311**
Derivative instruments in designated fair value hedging relationship	11	7
Financial liabilities at fair value through profit or loss	**11**	**7**
Derivative instruments in designated cash flow hedging relationship	39	106
Financial liabilities at fair value through other comprehensive income	**39**	**106**
Total financial liabilities	**13,482**	**15,424**

Fair value hierarchy
At the end of 2025, LEO Pharma held bonds with a fair value of DKK 86m (2024: DKK 95m) classified as other financial assets and measured at fair value using level 1 inputs based on quoted market prices. The valuation is based on the most recent transaction price, adjusted for subsequent changes in market conditions.

Derivative instruments are measured at fair value based on observable input (level 2 input). Forward foreign exchange contracts, interest rate swaps, currency swaps and unlisted bonds are measured according to generally accepted valuation techniques, where market-based parameters are used to measure the fair value. For bank loans and mortgage loans measured at amortized cost, the carrying amounts approximate fair value (level 2 input). Please refer to Note 5.2 Financial risks.

Leo Pharma has no financial instruments measured at fair value based on non-observable data (level 3 input).

Pledged financial assets
At 31 December 2025, bonds with a fair value of DKK 86 million (2024: DKK 95 million), classified as other financial assets, together with security deposits of DKK 62 million (2024: DKK 50 million) recognised in other receivables, were pledged as collateral for the Group's pension fund in Ireland.

§ Accounting policies

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

Financial assets
Financial securities in LEO Pharma primarily consist of bonds. Investments in bonds are subsequently measured at fair value through profit and loss.

Financial liabilities
LEO Pharma's liabilities to credit institutions and banks are recognized at the borrowing date at fair value of the proceeds received less transaction costs paid. Subsequently, the financial liabilities are measured at amortized cost, corresponding to the capitalized amount calculated using the effective interest rate. The difference between the proceeds and the nominal value is recognized in the income statement over the duration of the loan.

Section 5 Capital structure and financing

Note 5.5 Equity

The Board of Directors and Global Leadership Team regularly review LEO Pharma's capital and debt structure. The overall goal is to maintain a balance between debt and equity that ensures financial stability and optimizes the Group's cost of capital.

2025

The share capital comprises 383,582,682 shares at a nominal value of DKK 1. The share capital is divided into 155,343,654 A-shares and 228,239,028 B-shares. Each A-share carries 10 votes and each B-share carries 1 vote.

During 2025, a capital increase was recognized related to share-based payment. The capital increase was due to exercise of vested B-shares under LEO Pharma's Employee Share Purchase Plan. Please refer to Note 6.2 Share-based payment.

No shares or shareholders have any additional special rights.

2024

The share capital comprised 383,328,975 shares at a nominal value of DKK 1. The share capital was divided into 155,343,654 A-shares and 227,985,321 B-shares. Each A-share carried 10 votes and each B-share carried 1 vote.

During 2024, a capital increase was recognized related to share-based payments. The capital increase was due to subscription of new B-shares under LEO Pharma's Employee Share Purchase Plan. Please refer to Note 6.2 Share-based payment.

No shares or shareholders had any additional special rights.

Share capital

Number of shares	A-shares	B-shares	**Total**
2025			
Share capital at January 1	155,343,654	227,985,321	383,328,975
Capital increase	-	253,707	253,707
Share capital at December 31	**155,343,654**	**228,239,028**	**383,582,682**
2024			
Share capital at January 1	155,343,654	227,700,233	383,043,887
Capital increase	-	285,088	285,088
Share capital at December 31	**155,343,654**	**227,985,321**	**383,328,975**

Treasury shares

Number of shares	**2025**	2024
Treasury shares at January 1	214,995	123,745
Additions	66,484	91,308
Disposals	(25,537)	(58)
Treasury shares at December 31	**255,942**	**214,995**

Acquisition of treasury shares relates to employee shares bought back from employees no longer working at LEO Pharma. Total acquired treasury shares during the year amounted to DKK 7m (2024: DKK 9m). As at December 31, the total holding of treasury shares amounted to 0.07% (2024: 0.06%) of the total share capital.

Earnings per share (EPS/DEPS)

Weighted average	**2025**	2024
Net profit/(loss) (DKK million)	2,489	(1,776)
Number of outstanding shares, excluding treasury shares (million)	383	383
Dilutive effect of outstanding warrants (million)	-	-
Number of shares, diluted (million)	**383**	**383**
Earnings per share (DKK)	**6.49**	**(4.64)**
Earnings per share, diluted (DKK)	**6.49**	**(4.64)**

Outstanding warrants did not have a dilutive effect on the outstanding shares in the calculation of DEPS in 2025 or 2024. The required conditions for equity settlement were not met at the reporting date. Please refer to Note 6.2 Share-based payment.

Section 6 Other disclosures

Note 6.1 Management remuneration

Remuneration of the Board of Directors and the Global Leadership Team

(DKK million)	Salaries	Bonus	Pensions	Share-based payments	**Total remuneration excluding severance payments**	Severance payments	**Total remuneration after severance payments**
2025							
CEO	7.8	8.6	1.2	2.9	20.5	-	20.5
CFO	5.6	3.8	0.8	1.3	11.5	-	11.5
Total Registered Executive Management	**13.4**	**12.4**	**2.0**	**4.2**	**32.0**	**-**	**32.0**
Other members of the Global Leadership Team	27.6	19.0	5.4	12.8	64.8	3.1	67.9
Board of Directors							
Jesper Brandgaard	1.3	-	-	-	1.3	-	1.3
Paul Navarre	1.0	-	-	-	1.0	-	1.0
Lars Green	0.6	-	-	-	0.6	-	0.6
Jannie Kogsbøll	0.4	-	-	-	0.4	-	0.4
Henrik Bo Andersson	0.4	-	-	-	0.4	-	0.4
Franck Maréno	0.4	-	-	-	0.4	-	0.4
Elisabeth Svanberg	0.7	-	-	-	0.7	-	0.7
Signe Maria Christensen	0.5	-	-	-	0.5	-	0.5
Raj Shah[1]	-	-	-	-	-	-	-
Peter Haahr[2]	-	-	-	-	-	-	-
Mark Levick	0.5	-	-	-	0.5	-	0.5
Liisa Hurme	0.4	-	-	-	0.4	-	0.4
Total Board of Directors	**6.2**	**-**	**-**	**-**	**6.2**	**-**	**6.2**
Total	**47.2**	**31.4**	**7.4**	**17.0**	**103.0**	**3.1**	**106.1**
2024							
CEO	7.4	12.3	1.1	1.4	22.2	-	22.2
CFO	5.4	6.1	0.8	0.5	12.8	-	12.8
Other members of the Global Leadership Team	21.8	24.4	3.1	12.2	61.5	6.4	67.9
Board of Directors	5.0	-	-	-	5.0	-	5.0
Total	**39.6**	**42.8**	**5.0**	**14.1**	**101.5**	**6.4**	**107.9**

[1] Raj Shah is a representative from Nordic Capital and does not receive any remuneration for his Board membership.

[2] Peter Haahr is a representative from the LEO Foundation and does not receive any remuneration for his Board membership.

Section 6 Other disclosures

Note 6.1 Management remuneration (continued)

For a list of members of the Board of Directors and Global Leadership Team, please refer to Corporate matters: Board of Directors and Global Leadership Team, in Management's review.

Global Leadership Team
Salaries include base salaries and various allowances for car, internet etc. Bonus includes short- and long-term incentives and extraordinary one-off bonuses. The share-based incentive program is linked to successful transformation of the company and an IPO.

Fair value remeasurement of financial liabilities from historical programs (2021-2023) for key management, including Global Leadership Team, amounted to DKK 6m (2024: DKK 20m). The total fair value remeasurement of financial liabilities, including employees other than Global Leadership Team, is included in Note 5.1 Financial income and expenses.

Board of Directors
Members of the Board of Directors receive fixed remuneration. In 2025, members of the Board of Directors neither purchased nor were awarded any warrants as part of the Management Incentive Program (2024: DKK 0m).

Note 6.2 Share-based payment

LEO Pharma offered all employees the opportunity to participate in share-based incentive programs; programs covering all employees (Employee Share Purchase Plan) and programs for selected members of Management (Management Incentive Program and Long-term Incentive Plans).

The intrinsic value at December 31, 2025 of the liability related to vested phantom shares and warrants was DKK 250m (2024: DKK 208m). Total expenses recognized in 2025 for share-based payment transactions in the income statement amounted to DKK 83m (2024: DKK 69m), of which DKK 36m was fair value adjustments of the cash-settled programs recognized under financial expenses (2024: DKK 25m). The total cost of DKK 45m (2024: DKK 38m) arose from equity-settled share-based payment transactions.

Note 6.2 Share-based payment (continued)

Employee Share Purchase Plan (ESPP and EPSPP)
The Group launched voluntary employee share-based programs in both 2022 and 2024, giving all employees with permanent contracts the opportunity to buy shares in LEO Pharma A/S ("employee shares"). In 2025, 289,533 matching shares vested from the 2022 program. The remaining part of the 2022 program and the 2024 program vest upon the conditions below. To participate in the plan, the employees were required to invest 3% of their base salary over 12 months into shares. In addition, employees receive the right to an additional matching share for each employee share bought, subject to continued employment, vesting toward a potential public listing. A further requirement for vesting is the LEO Pharma share having a fair value of at least the same as at the time of the employees' subscription (2022 program: at least 1.5 times). In the event of non-listing, the shares vest after eight years of continued employment (2022 program: 10 years) and will be cash-settled. Management considers it more likely than not that a listing will be completed within the vesting period and thus considers matching shares that would otherwise not be cash-settled as equity-settled programs.

2024: The fair value of granted awards is estimated using a binomial valuation model that incorporates market conditions and the terms and conditions upon which the awards were granted, excluding vesting conditions. The inputs used to measure the average fair value of DKK 92.33 at the grant date for ESPP and EPSPP programmes were: expected volatility (weighted average) of 28.4%, expected life (weighted average) of 3 years, a risk-free interest rate ranging from 1.78% and 2.17%, and no dividends.

The programs are split into both equity-settled programs (ESPP) and cash-settled programs (EPSPP); the latter are used where there are local restrictions on employee shares or equity-settled programs. Both types follow the same vesting conditions, vesting periods, requirements etc.

Reconciliation of outstanding employee awards

	2025		2024	
Number of matching shares	**ESPP (equity-settled)**	**EPSPP (cash-settled)**	ESPP (equity-settled)	EPSPP (cash-settled)
Outstanding at January 1	811,013	64,284	617,175	40,075
Granted	-	-	297,960	29,024
Exercised	(270,980)	(18,553)	-	-
Forfeited	(34,400)	(2,546)	(104,122)	(4,815)
Outstanding at December 31	**505,633**	**43,185**	**811,013**	**64,284**
Weighted average remaining contractual life (years)	1	1	2	2
Liability at December 31 (DKK million)	**N/A**	**4**	**N/A**	**4**

Section 6 Other disclosures

Note 6.2 Share-based payment (continued)

Management Incentive Program (MIP & MIP Phantom)

Part of Management received warrants as part of their long-term incentive program. They must remain employed by the Group until the vesting date, which is the earlier of a public listing and seven years after the grant date. The market condition of the warrants stipulates a fair value increase in LEO Pharma shares to at least 1.5 times the subscription price. Further, the total number of vested warrants is capped at three times the subscription value. In the event of non-listing, the warrants become exercisable after seven years and will be cash-settled.

Management considers it more likely than not that a listing will be completed within the vesting period and thus considers warrants that would otherwise not be cash-settled as equity-settled programs.

The programs are split into both equity-settled programs (MIP) and cash-settled programs (MIP Phantom); the latter are used where there are local restrictions on employee shares or equity-settled programs. Both types follow the same vesting conditions, vesting periods, requirements etc.

2024: The fair value of awards granted in 2024 was estimated using a binomial valuation model incorporating market conditions and the relevant terms and conditions. Expected volatility was based on an evaluation of the historical volatility of comparable companies' share prices, calculated as the standard deviation of weekly returns over a five-year period. The expected term of the instruments was determined based on projected exit dates, probabilities and estimates assessed by management. Key assumptions used in calculating the fair value of the awards included: a fair value at grant date ranging from 43.26 to 44.45 DKK/share, an expected volatility (weighted average) of 28.4%, an expected life (weighted average in years) of 3, and a risk-free interest rate between 1.78% and 2.17%.

Reconciliation of outstanding Management awards (MIP & MIP Phantom)

		2025		2024	
Number of warrants	Average exercise price (EUR)	**MIP (equity-settled)**	**MIP Phantom (cash-settled)**	MIP (equity-settled)	MIP Phantom (cash-settled)
Outstanding at January 1	6.42	6,590,441	4,796,184	6,252,300	5,017,258
Prior-year adjustments	6.42	(66,620)	13,272	-	-
Granted	6.42	-	-	750,000	-
Forfeited	6.42	(155,803)	-	(411,859)	(221,074)
Outstanding at December 31	**6.42**	**6,368,018**	**4,809,456**	**6,590,441**	**4,796,184**
Number exercisable at December 31		-	-	-	-
Weighted average remaining contractual life (years)		1	1	2	2
Liability at December 31 (DKK million)		**N/A**	**260**	**N/A**	**225**

Long-term incentive plans (LTIP)

In 2025, long-term incentive plans (LTIP) were granted to Global Leadership Team and certain key employees of the Group using performance share units (PSUs) as well as restricted share units (RSUs). The granted LTIPs are considered equity-settled.

The LTIPs granted in 2025 have a three-year performance period, subject to continued employment with LEO Pharma, after which vested PSUs and RSUs are converted into shares in LEO Pharma A/S. At the start of the performance period for the PSUs, the Board established non-market performance KPIs, which determine the total number of vested PSUs. These targets define thresholds for on-target and maximum performance levels. The targets include revenue growth, adjusted EBITDA margin and return on invested capital. If the total value of the vested PSUs or RSUs exceeds a maximum threshold of four times the initial grant value, the number of PSUs and RSUs that actually vest will be reduced as necessary to reach the maximum threshold.

During 2025, 581,262 PSUs and 50,318 RSUs were granted. The total fair value at grant is recognized as an expense over the performance period and will subsequently be revised during the vesting period to reflect the number of PSUs and RSUs expected to vest, based on actual performance against the target KPIs.

The total fair value at grant was DKK 71m, and is determined as the estimated fair value of a share in LEO Pharma A/S using a discounted cash flow valuation model, adjusted for the fair value of the cap on the number of PSUs and RSUs expected to vest. The fair value of the granted instrument (PSUs and RSUs) should not be mistaken for the fair value of the underlying share in LEO Pharma A/S. The calculation of the PSU/RSU fair value included the expected volatility of 26.7%, risk-free interest rate of 1.8% and expected lifespand of 3 years.

The determination of the fair value of the cap at the grant date takes into consideration probable performance levels and is calculated using a Black-Scholes valuation model. No dividends are expected during the vesting period.

§ Accounting policies

For equity-settled share-based payment arrangements, the warrants and shares granted are measured at fair value at grant date and recognized as employee costs over the vesting period with a corresponding entry in equity reserves. On initial recognition, an estimate is made of the number of awards expected to vest. Subsequently, the amount recognized is adjusted to reflect the number of awards for which the service and non-market performance conditions are expected to be met and awards expected to vest.

For cash-settled share-based payment arrangements, the awards measured at grant value are recognized as employee costs over the vesting period against a liability in the balance sheet. The liability is remeasured at each reporting date and ultimately at settlement date at fair value. Any changes in the liability as a result of the remeasurement to fair value are recognized in the income statement under financial expenses.

Section 6 Other disclosures

Note 6.3 Guarantees, contingencies and commitments

Guarantees

The majority of the guarantees in LEO Pharma pertain to performance guarantees related to tender sales. The total guarantee commitments for LEO Pharma amount to DKK 68m at December 31, 2025 (2024: DKK 110m).

Contractual obligations and commitments

LEO Pharma's contractual obligations, not recognized in the consolidated financial statements, mainly comprise milestone payments for the development of new products related to acquisition of intellectual property rights. At December 31, 2025, potential future research and development milestone payments and commitments under collaboration amount to DKK 978m (2024: DKK 92m). The timing of these payments is uncertain, as part of the obligations depends on the achievement of specific development and regulatory milestones.

Commercial sales milestones, royalties and other sales-based payments are excluded from contractual obligations, as they are contingent on future sales performance.

Commitments for intangible assets other than research and development milestones and collaborations relate to software and amount to DKK 113m (2024: DKK 92m).

Commitments relating to property, plant and equipment amount to DKK 12m at December 31, 2025 (2024: DKK 39m) and relate primarily to manufacturing sites.

LEO Pharma has agreements with contract manufacturing organizations (CMOs) for the supply of active pharmaceutical ingredients (APIs) and other materials, based on demand forecasts provided by the Group. If actual market demand falls below forecasted volumes, the Group may be obligated to pay for surplus materials or excess capacity reservation fees. Management regularly reviews and updates demand forecasts, and when inventory or reserved capacity at CMOs is expected to exceed usage, a provision is recognized.

Pending lawsuits

At the end of 2025, there are pending lawsuits filed by and against LEO Pharma concerning rights and claims related to products in LEO Pharma's portfolio. LEO Pharma currently does not expect these or other pending cases to have any significant effect on the Group's financial position.

LEO Pharma is involved in a number of legal proceedings. In the opinion of Management, the outcome of these proceedings is not currently assessed to have a material impact on the financial position or cash flows. Such proceedings may, however, develop over time, and new proceedings may occur that could have a material impact on LEO Pharma's financial position and/or cash flows.

Tax

As a global business, LEO Pharma will from time to time have tax audits, and engages in discussions with tax authorities in various jurisdictions on a range of tax matters, transfer pricing and indirect taxes.

Note 6.4 Fees to statutory auditors

(DKK million)	**2025**	2024
Statutory audit	8	8
Other assurance services	2	0
Tax advisory services	2	4
Other services	3	1
Total	**15**	**13**

LEO Pharma's Audit Committee pre-approves use of non-audit services from statutory auditors and pursues a 1:1 ratio between total non-audit cost and total statutory audit cost.

Note 6.5 Other cash flow specifications

(DKK million)	**2025**	2024
Other non-cash adjustments		
Change in provisions	(196)	415
Change in provision for defined benefit plans	(47)	(63)
Change in inventory write-downs	146	(93)
Change in provision for bad debt	-	1
Share-based payment	9	14
Other non-cash items	78	48
Total	**(10)**	**322**
Change in working capital		
Change in inventories	777	(15)
Change in receivables, prepaid expenses etc.	(586)	(180)
Change in trade payables and other payables	(341)	669
Total	**(150)**	**474**

Section 6 Other disclosures

Note 6.6 Related party transactions

Transactions with related parties

(DKK million)	**2025**	2024
LEO Foundation		
Other income	0	0
LEO Holding A/S		
Tax settlement	332	171
Board of Directors		
Reimbursement of travel expenses etc.	(1)	(1)
Purchase of B-shares	1	-
Consultancy fees	(6)	(1)

LEO Pharma A/S's controlling owner, LEO Holding A/S, and the ultimate parent of the Group, the LEO Foundation, own 81.1% of the outstanding share capital (95.9% of the votes). Nordic Capital, through Cidron Savanna 4 SARL, owns 18.7% of the outstanding share capital, representing 4.0% of the voting rights.

The LEO Pharma Group is included in the consolidated financial statements of the LEO Foundation.

LEO Pharma owns 22% of the voting shares in Skinvision B.V. The investment is classified as an associate in the consolidated financial statements. There were no transactions with Skinvision B.V. in 2025 or 2024.

LEO Pharma A/S' related parties also comprise the members of the LEO Foundation's Board of Trustees and Executive Board, and of LEO Pharma A/S' and LEO Holding A/S' Board of Directors and Global Leadership Team, as well as close relatives of these persons.

Fair value remeasurement (non-cash) of financial liability arising from historical granted programs from 2021 and 2022 to key management personnel including Global Leadership Team totals DKK 16m (2024: DKK 0m). The impact is due to fair-value remeasurement of the management incentive program reflecting higher valuation of the company.

In 2025, Board of Directors' consultancy fees include DKK 5m for Mark Levick as interim Head of Development for a period of time until Sophie Lamle joined LEO Pharma in December 2025. In addition, the Chairman, through his private consultancy firm JBR Counselling A/S, received DKK 1m in 2025 for IPO advisory services to LEO Pharma. This consultancy arrangement expires in connection with an IPO of LEO Pharma.

Please refer to Note 6.1 Management remuneration and Note 6.2 Share-based payment regarding other transactions with the Board of Directors.

Note 6.7 Events after the balance sheet date

No significant events have occurred after the balance sheet date.

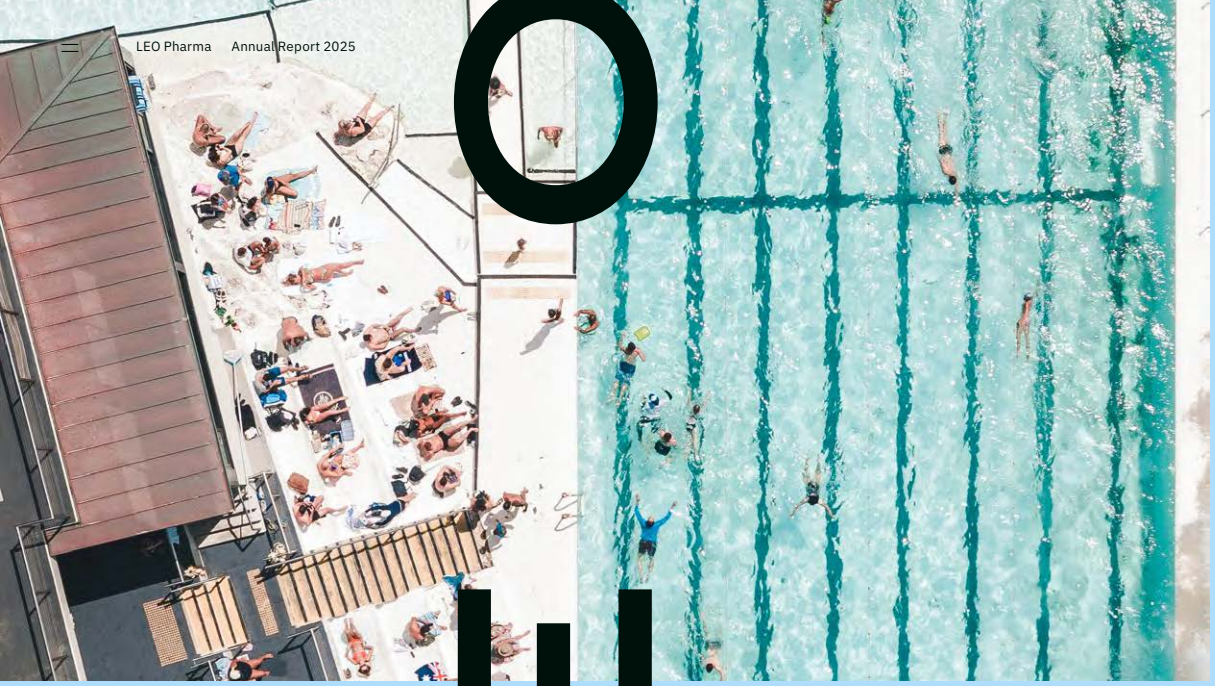
Section 6 Other disclosures

Note 6.8 Company overview

- Sales and distribution
- Production
- Marketing & services
- Other

	Country	Share of ownership (%)	Activities
Parent Company			
LEO Pharma A/S	Denmark		● ● ● ●
Subsidiaries			
SARL LEO Pharma[1]	Algeria	100	●
LEO Pharma Pty Ltd	Australia	100	●
LEO Pharma GmbH	Austria	100	●
LEO Pharma N.V.	Belgium	100	●
LEO Pharma LTDA	Brazil	100	●
LEO Pharma Inc.	Canada	100	●
LEO Pharma Consultancy Company Ltd.	China	100	●
LEO Pharma Trading Company Ltd.	China	100	●
LEO Pharma s.r.o.	Czech Republic	100	●
Løvens Kemiske Fabriks Handelsaktieselskab	Denmark	100	●
LEO Pharma OY	Finland	100	●
Laboratoires LEO S.A.S	France	100	● ●
LEO Pharma GmbH	Germany	100	●
LEO Pharmaceutical Hellas S.A.	Greece	100	●
DKLEO Pharma Private Limited[1]	India	100	●
LEO Laboratories Ltd.	Ireland	100	● ●
Wexport Ltd.	Ireland	100	●
LEO Pharma Holding Ltd.	Ireland	100	●
LEO Pharma Manufacturing Italy S.R.L.	Italy	100	●
LEO Pharma S.p.A.	Italy	100	●
LEO Pharma K.K.	Japan	100	●
LEO Pharmaceuticals, S. de R.L. de C.V.	Mexico	100	●
LEO Pharma LLC[1]	Morocco	100	●
LEO Pharma BV	Netherlands	100	●
LEO Pharma Ltd.	New Zealand	100	●
LEO Pharma AS	Norway	100	●
LEO Pharma Sp. z o.o.	Poland	100	●
LEO Pharma Global Business Service Center Sp. z o.o.	Poland	100	●
LEO Farmacêuticos Lda.	Portugal	100	●
LEO Pharmaceutical Products LLC	Russia	100	●
LEO Pharma Yuhan Hoesa	South Korea	100	●
Laboratorios LEO Pharma S.A.	Spain	100	●
LEO Pharma AB	Sweden	100	●
LEO Pharmaceutical Products Sarath Ltd.	Switzerland	100	●
LEO Laboratories Ltd.	United Kingdom	100	●
LEO Pharma Inc.	USA	100	●
Timber Pharmaceuticals Inc.	USA	100	●
LEO US Holding Inc.	USA	100	●
Associates			
SkinVision B.V.	Netherlands	22	●

[1] Under liquidation.



Statements and reports

Statement of the Board of Directors and Executive Management

The Board of Directors and Executive Management have today considered and adopted the Annual Report of LEO Pharma A/S for the financial year January 1 – December 31, 2025.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act. The Parent Company's financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the financial position, assets and liabilities at December 31, 2025, and results of operations and cash flows for 2025 of the LEO Pharma Group and the Parent Company.

We believe that the Management's review gives a true and fair view of the developments in the Group's and the Parent Company's activities and business, the results for the year, and the financial position of the Group and the Parent Company, as well as describing the most significant risks and uncertainties that may affect the Group and the Parent Company.

We believe that the Consolidated Sustainability and Environmental, Social and Governance (ESG) review in accordance with the presented ESG accounting policies gives a reasonable and fair presentation and view of the Group's ESG performance. We recommend that the Annual Report 2025 be adopted at the Annual General Meeting on February 25, 2026.

Ballerup, February 18, 2026

Registered Executive Management:

Christophe Bourdon
CEO

Philip Eickhoff
CFO

Board of Directors:

Jesper Brandgaard
Chair

Paul Navarre
Vice Chair

Henrik Bo Andersson

Signe Maria Christensen

Lars Green

Peter Haahr

Liisa Hurme

Jannie Kogsbøll

Mark Levick

Franck Maréno

Raj Shah

Elisabeth Svanberg

Independent Auditor's report

To the shareholders of LEO Pharma A/S

Opinion

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

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

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at December 31, 2025, and of the results of its operations for the financial year January 1, 2025 - December 31, 2025 in accordance with 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's review

Management is responsible for the management review.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management review, 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 review and, in doing so, consider whether the management review 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 review provides the information required by relevant laws and regulations.

Based on the work we have performed, we conclude that the management review 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 laws and regulations. We did not identify any material misstatement of the management review.

Management's Responsibilities for the consolidated financial statements and the Parent company's financial statements

Management is responsible for the preparation of consolidated 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 as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 company's financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Copenhagen, February 18, 2026

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Vad Dons
State Authorised
Public Accountant
Identification No
(MNE) mne25299

Niels Skannerup Vendelbo
State Authorised
Public Accountant
Identification No
(MNE) mne34532

Independent auditor's limited assurance report on selected disclosures in the sustainability statement

To the stakeholders of LEO Pharma A/S

Limited assurance conclusion
We have conducted a limited assurance engagement on the selected disclosures marked with "*" on pages 46-89 in the section Sustainability statement of LEO Pharma A/S (the Group) included in the section Management's review (hereafter "ESG Metrics") for the financial year 1 January – 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG Metrics are not prepared, in all material respects, in accordance with the applied accounting policies as described on pages 46-89.

Basis for conclusion
We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management
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. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter
The comparative information for the ESG Metrics of the Group for the financial year 1 January – 31 December 2024 and previous years was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Management's responsibilities for the sustainability statement
Management of the Group is responsible for:

- Identifying the information to be reported in the sustainability statement as described in the the accounting policies applied on pages 46-89
- The preparation of the sustainability statement in accordance with accounting policies applied;
- Designing, implementing and maintaining such internal control that management determine is necessary to enable the preparation of the sustainability statement, in accordance with accounting policies applied that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement
Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the ESG Metrics in the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the ESG Metrics in the sustainability statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the sustainability statement include:

- Identification of disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to assessed risks of material misstatement at the disclosure level. 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.

Summary of the work performed
A limited assurance engagement involves performing procedures to obtain evidence about the ESG Metrics in the sustainability statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability statement.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of the ESG Metrics in its sustainability statement by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the ESG Metrics in the sustainability statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Performed inquiries of relevant personnel and analytical procedures on ESG Metrics in the sustainability statement;

- Performed substantive assurance procedures on ESG Metrics in the sustainability statement; and

- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;

Other information
Management is responsible for other information. The other information comprises the remaining part of the information including targets, which is included in the sustainability statement, and which is not included in the ESG Metrics identified on pages 46-89 in the sustainability statement.

Our conclusion on the ESG Metrics identified on pages 46-89 in the sustainability statement does not cover other information, and we do not express any form of assurance conclusion thereon.

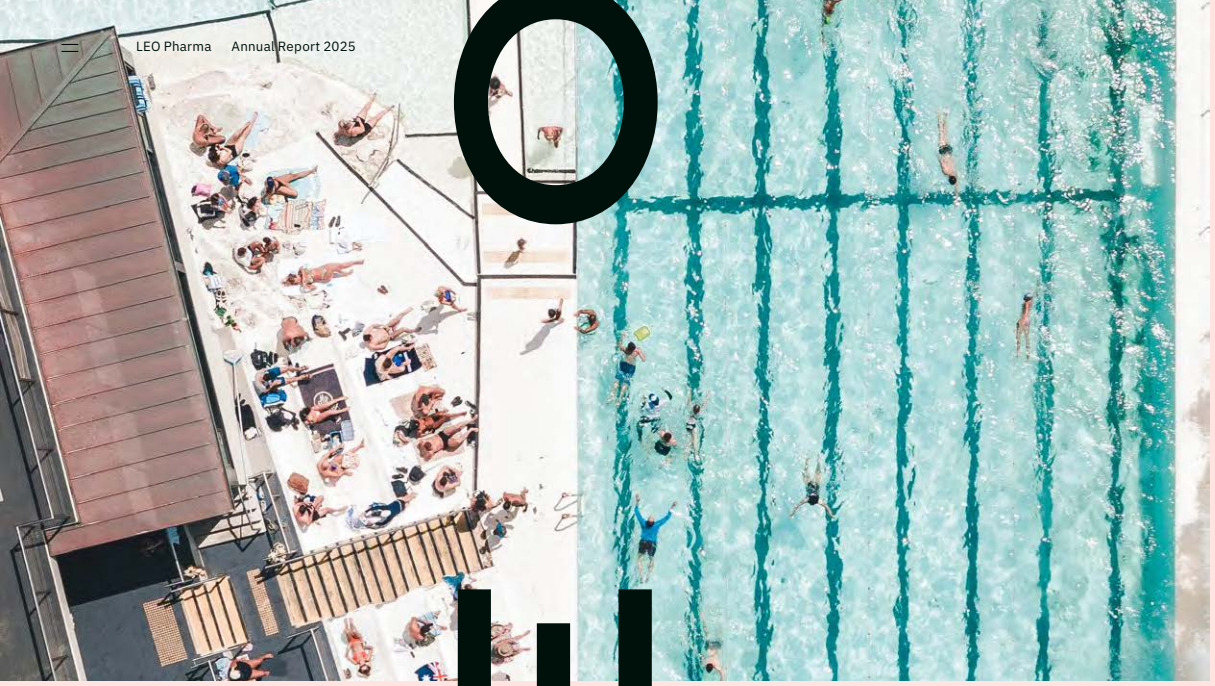
In connection with our assurance engagement on the ESG Metrics identified on pages 46-89 in the sustainability statement, our responsibility is to read other information and, in doing so, consider whether other information is materially inconsistent with the ESG Metrics identified on pages 46-89 in the sustainability statement or our knowledge obtained during the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Copenhagen, February 18, 2026

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Anders Vad Dons
State Authorised
Public Accountant
Identification No
(MNE) mne25299

Niels Skannerup Vendelbo
State Authorised
Public Accountant
Identification No
(MNE) mne34532



Parent Company financial statements

Parent Company financial statements

Income statement

January 1 - December 31

(DKK million)	Note	**2025**	2024
Revenue	2.1	11,497	13,298
Cost of sales	2.2, 3.1, 3.2	(8,103)	(9,359)
Gross profit		**3,394**	**3,939**
Sales and distribution costs	2.2, 3.1, 3.2	(2,656)	(4,038)
Research and development costs	2.2, 3.1, 3.2	(1,231)	(2,102)
Administrative costs	2.2, 3.1, 3.2	(871)	(880)
Other operating income, net	2.3	1,743	2
Operating profit/(loss) (EBIT)		**379**	**(3,079)**
Income from investments in subsidiaries	3.3	1,676	1,256
Financial income	5.1	156	253
Financial expenses	5.1	(711)	(925)
Profit/(loss) before tax		**1,500**	**(2,495)**
Income tax	2.4	973	694
Net profit/(loss)	2.5	**2,473**	**(1,801)**

Parent Company financial statements

Balance sheet

at December 31

(DKK million)	Note	2025	2024
Assets			
Goodwill	3.1	111	123
Intangible assets	3.1	4,468	4,663
Property, plant and equipment	3.2	2,551	2,598
Investments in subsidiaries	3.3	5,190	5,456
Deferred tax assets	2.4	1,650	746
Pensions		19	11
Other financial assets		102	194
Non-current assets		**14,091**	**13,791**
Inventories	4.1	2,470	2,982
Loans to subsidiaries		670	1,478
Trade receivables		639	604
Receivables from subsidiaries		1,033	554
Tax receivables		123	398
Other receivables		314	215
Prepaid expenses		89	148
Cash		23	16
Current assets		**5,361**	**6,395**
Assets		**19,452**	**20,186**

(DKK million)	Note	2025	2024
Equity and liabilities			
Share capital		384	383
Net revaluation, subsidiaries		3,777	4,048
Reserves		518	562
Retained earnings		505	(2,351)
Equity		**5,184**	**2,642**
Loans and credit institutions	5.2	8,470	10,414
Provisions	4.3	49	70
Tax payables		1	65
Other non-current liabilities	5.2	217	389
Non-current liabilities		**8,737**	**10,938**
Loans and credit institutions	5.2	802	406
Trade payables		490	801
Provisions	4.3	75	114
Loans from subsidiaries		1,894	1,266
Payables to subsidiaries		854	2,639
Tax payables		125	65
Other payables	4.2	1,291	1,315
Current liabilities		**5,531**	**6,606**
Liabilities		**14,268**	**17,544**
Equity and liabilities		**19,452**	**20,186**

Parent Company financial statements

Statement of changes in equity

January 1 - December 31

	2025						2024					
			Reserves						Reserves			
(DKK million)	**Share capital**	**Net revaluation, subsidiaries**	**Cash flow hedges**	**Development projects**	**Retained earnings**	**Total**	Share capital	Net revaluation, subsidiaries	Cash flow hedges	Development projects	Retained earnings	Total
Equity at January 1	383	4,048	(75)	637	(2,351)	2,642	383	2,877	20	895	313	4,488
Net profit/(loss)	-	1,676	-	-	797	2,473	-	1,256	-	-	(3,057)	(1,801)
Foreign exchange adjustment, subsidiaries	-	(28)	-	-	-	(28)	-	(31)	-	-	-	(31)
Dividend received from subsidiaries	-	(1,887)	-	-	1,887	-	-	(51)	-	-	51	-
Other movements in subsidiaries	-	(11)	-	-	11	-	-	(29)	-	-	29	-
Capitalized development costs, net	-	-	-	(116)	116	-	-	-	-	(258)	258	-
Adjustment of cash flow hedges	-	-	92	-	-	92	-	-	(122)	-	-	(122)
Remeasurement of defined benefit obligations	-	(17)	-	-	5	(12)	-	31	-	-	(4)	27
Tax on changes in equity	-	(4)	(20)	-	(1)	(25)	-	(5)	27	-	1	23
Transactions with owners												
Capital increase	1	-	-	-	(1)	0	0	-	-	-	29	29
Purchase of treasury shares	-	-	-	-	(7)	(7)	-	-	-	-	(9)	(9)
Sale of treasury shares	-	-	-	-	4	4	-	-	-	-	0	0
Share-based payment	-	-	-	-	45	45	-	-	-	-	38	38
Total transactions with owners	**1**	**-**	**-**	**-**	**41**	**42**	**0**	**-**	**-**	**-**	**58**	**58**
Equity at December 31	**384**	**3,777**	**(3)**	**521**	**505**	**5,184**	**383**	**4,048**	**(75)**	**637**	**(2,351)**	**2,642**

Parent Company financial statements

Notes

Section 1 Basis of reporting

Note 1.1 Basis of preparation

Basis of preparation
The Parent Company's financial statements are presented in accordance with the Danish Financial Statements Act for companies in reporting class C (large).

Accounting policies

The accounting policies of the Parent Company are consistent with the accounting policies of the Group, except for IFRS 16 Leases and the treatment of goodwill. In addition, the policies described below have been implemented for the Parent Company. The accounting policies are unchanged from last year.

General information
In accordance with the exemption clauses in section 86(4) and section 96(3) of the Danish Financial Statements Act, no separate cash flow statement or disclosure of audit fee has been prepared for the Parent Company.

Goodwill
Goodwill is measured at cost less accumulated amortization and impairment. Amortization is calculated using the straight-line method over the expected useful life, estimated at 15 years. This estimate was based on the estimated useful lives of the other assets acquired in the transaction.

Investments in subsidiaries
In the Parent Company's financial statements, investments in subsidiaries and associates are recognized according to the equity method. The share of the results of subsidiaries less unrealized intra-group gains is recognized in the Parent Company's income statement. Net revaluation of investments in subsidiaries exceeding the dividend declared by such companies is recognized in equity as reserve for net revaluation according to the equity method.

Tax
The Parent Company, the Danish subsidiary and LEO Holding A/S are jointly taxed. The Parent Company and its Danish subsidiary settle the tax with the owner and administration company, LEO Holding A/S. The current Danish tax is allocated between the jointly taxed companies in proportion to their taxable income.

Equity reserve for development costs
The reserve for internal development costs comprises capitalized development costs. This reserve cannot be used for dividends or distributions or to cover losses. If the recognized development costs are sold or otherwise excluded from the company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognized development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortization of capitalized development costs on an ongoing basis.

Leases
Leases under which substantially all risks and rewards of ownership are transferred to the Parent Company are classified as finance leases, while all other leases are classified as operating leases. No finance leases have been recognized in the Parent Company's financial statements. Payments under operating leases are recognized in the income statement on a straight-line basis over the lease term.

Section 2 Operating profit and tax

Note 2.1 Revenue

(DKK million)	2025	2024
Europe	6,932	8,595
North America	1,896	2,319
Rest of World	2,669	2,384
Total by region	**11,497**	**13,298**
Products	10,958	12,897
Sales-based royalties	539	401
Total by category	**11,497**	**13,298**

Note 2.2 Employee costs

(DKK million)	2025	2024
Wages and salaries	1,024	1,112
Pensions	97	108
Share-based payment	17	32
Social security expenses	7	9
Other employee expenses	30	31
Total employee costs	**1,175**	**1,292**
Of which capitalized as intangible assets	(10)	(19)
Total employee costs in the income statement	**1,165**	**1,273**
Employee costs included in:		
Cost of sales and change in employee costs included in inventories	328	276
Sales and distribution costs	214	163
Research and development costs	293	314
Administrative costs	330	520
Total	**1,165**	**1,273**
Average number of full-time employees	**1,045**	**1,189**

Please also refer to Note 2.2 Employee costs, Note 6.1 Management remuneration and Note 6.2 Share-based payment in the consolidated financial statements.

Note 2.3 Other operating income

Other operating income includes DKK 1,739m net gain from sale of assets related to the upfront payment from the strategic partnership with Gilead Sciences entered into on January 11, 2025. Please refer to Note 2.3 Other operating income and expenses in the consolidated financial statements.

Note 2.4 Tax

(DKK million)	2025	2024
Current tax for the year	121	349
Change in deferred tax	904	373
Prior-year adjustments, current tax	(73)	-
Total tax income/(expense) for the year	**952**	**722**
Tax for the year is included in:		
Tax on profit/(loss) for the year	973	694
Tax on changes in equity	(21)	28
Deferred tax assets at January 1	746	373
Deferred tax on other comprehensive income	(11)	5
Deferred tax on profit for the year	915	368
Deferred tax assets at December 31	**1,650**	**746**

Please refer to Note 2.4 Tax in the consolidated financial statements.

Note 2.5 Proposed distribution of net profit/(loss)

(DKK million)	2025	2024
Net revaluation	1,676	1,256
Retained earnings	797	(3,057)
Total	**2,473**	**(1,801)**

Section 3 Invested capital

Note 3.1 Goodwill and intangible assets

	2025					2024				
(DKK million)	**Goodwill**	**Intellectual property rights**	**Software**	**Development projects and software in progress**	**Total**	Goodwill	Intellectual property rights	Software	Development projects and software in progress	Total
Cost at January 1	192	14,012	2,534	121	16,859	192	13,912	2,885	209	17,198
Additions	-	825	-	42	867	-	-	-	153	153
Disposals	-	-	(183)	-	(183)	-	-	(388)	(104)	(492)
Transfers	-	-	3	(3)	-	-	100	37	(137)	-
Cost at December 31	**192**	**14,837**	**2,354**	**160**	**17,543**	**192**	**14,012**	**2,534**	**121**	**16,859**
Amortization and impairment at January 1	(69)	(10,256)	(1,645)	(103)	(12,073)	(56)	(9,519)	(1,679)	(9)	(11,263)
Amortization	(12)	(710)	(333)	-	(1,055)	(13)	(737)	(350)	-	(1,100)
Disposals	-	-	183	-	183	-	-	388	104	492
Impairment	-	-	(50)	-	(50)	-	-	(4)	(198)	-
Impairment reversals	-	31	-	-	31	-	-	-	-	(202)
Amortization and impairment at December 31	**(81)**	**(10,935)**	**(1,845)**	**(103)**	**(12,964)**	**(69)**	**(10,256)**	**(1,645)**	**(103)**	**(12,073)**
Carrying amount at December 31	**111**	**3,902**	**509**	**57**	**4,579**	**123**	**3,756**	**889**	**18**	**4,786**

(DKK million)	**2025**	2024
Amortization is specified as follows:		
Cost of sales	9	31
Sales and distribution costs	738	759
Research and development costs	66	54
Administrative costs	242	256
Total	**1,055**	**1,100**

Please refer to Note 3.1 Goodwill and intangible assets in the consolidated financial statements.

Section 3 Invested capital

Note 3.2 Property, plant and equipment

(DKK million)	2025 Land and buildings	2025 Plant and machinery	2025 Other fixtures and fittings, tools and equipment	2025 Assets under construction	2025 Total	2024 Land and buildings	2024 Plant and machinery	2024 Other fixtures and fittings, tools and equipment	2024 Assets under construction	2024 Total
Cost at January 1	1,209	1,421	325	1,855	4,810	1,209	1,407	379	1,767	4,762
Additions	-	1	13	88	102	-	-	3	102	105
Disposals	(1)	(19)	(16)	-	(36)	-	-	(57)	-	(57)
Transfers	303	1,543	79	(1,925)	-	-	14	-	(14)	-
Cost at December 31	**1,511**	**2,946**	**401**	**18**	**4,876**	**1,209**	**1,421**	**325**	**1,855**	**4,810**
Depreciation and impairment at January 1	(770)	(1,170)	(272)	-	(2,212)	(745)	(1,083)	(295)	-	(2,123)
Disposals	1	16	15	-	32	-	-	57	-	57
Depreciation	(26)	(86)	(20)	-	(132)	(25)	(87)	(24)	-	(136)
Impairment	-	(3)	(10)	-	(13)	-	-	(10)	-	(10)
Depreciation and impairment at December 31	**(795)**	**(1,243)**	**(287)**	**-**	**(2,325)**	**(770)**	**(1,170)**	**(272)**	**-**	**(2,212)**
Carrying amount at December 31	**716**	**1,703**	**114**	**18**	**2,551**	**439**	**251**	**53**	**1,855**	**2,598**

(DKK million)	2025	2024
Depreciation and impairment are specified as follows:		
Cost of sales	116	111
Sales and distribution costs	1	1
Research and development costs	10	25
Administrative costs	18	9
Total	**145**	**146**

Transfers of assets under construction mainly relate to a new manufacturing facility in Ballerup, Denmark, at a carrying amount of DKK 1,909m (2024: assets under construction of DKK 1,843m).

Assets pledged as collateral for loans amounted to DKK 2,388m (2024: DKK 2,502m).

Section 3 Invested capital

Note 3.3 Investments in subsidiaries

(DKK million)	**2025**	2024
Cost at January 1	1,408	1,379
Additions	0	19
Disposals	(0)	(2)
Other movements	5	12
Cost at December 31	**1,413**	**1,408**
Value adjustment at January 1	4,048	2,877
Exchange rate adjustment	(28)	(31)
Share of profit/(loss)	1,676	1,256
Dividend	(1,887)	(51)
Other movements	(32)	(3)
Value adjustment at December 31	**3,777**	**4,048**
Carrying amount at December 31	**5,190**	**5,456**

Section 4 Operating assets and liabilities

Note 4.1 Inventories

(DKK million)	2025	2024
Raw materials and consumables	662	821
Work in progress	876	1,266
Finished goods and goods for resale	932	895
Total	**2,470**	**2,982**

Note 4.2 Other payables

(DKK million)	2025	2024
Accrued clinical trial expenses	406	241
Employee-related	195	196
Sales deductions	125	120
Royalties	106	74
Financial derivatives	50	113
Deferred revenue	31	150
Public authorities	9	13
Other accruals and payables	369	408
Total	**1,291**	**1,315**

Note 4.3 Provisions

(DKK million)	Employee-related provisions	Other provisions	Sales deductions	2025 Total	2024 Total
Provisions at January 1	74	105	5	184	116
Exchange rate adjustment	(3)	-	-	(3)	1
Additions	52	3	-	55	194
Utilization	(47)	(55)	-	(102)	(110)
Reversals	-	(5)	(5)	(10)	(21)
Transfer	-	-	-	-	4
Provisions at December 31	**76**	**48**	**-**	**124**	**184**
Of which classified as:					
Current liabilities	27	48	-	75	114
Non-current liabilities	49	-	-	49	70
Provisions at December 31	**76**	**48**	**-**	**124**	**184**

Section 5 Capital structure and financing

Note 5.1 Financial income and expenses

(DKK million)	**2025**	2024
Interest income, related parties	37	134
Other interest income	22	29
Gain arising on forward foreign exchange contracts	78	61
Interest hedges	-	22
Foreign exchange gain, net	18	-
Other financial income	1	7
Financial income	**156**	**253**
Interest expenses, related parties	71	32
Interest expenses, credit institutions	473	732
Interest hedges	26	-
Fair value adjustment of cash-settled share-based incentives	26	25
Foreign exchange losses, net	-	62
Other financial expenses	115	74
Financial expenses	**711**	**925**

Other financial expenses primarily comprise commitment fees related to the syndicated facility agreement.

Note 5.2 Loans and credit institutions, and other non-current liabilities

(DKK million)	**2025**	2024
Bank loans	7,033	8,582
Mortgage loans	2,239	2,238
Other non-current liabilities	217	389
Total	**9,489**	**11,209**
Falling due:		
In less than one year	34	22
Between one and five years	6,999	8,561
After five years	2,456	2,626
Total	**9,489**	**11,209**

For financial risks, please refer to Note 5.2 Financial risks in the consolidated financial statements.

For disclosures on assets measured at fair value, please refer to Note 5.4 Financial assets and liabilities by category in the consolidated financial statements.

Section 6 Other disclosures

Note 6.1 Guarantees, contingencies and commitments

Guarantees

The total guarantee commitment for the Parent Company at December 31, 2025 amounts to DKK 340m (2024: DKK 361m), including guarantees issued to subsidiaries of DKK 282m (2024: DKK 304m), of which DKK 257m relates to pension obligations (2024: DKK 270m).

In addition to the guarantees for subsidiaries, the Parent Company has issued guarantees related to various commercial activities, including for tenders.

Contractual obligations and commitments

LEO Pharma A/S´s contractual obligations not recognized in the consolidated financial statements mainly comprise milestone payments for the development of new products related to the acquisition of intellectual property rights. At December 31, 2025, potential future research and development milestone payments and commitments under collaboration amount to DKK 978m (2024: DKK 92m). The timing of these payments is uncertain, as parts of the obligations depends on the achievement of specific development and regulatory milestones.

Commercial sales milestones, royalties and other sales-based payments due after marketing approval are excluded from contractual obligations, as they are contingent on future sales performance.

Commitments for intangible assets other than R&D milestones and collaborations is related to software and amount to DKK 113m (2024: DKK 92m).

LEO Pharma A/S has agreements with contract manufacturing organizations (CMOs) for the supply of active pharmaceutical ingredients (APIs) and other materials, based on demand forecasts provided by the company. If actual market demand falls below the forecasted volumes, LEO Pharma A/S may be obligated to pay for surplus materials or excess capacity reservation fees. Management regularly reviews and updates demand forecasts, and when inventory or reserved capacity at CMOs is expected to exceed usage, a provision is recognized.

Pending lawsuits

At December 31, 2025, there are pending lawsuits filed by and against LEO Pharma A/S concerning rights and claims related to products in LEO Pharma's portfolio. LEO Pharma A/S currently does not expect the pending cases to have any significant effect on the Parent Company's financial position.

LEO Pharma A/S is involved in a number of legal proceedings. In the opinion of Management, the outcome of these proceedings will not have a material impact on the financial position or cash flows. Such proceedings will, however, develop over time, and new proceedings may occur that could have a material impact on LEO Pharma's financial position and/or cash flows.

Tax

The Parent Company is jointly taxed with its Danish subsidiary and its owner, LEO Holding A/S. The Parent Company is jointly and severally liable together with the other companies in the joint taxation scheme for Danish corporate taxes and withholding taxes on dividends, interest and royalties.

As a global business, LEO Pharma will from time to time have tax audits and discussions with tax authorities in various countries concerning tax matters. For a description of uncertain tax positions, please refer to Note 2.4 Tax in the consolidated financial statements.

Operating lease obligations

LEO Pharma A/S has lease obligations of DKK 30m at December 31, 2025 (2024: DKK 33m), of which DKK 26m is related to lease of office premises from a subsidiary (2024: DKK 25m).

Note 6.2 Events after the balance sheet date

No significant events have occurred after the balance sheet date.

Glossary

Financial terms used in the Annual Report

Adjusted EBITDA and adjusted EBITDA margin (%)
Please refer to Note 1.3 Non-IFRS measures.

Average number of full-time employees (FTE)
Calculated as the average of the number of permanent employees at the end of each month.

Earnings Per Share (EPS) / Diluted Earnings Per Share (DEPS)
Please refer to Note 5.5 Equity.

EBITDA and EBITDA margin (%)
Please refer to Note 1.3 Non-IFRS measures.

Effective tax rate (%)
Income tax as a percentage of profit/(loss) before tax.

Free cash flow
Please refer to the cash flow statement.

Global Leadership Team
Please refer to Corporate matters, Global Leadership Team in Management's review.

Gross margin (%)
Reported gross profit as a percentage of revenue.

Net interest-bearing debt (NIBD)
Please refer to Note 5.2 Financial risks.

Net working capital
Inventories, trade receivables and other receivables less trade payables and other payables.

Operating net working capital
Inventories and trade receivables (before provision for bad debt) less trade payables.

Operating profit/(loss) (EBIT) / EBIT margin (%)
Earnings before financial income and expenses and tax / earnings before financial income and expenses and tax in percentage of revenue.

OPEX ratio (%)
Operating expenses excluding other operating income, net as percentage of revenue.

Organic revenue growth (%)
Please refer to Note 1.3 Non-IFRS measures.

LEO Pharma A/S
Industriparken 55
2750 Ballerup
Denmark

Phone +45 4494 5888
CVR no. 56759514
www.leo-pharma.com