Three-month interim report (Q1) 2025 (Unaudited)

LEO Pharma delivers 9% revenue growth at constant exchange rates and doubles adjusted EBITDA margin to 16%

Ballerup, Denmark, 15 May, 2025 - In Q1, LEO Pharma continued its robust growth, driven by dermatology, and made significant strategic progress. This included expanding the launch of Anzupgo® to five markets, advancing innovation through the newly formed strategic partnership with Gilead for the STAT6 program, and significantly improving profitability with a return to a positive net profit.

Q1 2025 highlights

- LEO Pharma's revenue increased by 10% year-on-year to DKK 3,373 million, and by 9% at constant exchange rates (CER). The revenue growth was led by North America (+45% at CER), with Europe (+2% at CER) and Rest of World (+5% at CER) also contributing to the overall growth.
- Dermatology portfolio revenue grew by 10% (CER) year-on-year, driven by the Strategic brands, Adtralza®/Adbry® and Anzupgo®, which together saw a revenue increase of 73% (CER). Sales in the Thrombosis portfolio declined by 1% (CER) year-on-year, negatively impacted by order timing.
- Operating profit improved significantly, with adjusted EBITDA reaching DKK 545 million in Q1 2025, reflecting a margin of 16% (Q1 2024: 8%) excluding the upfront payment from Gilead and other non-recurring items.
- Net profit for the quarter was DKK 1,742 million (Q1 2024: negative DKK 366 million), including non-recurring items.
- Free cash flow was positive DKK 1,386 million for Q1 2025 (Q1 2024: negative DKK 571 million), and net interest-bearing debt was reduced to DKK 9,750 million (YE 2024: DKK 11,115 million). Excluding one off M&A-related payments, free cash flow in Q1 2025 was negative DKK 241 million.
- In Q1, LEO Pharma reported positive results from the DELTA TEEN and DELTA China trials, marking the fifth and sixth consecutive successful phase 3 trials for delgocitinib (brand name: Anzupgo®) in chronic hand ezcema. Additionally, in January, LEO Pharma announced a strategic partnership with Gilead Sciences to accelerate the pre-clinical STAT6 program.
- The 2025 financial outlook for revenue growth of 6-9% (CER) and an adjusted EBITDA margin of 15-18% is unchanged and confirmed.

"We have seen a good start to 2025, with encouraging progress in the ongoing launch of Anzupgo® and key milestones achieved for our innovation pipeline. A significant highlight is the acceleration of the STAT6 program through our new partnership with Gilead. Additionally, the return to a positive net result marks another key milestone for the quarter, as we continue to develop the foundations for LEO Pharma's long-term financial strength."

CEO Christophe Bourdon.

Q1 2025 Financial overview

(DKK million)	Q1 2025	Q1 2024	Growth as reported
Revenue	3,373	3,064	10%
Revenue growth at CER	*9%*	*13%*	*N.m.*
Adjusted EBITDA	545	257	112%
Net profit/(loss) for the period	1,742	(366)	N.m.

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About LEO Pharma

LEO Pharma is a global leader in medical dermatology. We deliver innovative solutions for skin health, building on a century of experience with breakthrough medicines in healthcare. We are committed to making a fundamental difference in people's lives, and our broad portfolio of treatments serves close to 100 million patients in over 70 countries annually. Headquartered in Denmark, LEO Pharma has a team of 4,000 people worldwide. LEO Pharma is co-owned by majority shareholder the LEO Foundation and, since 2021, Nordic Capital. For more information, visit www.leo-pharma.com

Financial highlights and key figures

(DKK million)	Q1 2025	Q1 2024	FY 2024
Income statement			
Revenue	3,373	3,064	12,453
Of which dermatology revenue	2,727	2,444	10,008
Gross profit	1,966	1,869	7,518
Adjusted EBITDA [1]	545	257	895
Non-recurring items [1]	1,732	-	(295)
EBITDA [1]	2,277	257	600
Operating profit/(loss) (EBIT)	1,936	(107)	(1,143)
Net financials	(157)	(193)	(814)
Profit/(loss) before tax	1,779	(300)	(1,957)
Net profit/(loss) for the period	1,742	(366)	(1,776)
Balance sheet			
Assets	20,254	21,109	20,151
Equity	4,563	4,164	2,704
Net working capital [2]	4,275	4,769	3,833
Net interest-bearing debt (NIBD) [1]	9,750	11,574	11,115
Invested capital [3]	14,101	15,370	13,637
Cash flow			
Cash flow from operating activities (CFFO)	(184)	(504)	265
Cash flow from investing activities (CFFI)	1,570	(67)	(317)
Free cash flow (FCF)	1,386	(571)	(52)
Key ratios (%)			
Revenue growth at CER [1]	9%	13%	10%
Dermatology revenue growth at CER	10%	17%	12%
Gross margin	58%	61%	60%
OPEX ratio	52%	65%	70%
Adjusted EBITDA margin [1]	16%	8%	7%
EBITDA margin [1]	68%	8%	5%
EBIT margin	57%	(3)%	(9)%
Effective tax rate	2%	(22)%	9%
NIBD/Adjusted EBITDA (LTM)	8	16	12
People			
Average number of full-time employees (FTE)	4,031	4,248	4,184

[1] Reference to Note 2 Non-IFRS measures

[2] Net working capital comprises Inventories, Trade receivables and Other receivables less Trade payables and Other payables

[3] Invested capital is calculated as the sum of non-current assets, net working capital and tax receivables less deferred tax liabilities and other non-interest-bearing liabilities.

Business Review

In Q1 2025, revenue increased by 9% at constant exchange rates (CER), driven by revenue growth of 10% (CER) in Dermatology, led by strong performance in the Strategic brands portfolio, while Thrombosis recorded revenue 1% (CER) below Q1 2024. Revenue growth in Q1 2025 was positively impacted by gross-to-net revenue adjustments related to sales made in the US in prior periods. Exchange rates had a 1%-point positive impact on revenue growth in Danish kroner for Q1 2025.

(DKK million)	Q1 2025	Split	Q1 2024	CER	Currency	Reported
Revenue by area						
Dermatology	**2,727**	**81%**	**2,444**	**10%**	**2%**	**12%**
- Strategic brands	651	19%	366	73%	5%	78%
- Established brands	2,076	62%	2,078	(1)%	1%	0%
Thrombosis	**585**	**17%**	**588**	**(1)%**	**0%**	**(1)%**
Other	**61**	**2%**	**32**	**91%**	**0%**	**91%**
Total	**3,373**	**100%**	**3,064**	**9%**	**1%**	**10%**
Revenue by region						
Europe	1,744	52%	1,698	2%	1%	3%
North America	653	19%	439	45%	4%	49%
Rest of the world	976	29%	927	5%	0%	5%
Total	**3,373**	**100%**	**3,064**	**9%**	**1%**	**10%**

Business review by product category

Strategic brands revenue grew by 73% (CER) in Q1 2025 compared to Q1 2024, driven by the IL-13 biologic Adtralza®/Adbry® for atopic dermatitis (AD), while the topical pan-JAK inhibitor Anzupgo® for chronic hand ezcema (CHE) made an increasing but still limited contribution to revenue following its initial launch in Q4 2024.

For **Adtralza®/Adbry®**, growth was driven by the increasing adoption of the overall biologics class for the treatment of AD, as well as stable or growing market shares across several key markets compared to Q1 2024, including the U.S. and Japan. Uptake of Adtralza®/Adbry® continues to be supported by the rollout of the pre-filled pen (now available in 15 markets), Q2W/Q4W dosing options, and the generation of real-world data investigating the long-term safety and efficacy profile of the product. Additionally, uptake is benefitting from increased physician familiarity with Adtralza®/Adbry®, as the product has now been available in several markets for more than three years as the first biologic treatment for AD specifically targeting IL-13 inhibition.

The rollout of **Anzupgo®** continued with launches in the UAE and Switzerland, making the product available in five markets by the end of Q1 2025. While still in its early stages, uptake across markets is showing a strong reception among healthcare providers and patients. In Germany, where Anzupgo® launched in October 2024, the product has significantly accelerated the number of non-steroidal prescriptions for CHE, while also gaining market share from the only other non-steroidal treatment option indicated for CHE. The rapid expansion of the category highlights both the differentiated clinical profile of Anzupgo® and the undertreated nature of CHE. In several countries, notably including the U.S., there are currently no available treatments indicated for CHE (Anzupgo® is pending a U.S. FDA review decision expected in Q3 2025). To aid healthcare providers' awareness of the signs, symptoms, risk factors, and debilitating burden of CHE LEO Pharma continued advancing global disease awareness initiatives in Q1 2025, including the unbranded "Talk to the hand" campaign in the U.S.

Established brands recorded a 1% (CER) decline in revenue for Q1 2025, compared to a strong prior-year quarter (Q1 2024: 10%). Within the Established brands portfolio, Protopic® for the treatment of AD continued to deliver broad-based double-digit growth, and with the Fucidin® range, for the treatment of skin infections, also contributing to growth for the quarter. However, growth for the overall portfolio was negatively impacted by continued weak demand in China, where underlying market softness drove declining sales in the retail channel during Q1 2025. Excluding China, the Established brands portfolio revenue grew by a low single digit percentage.

Revenue for the **Thrombosis** portfolio declined by 1% (CER) compared to Q1 2024, despite broad-based growth, across markets, excluding France, where growth was negatively impacted by inventory build-up among customers in Q1 2024. This decline more than offset solid growth in several markets, including the UK, Germany, Canada, and the Nordics driven by innohep®, for the treatment and prevention of the thrombotic events. The reversal of prior-year sales discounts, which significantly impacted reported growth for Thrombosis in 2024, had no impact on reported revenue growth in Q1 2025. However, it will create a significant drag on reported growth for Q2 2025, as the positive discount reversals for prior years was booked in Q2 2024.

Other revenue from contract manufacturing of divested products amounted to DKK 61 million for Q1 2025, up from DKK 32 million in Q1 2024, reflecting improved contracting terms and some positive impact from the timing of shipments.

Revenue by region

Geographically, **North America** remained the fastest-growing region in Q1 2025, with revenue increasing 45% (CER) compared to the same quarter last year. Continued strong growth for Adbry® in the U.S. was the key driver of the regional sales increase in Q1. Revenue growth was also positively impacted by gross-to-net revenue adjustments related to prior periods.

In **Europe**, revenue increased by 2% (CER), driven by the UK, Italy, and Germany, while France recorded reduced revenue due to the receipt of a government innovation credit and an inventory build for innohep® during the comparison period, Q1 2024. Across the region, revenue growth was primarily driven by Adtralza®, with the uptake of Anzupgo® also contributing to growth.

The **Rest of World** region delivered revenue growth of 5% (CER) in Q1 2025. China significantly reduced the regional growth rate due to continued weak demand in offline retail channels. Outside of China, regional growth was broad-based across markets and products, including strong performance for Adtralza® in Japan, Korea and the UAE.

Q1 financial review

Income statement

(DKK million)	Q1 2025	Q1 2024	Change in value	Change %
Revenue	3,373	3,064	309	10%
Cost of sales	(1,407)	(1,195)	(212)	18%
Gross profit	**1,966**	**1,869**	**97**	**5%**
Gross margin, %	*58%*	*61%*		
Sales and distribution costs	(1,117)	(1,099)	(18)	2%
Research and development costs	(331)	(509)	178	(35)%
Administrative costs	(320)	(369)	49	(13)%
Other operating income, net	1,738	1	1,737	n.m.
EBIT	**1,936**	**(107)**	**2,043**	**n.m.**
EBIT margin, %	57%	(3)%		
Adjusted EBITDA	**545**	**257**	**288**	**112%**
Adjusted EBITDA margin, %	*16%*	*8%*		

Revenue

Group revenue increased by 10% to DKK 3,373 million in the first quarter of 2025. This reflected a revenue growth of 9% at constant exchange rates (CER), whereas the development in exchange rates had a 1-percentage-point positive impact on revenue growth, mainly due to the appreciation of the USD versus the DKK.

Gross profit

Gross profit increased by 5% to DKK 1,966 million in the first quarter of 2025, resulting in a gross margin of 58%, compared to 61% in the same period last year. The margin decline was negatively impacted by elevated scrappage costs resulting from a temporary manufacturing site power outage in France and the faster uptake of the Adtralza® pre-filled pen, resulting in ageing provisions for inventory of syringes.

Operating expenditures (OPEX)

In Q1 2025, OPEX amounted to DKK 1,768 million, excluding other operating income, representing an 11% reduction compared to the same period last year, driven by restructuring initiatives implemented during 2024. The OPEX cost ratio declined to 52% (from 65%), reflecting reduced expenditure across R&D and administrative costs, as well as improved operating efficiency from increased revenues. OPEX for the quarter included DKK 7 million in non-recurring expenses (Q1 2024: DKK 0 million) related to the formation of the strategic partnership with Gilead, announced in January.

Sales and distribution costs

Sales and distribution costs increased by 2% in Q1 2025 to DKK 1,117 million, corresponding to 33% of revenues compared to 36% in Q1 2024. Higher sales drove the improvement in cost efficiency, more than offsetting investments in the ongoing launch of Anzupgo®.

Research and development costs

Research and development (R&D) costs amounted to DKK 331 million in Q1 2025, reduced by DKK 178 million compared to the same period last year. The reduction reflected savings from restructuring initiatives implemented in 2024, favorable phasing of key activities, and the transfer of costs for the oral STAT6 program to Gilead Sciences. For the quarter R&D costs were below the expected run rate for the year and amounted to the equivalent of 10% of revenues, compared to 17% in Q1 2024.

Administrative costs

Administrative costs for Q1 2025 amounted to DKK 320 million, a reduction of DKK 49 million compared to Q1 2024, driven by savings from restructuring initiatives implemented in 2024. Administrative costs as a percentage of Group sales were 9% in Q1 2025, down from 12% in the same period in 2024.

Other operating income, net

Other operating income of DKK 1,738 million in Q1 2025 was primarily driven by the USD 250 million upfront payment, net of transaction costs, received from Gilead Sciences in January relating to the newly formed strategic partnership for the STAT6 program.

Adjusted EBITDA

Operating profit before depreciation and amortization, excluding non-recurring items (adjusted EBITDA), amounted to DKK 545 million for the first quarter of 2025, up 112% from the same period of 2024. This represents an 8-percentage-point improvement in the adjusted EBITDA margin, reaching 16% for Q1 2025. The margin improvement was driven by sales growth and reduced operating expenses.

Non-recurring items

Non-recurring items excluded from adjusted EBITDA were DKK 1,732 million in the first quarter of 2025, reflecting the upfront payment received from Gilead, net of transaction costs. Non-recurring items in Q1 2024 were DKK 0 million.

Depreciation & amortisation

Depreciation and amortization for the first quarter of 2025 totaled DKK 341 million, equivalent to 10% of revenues compared to 12% in Q1 2024. This included DKK 9 million in impairments related to selected production equipment scheduled for retirement, compared to DKK 0 million in impairments for Q1 2024.

EBIT

The operating profit (EBIT) improved by DKK 2,043 million compared to the same period in 2024, reaching DKK 1,936 million for Q1 2025, including non-recurring items. Excluding non-recurring items, the underlying operating profit increased by DKK 302 million, driven by revenue growth and reduced operating expenses resulting from restructuring initiatives implemented in 2024.

Net financials

Financial items amounted to a net expense of DKK 157 million for Q1 2025, compared to DKK 193 million in the same period las year. The decrease was mainly due to a reduction in net interest expenses, driven by both lower interest rates and decreasing net interest-bearing debt.

Income tax

The income tax for Q1 was a net expense of DKK 37 million compared to a net tax expense of DKK 66 million in Q1 2024. The tax expense reflects the overall tax on income in the Group, as it consists of tax expense in affiliates and the tax income in LEO Pharma A/S. The tax in LEO Pharma A/S is reduced due to use of additional tax depreciations, resulting in a tax income from the joint taxation with LEO Holding A/S.

Net profit

Net profit amounted to DKK 1,742 million for Q1 2025, up DKK 2,108 million from the same period last year. The increase was primarily driven by the non-recurring upfront payment from Gilead, as well as improved underlying operating profitability and reduced interest and tax expenses.

Cash flow statement

Cash flow condensed by main items

(DKK million)	Q1 2025	Q1 2024	Change in value
EBITDA	**2,277**	**257**	**2,020**
Changes in working capital	(361)	(361)	-
Interest etc., paid	(186)	(225)	39
Income tax paid	(48)	(108)	60
Other items incl. gain on sale of assets	(1,866)	(67)	(1,799)
Cash flow from operating activities (CFFO)	**(184)**	**(504)**	**320**
Cash flow from investing activities (CFFI)	1,570	(67)	1,637
Free cash flow (FCF)	**1,386**	**(571)**	**1,957**

Cash flow from operating activities

Operating activities generated a net cash outflow of DKK 184 million in the first quarter of 2025, as the positive operating result was more than offset by an increase in working capital, including a decrease in trade payables reflecting payments for product supply purchases made in 2024 and an increase in trade receivables due to increased sales. The cash flow from operating activities excludes the USD 250 million upfront payment received from Gilead, reflected in 'Other items' in the table above. Compared to Q1 2024, cash flow from operations improved by DKK 320 million, driven by the improved operating result, as well a decrease in paid net interest and taxes.

Cash flow from investing activities

Investment activities generated a net cash inflow of DKK 1,570 million during the first quarter of 2025, including net proceeds from M&A-related activities of DKK 1,627 million reflecting the USD 250 million upfront payment received from Gilead and the EUR 15 million upfront payment made to Junshi Biosciences.

Free cash flow

As a result, free cash flow increased from a net outflow of DKK 571 million in the first quarter of 2024 to a net inflow of DKK 1,386 million in the same period in 2025.

Excluding net proceeds from M&A-related activities, free cash flow amounted to a net outflow of DKK 241 million for Q1 2025, mainly reflecting an increase in net working capital.

Balance sheet

At the end of the Q1 2025, total assets amounted to DKK 20,254 million, up from DKK 20,151 million as of December 31, 2024.

The increase was mainly due to increased trade receivables of DKK 125 million and an increase in cash holdings of DKK 137 million, partially offset by a reduction in intangible assets of DKK 136 million.

Non-current assets

Non-current assets at the end of Q1 2025 amounted to DKK 11,379 million, representing a DKK 98 million decrease from year-end 2024, reflecting the amortization of intangible assets.

Net working capital

Net working capital stood DKK 4,275 million as of March 31, 2025, up from DKK 3,833 million as of December 31, 2024. The increase in net working capital was the result of a decrease in trade payables and an increase in trade receivables, both reflecting typical seasonal developments in working capital.

NIBD and available liquidity

Net interest-bearing debt (NIBD) was DKK 9,750 million as of March 31, 2025, compared to DKK 11,115 million as of December 31, 2024. The reduction was driven by free cash flow generated in Q1 2025, which enabled the repayment of loans and other debt to credit institutions.

Available liquidity, in the form of cash holding and not utilised committed credit facilities, increased to DKK 5,511 million as of March 31, 2025, compared to DKK 4,147 million as of December 31, 2024.

Equity

Equity stood at DKK 4,563 million at the end of the first quarter of 2025, up from DKK 2,704 million as of December 31, 2024. The increase of DKK 1,859 million was primarily due to the net profit for the period of DKK 1,742 million. Other movements included other comprehensive income of DKK 108 million and an increase related to share-based payments.

Other comprehensive income

Other comprehensive income for the first quarter of 2025 included a translation adjustment arising from the translation of subsidiaries in foreign currency, amounting to DKK 61 million year-to-date (Q1 2024: DKK 3 million), as well as an adjustment of cash flow hedge reserves of DKK 47 million (Q1 2024: DKK (9) million).

Outlook for 2025

The 2025 financial outlook for revenue growth of 6-9% at constant exchange rates (CER) and an adjusted EBITDA margin of 15-18%, as provided in the 2024 Annual Report published on 26 February 2025, is maintained. Based on current exchange rates (as of 9 May 2025), reported revenue growth in Danish kroner is now expected to be 1-2 percentage-points lower than at CER, compared to the previous expectation of approximately 1 percentage-point higher than at CER (based on exchange rates as of 21 February 2025).

6-9%

Group revenue growth (CER)

15-18%

Adj. EBITDA Margin

LEO Pharma continues to expect revenue growth at constant exchange rates to be driven by strong double-digit increases for Adtralza®/Adbry® and the launch of Anzupgo® in additional markets, including the U.S. in the second half of the year, pending FDA approval in Q3 2025.

Group revenue growth at constant exchange rates is expected to be higher in the second half of the year compared to the first half, partly due to the increasing impact of the Anzupgo® launch and the effect of non-recurring discount reversals in Q2 2024, which will impact group revenue growth for the second quarter.

The improvement in the adjusted EBITDA margin from 7% in 2024 to 15-18% in 2025 is expected to be driven by revenue growth and efficiency gains from restructuring initiatives implemented in 2024. Adjusted EBITDA excludes the DKK 1.8 billion one-time upfront payment from the strategic partnership with Gilead announced on January 11, as well as other non-recurring items.

LEO Pharma continues to expect positive reported net profit for the year, with free cash flow (excluding M&A) also expected to be positive.

LEO Pharma is closely monitoring risks and uncertainties that could potentially impact the outlook, including recent policy initiatives on trade and tariffs, as well as ongoing changes at key regulatory agencies, such as the U.S. FDA.

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.

Innovation update

LEO Pharma's innovation pipeline, focused on addressing unmet medical needs and raising the standard of care, continues to make significant progress. In Q1 2025, highlights included successful clinical trial results for delgocitinib (brand name: Anzupgo®) and temtokibart, as well as the establishment of important new innovation partnerships, underscoring LEO Pharma's commitment to leverage partnerships in the pursuit of improved care for patients.

R&D pipeline

Project	Description	Indications	Partners	Pre-clinical	Phase 1	Phase 2	Phase 3	Filing	Regions
Delgocitinib[1] **LP0133**	Topical pan-JAK inhibitor	Chronic hand eczema	JT						Global
Calcipotriol LP0053	Calcipotriene and betamethasone dipropionate foam	Plaque psoriasis							China[2]
Tralokinumab[3] **LP0162**	Anti-IL-13 monoclonal antibody	Atopic dermatitis (pediatrics)	AstraZeneca						Global
		Atopic dermatitis (AD on hands)	AstraZeneca						Global
Temtokibart LP0145	Anti-IL-22RA1 monoclonal antibody	Atopic dermatitis	Argenx						Global
IL-1RAcP LP0189	Anti-IL-1 RAcP monoclonal antibody	Inflammatory skin diseases	MorphoSys						Global
STAT6[4] **LP0208**	Topical program	Inflammatory skin diseases	Gilead						Global
STAT6[5]	Oral program	Inflammatory diseases	Gilead						Global

Project compounds in our pipeline are investigational and have not been approved in the listed indications and regions by regulatory authorities.

[1] Approved in e.g. the EU for Chronic Hand Eczema.

[2] Approved in e.g. the EU and U.S. for plaque psoriasis.

[3] Approved in e.g. the EU and U.S. for AD in adults and adolescents.

[4] LEO Pharma holds an exclusive license from Gilead for STAT6 topical products.

[5] Partnership announced 11 January, 2025: Gilead controls the global rights to the oral STAT6 program and is in full control of the clinical development. LEO Pharma will have the option to co-commercialize oral programs for dermatology ex-U.S.

STAT6 strategic partnership with Gilead Sciences

In January, LEO Pharma formed a strategic partnership with Gilead Sciences to advance its preclinical small molecule oral STAT6 programs for inflammatory diseases, expanding the programs' potential beyond dermatology. Under the terms of the partnership, Gilead holds exclusive global rights to the oral STAT6 programs, while LEO Pharma retains the option to co-commercialize them for dermatological indications outside the U.S. Additionally, LEO Pharma holds full global rights to the topical formulations of the STAT6 program in dermatology. The agreement includes up to USD 1.7 billion in total payments, with an upfront of USD 250 million paid in Q1 2025, and up to mid-teens royalties on sales.

Delgocitinib successful phase 3 trials

In February, LEO Pharma announced positive results from the DELTA TEEN trial, a pivotal phase 3 clinical study of Anzupgo® (delgocitinib) 20mg/g cream, for the potential treatment of adolescents (aged 12-17) with moderate to severe Chronic Hand Eczema (CHE) for whom topical corticosteroids are inadequate or inappropriate. This marks the fifth phase 3 Anzupgo® trial to achieve primary and all key secondary endpoints, further validating the results of previous clinical trials from the DELTA program. DELTA TEEN expands LEO Pharma's growing body of scientific evidence for the treatment of moderate to severe CHE, to support a future regulatory submission for adolescent patients.

In February, LEO Pharma announced positive results for the primary endpoint from the double-blind treatment period of the DELTA China trial, a phase 3 clinical study with Anzupgo® (delgocitinib) 20mg/g cream for the potential treatment of Chinese adults and adolescents (aged 12 and above) with moderate to severe Chronic Hand Eczema (CHE) for whom topical corticosteroids are inadequate or inappropriate. The full trial results will be collected later this year to support a future regulatory submission for delgocitinib in China.

Temtokibart positive phase 2b topline results

In May 2025, LEO Pharma announced positive topline phase 2b results for temtokibart, an investigational IL-22RA1 antagonist, in adults with moderate-to-severe atopic dermatitis. The trial met the primary endpoint based on percentage change in EASI (Eczema Area and Severity Index) from baseline to Week 16 for the 3 highest doses. Results from the trial are scheduled for publication at an upcoming scientific conference, and LEO Pharma is currently collecting and evaluating the full data.

New partnerships to advance skin disease research

In February 2025, LEO Pharma and DEBRA Research GmbH, a non-profit organization dedicated to advancing research, advocacy, and support for those affected by Epidermolysis Bullosa (EB) announced a non-exclusive strategic partnership. This collaboration aims to enhance scouting capabilities and provide additional capacity to accelerate the development of life-changing therapies for EB and other rare skin conditions. The partners are committed to driving transformative progress for EB patients and their families while delivering innovative medicines for skin diseases with limited treatment options.

In April 2025, LEO Pharma and the Parker Institute at Copenhagen University Hospital announced a 3-year academic partnership to advance research and innovation in medical dermatology. The collaboration will allow LEO Pharma to leverage the Parker Institute's expertise in trial design, artificial intelligence, and SingleCell RNA sequencing to generate new insights and evaluate new potential treatment options for skin diseases.

Partnership with Junshi Biosciences

In January 2025, LEO Pharma entered into a distribution and marketing partnership with Junshi Biosciences for LOQTORZI (toripalimab) in Europe. LOQTORZI is a monoclonal antibody targeting PD-1, approved as the first and only treatment of nasopharyngeal carcinoma[1] (NPC). Addressing significant unmet need, the partnership will leverage LEO Pharma's existing commercial platform for heparin-based anti-coagulation treatment for cancer-associated thrombosis and other critical care patients.

Delgocitinib DELTA FORCE results published in *The Lancet*

In April 2025 the results of the DELTA FORCE head-to-head phase 3 trial of delgocitinib cream (brand name: Anzupgo®) vs oral alitretinoin for the treatment of severe CHE was published in The Lancet, with Giménez-Arnau, Ana Maria et al. finding delgocitinib to provide superior efficacy and a more favourable safety profile over a 24 week treatment period. This marks the second manuscript on delgocitinib cream for CHE published in *The Lancet*, a leading medical journal recognised globally for its rigorous standards, and highlights the strong scientific interest in addressing the high unmet need in Chronic Hand Eczema (CHE).

[1] Approved by both the European Commission (EC) and the UK Medicines and Healthcare Products Regulatory Agency (MHRA) in combination with cisplatin and gemcitabine for the first-line treatment of adult patients with recurrent, not amenable to surgery or radiotherapy, or metastatic nasopharyngeal carcinoma (NPC)

Other matters

New members of Global Leadership Team
On 13 May 2025, LEO Pharma announced several key leadership changes to strengthen its organizational structure and support its strategic priorities. As part of these changes, Product Strategy and International Operations will be separated into two distinct functions.

Frederik Kier has been appointed Executive Vice President, International Operations, effective 1 June 2025. Frederik Kier joins LEO Pharma from Novo Nordisk, where he most recently served as Senior Vice President, Global Obesity Unit. His extensive international experience includes roles as SVP Region Northwest Europe and SVP Region AAMEO (Africa, Asia, Middle East, and Oceania). He will succeed Becki Morison, currently Executive Vice President, Product Strategy and International Operations, who will be leaving LEO Pharma at the end of June 2025.

Lisa Elliott, currently Vice President, Global Assets and Payer Strategy, has been promoted to interim head of Global Product Strategy. A search for a permanent head of the newly established Global Product Strategy function is underway.

Additionally, Mark Levick, a member of LEO Pharma's Board of Directors and Chair of the Innovation Committee, has been appointed interim Executive Vice President, Development. He replaces Kreesten Meldgaard Madsen, who will depart LEO Pharma by the end of June 2025. Mark Levick brings extensive experience in R&D, clinical, and drug development, including his previous role as Global Head of Development at Novartis.

Effective 1 July 2025, a new Executive Vice President, Global People and Corporate Affairs, will join LEO Pharma. Details will be disclosed closer to the effective date, in alignment with the current employer. Michael Meyer, the interim head of this function, will step down at that time and return to his permanent role as Strategic HR Business Partner for Commercial Functions.

Following these changes, LEO Pharma's Global Leadership Team will comprise 11 members, including CEO Christophe Bourdon. These appointments reflect LEO Pharma's commitment to enhancing its leadership capabilities to drive future growth and innovation.

Forward-looking statements

This interim report contains forward-looking statements reflecting our current expectations or forecasts of future events such as new product introductions, product approvals, financial and sustainability performance and results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. All statements other than statements of historical facts included in this interim report, including those regarding our financial position, strategy and objectives of management for future operations (including development plans and objectives relating to products), are to be considered forward-looking statements.

Such forward-looking statements involve numerous assumptions, known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that may affect future results include, among others, interest rate and currency exchange rate fluctuations, delay or failure of development projects, production or distribution problems, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for LEO Pharma's products, introduction of competing products, our ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement practices and governmental laws and related interpretation thereof, and unexpected growth in costs and expenses.

No assurance can be given that future results derived from forward-looking statements will be achieved, and actual events or results may differ materially as a result of risks and uncertainties. Accordingly, you should not place undue reliance on any forward-looking statements herein as a prediction of actual future events or otherwise. The forward-looking statements in this interim report, and the verbal comments made when presenting it on behalf of LEO Pharma, speak only as at the date hereof. LEO Pharma does not have any obligation to update or revise forward-looking statements in this interim report nor to confirm such statements to reflect subsequent events or circumstances after the date hereof, unless otherwise required by applicable law or regulations.

Statement of the Board of Directors and Executive Management

The Board of Directors and Executive Management have considered and approved the unaudited interim report of LEO Pharma A/S for the period January 1 – March 31 2025.

The interim report comprises the condensed consolidated financial statements of LEO Pharma A/S and has been prepared in accordance with IAS 34, "Interim Financial Reporting", as issued by the IASB and as endorsed by the EU.

The interim report has not been audited or reviewed by the company's independent auditor.

In our opinion, the accounting policies applied are appropriate and the interim report gives a true and fair view of the financial position, assets and liabilities at March 31 2025, results of operation and cash flows for the first quarter of 2025 of the LEO Pharma Group.

We believe that the Management's Review gives a true and fair view of the development in the Group's activities and business, the results for the period and the financial position of the Group and describes the most significant risks and uncertainties that may affect the Group.

Other than as disclosed in this interim report, no changes have occurred in the Group's most significant risks and uncertainty factors compared to what was disclosed in the annual report for 2024.

Ballerup, May 15 2025

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

Frank Maréno

Raj Shah

Elisabeth Svanberg

Consolidated financial statements Interim report Q1 2025

Income statement

(DKK million)	Note	Q1 2025	Q1 2024
Revenue	3	3,373	3,064
Cost of sales		(1,407)	(1,195)
Gross profit		**1,966**	**1,869**
Sales and distribution costs		(1,117)	(1,099)
Research and development costs		(331)	(509)
Administrative costs		(320)	(369)
Other operating income, net	4	1,738	1
Operating profit/(loss)		**1,936**	**(107)**
Financial income		24	33
Financial expenses		(181)	(226)
Profit/(loss) before tax		**1,779**	**(300)**
Income tax		(37)	(66)
Net profit/(loss) for the period		**1,742**	**(366)**

Statement of comprehensive income

(DKK million)	Note	Q1 2025	Q1 2024
Net profit/(loss) for the period		1,742	(366)
Other comprehensive income			
Remeasurement of defined benefit plans		-	-
Tax		-	-
Items that will not be reclassified subsequently to the income statement		**-**	**-**
Foreign exchange adjustments, subsidiaries		61	3
Fair value adjustment of cash flow hedges		52	3
Cash flow hedges reclassified to financial expenses		8	(14)
Tax		(13)	2
Items that may be reclassified subsequently to the income statement		**108**	**(6)**
Total other comprehensive income/(loss) after tax		**108**	**(6)**
Total comprehensive income/(loss)		**1,850**	**(372)**

Balance sheet

(DKK million)	Mar. 31, 2025	Dec. 31, 2024
Assets		
Intangible assets	4,806	4,942
Property, plant and equipment	4,427	4,445
Right-of-use assets	220	208
Deferred tax assets	1,518	1,482
Pensions	213	206
Other financial assets	195	194
Non-current assets	**11,379**	**11,477**
Inventories	4,902	4,973
Trade receivables	2,493	2,368
Tax receivables	530	553
Other receivables	586	553
Cash and cash equivalents	364	227
Current assets	**8,875**	**8,674**
Assets	**20,254**	**20,151**
Equity and liabilities		
Share capital	383	383
Reserves	(159)	(271)
Retained earnings	4,339	2,592
Equity	**4,563**	**2,704**
Loans and credit institutions	9,333	10,414
Deferred tax liabilities	36	37
Pensions	74	75
Provisions	281	307
Lease liabilities	171	164
Tax payables	49	65
Other non-current liabilities	460	464
Non-current liabilities	**10,404**	**11,526**
Loans and credit institutions	355	502
Trade payables	1,117	1,440
Provisions	1,008	1,164
Lease liabilities	74	82
Tax payables	144	112
Other payables	2,589	2,621
Current liabilities	**5,287**	**5,921**
Liabilities	**15,691**	**17,447**
Equity and liabilities	**20,254**	**20,151**

Statement of changes in equity

Q1 2025

(DKK million)	Share capital	Reserves: Currency translation	Reserves: Cash flow hedges	Reserves: Other capital	Retained earnings	Total
Equity at January 1	**383**	**(295)**	**(75)**	**99**	**2,592**	**2,704**
Comprehensive income for the year						
Net profit/(loss) for the year	-	-	-	-	1,742	1,742
Other comprehensive income/ (loss) for the year	-	61	47	-	-	108
Total comprehensive income/ (loss) for the year	**-**	**61**	**47**	**-**	**1,742**	**1,850**
Transactions with owners						
Purchase of treasury shares	-	-	-	-	(1)	(1)
Share-based payment	-	-	-	4	6	10
Total transactions with owners	**-**	**-**	**-**	**4**	**5**	**9**
Equity at March 31	**383**	**(234)**	**(28)**	**103**	**4,339**	**4,563**

Q1 2024

(DKK million)	Share capital	Reserves: Currency translation	Reserves: Cash flow hedges	Reserves: Other capital	Retained earnings	Total
Equity at January 1	**383**	**(264)**	**20**	**61**	**4,325**	**4,525**
Comprehensive income for the year						
Net profit/(loss) for the year	-	-	-	-	(366)	(366)
Other comprehensive income/ (loss) for the year	-	3	(9)	-	-	(6)
Total comprehensive income/ (loss) for the year	**-**	**3**	**(9)**	**-**	**(366)**	**(372)**
Transactions with owners						
Purchase of treasury shares	-	-	-	-	(2)	(2)
Share-based payment	-	-	-	13	-	13
Total transactions with owners	**-**	**-**	**-**	**13**	**(2)**	**11**
Equity at March 31	**383**	**(261)**	**11**	**74**	**3,957**	**4,164**

Cash flow statement

(DKK million)	Note	Q1 2025	Q1 2024
Operating profit/(loss)		**1,936**	**(107)**
Adjustment for depreciation, amortization and impairment		341	364
Adjustment for other non-cash operating items	5	(1,876)	(90)
Changes in working capital		(361)	(361)
Interest etc., received		10	23
Interest etc., paid		(186)	(225)
Income tax paid		(48)	(108)
Cash flow from operating activities		**(184)**	**(504)**
Investments in intangible assets		(116)	(9)
Investments in property, plant and equipment		(52)	(58)
Proceeds from sale of intangible assets		1,739	-
Investments in other securities		(1)	-
Cash flow from investing activities		**1,570**	**(67)**
Cash flows from operating and investing activities (free cash flow)		**1,386**	**(571)**
Proceeds from loans		300	-
Repayment of loans		(1,385)	-
Overdraft facilities and other financing etc.		(147)	671
Issuance of loans		-	(12)
Purchase of treasury shares		(1)	(2)
Repayment of lease liabilities		(32)	(26)
Cash flow from financing activities		**(1,265)**	**631**
Net cash flow for the period		**121**	**60**
Cash and cash equivalents, beginning of period		227	216
Foreign exchange adjustments		16	(4)
Cash and cash equivalents end of period		**364**	**272**

Notes
Interim report Q1 2025

Note 1 Basis of preparation

The interim condensed consolidated financial statements in this report for the period January 1 to March 31, 2025, have been prepared in accordance with IAS 34 (Interim Financial Reporting) as issued by the IASB and as endorsed by the EU. The accounting policies, key accounting estimates and judgments applied are consistent with those applied in the Annual report for 2024.

The interim consolidated financial statements have not been subject to audit or review in accordance with international standards.

The latest amendments to the International Financial Reporting Standards (IFRS), effective as of January 1, 2025, adopted by the EU, have not had any material impact on the interim report for the period January 1 to March 31, 2025.

Note 2 Non-IFRS measures

The interim report includes financial performance measures that are not defined according to IFRS. These measures are considered to provide relevant information to stakeholders and Management. 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 Interim Report:
"Reported" refers to the Income statement in accordance with IFRS.

Revenue growth at constant exchange rates (CER) (%)
Revenue growth at constant exchange rates (CER) excludes the effect of changes in exchange rates when comparing revenue for the current period with the revenue for the same period of the prior year.

The revenue for the current period is recalculated using the average exchange rates for the same period of the prior year and compared with revenue for the same period of the prior year.

(DKK million)	Q1 2025	Q1 2024
Reported revenue	3,373	3,064
Effect of exchange rates	(32)	71
Revenue at constant exchange rates (calc.)	**3,341**	**3,135**
Prior year's period revenue	3,064	2,763
Revenue growth at constant exchange rates (CER)	**9%**	**13%**

Note 2 Non-IFRS measures (continued)

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

(DKK million)	Q1 2025	Q1 2024
Reported revenue	3,373	3,064
Reported operating profit/(loss) (EBIT)	1,936	(107)
Depreciation, amortization and impairment	(341)	(364)
EBITDA	**2,277**	**257**
EBITDA margin	**68%**	**8%**

Adjusted EBITDA and adjusted EBITDA margin (%)
Adjusted EBITDA is considered to best reflect the Group's underlying operational profitability, as it excludes 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, extraordinary non-recurring income or expenses, capital transaction costs and M&A, including integration costs. Adjusted EBITDA margin is adjusted EBITDA as a percentage of reported revenue.

In Q1 2025, LEO Pharma recorded a DKK 1,739m net gain from sale of assets related to the upfront payment from the strategic partnership with Gilead in the Income statementunder Other operating income. Please refer to the Note 6.7 Events after the balance sheet date in the Annual report 2024.

(DKK million)	Q1 2025	Q1 2024
EBITDA	2,277	257
Gain from sale of assets (net), Gilead	1,739	-
Other non-recurring expenses	(7)	-
Adjusted EBITDA	**545**	**257**
Adjusted EBITDA margin	**16%**	**8%**

Net interest-bearing debt (NIBD)
The net interest-bearing debt (NIBD) is the interest-bearing liabilities less cash and cash equivalents.

(DKK million)	Mar. 31, 2025	Dec. 31 2024
Loans and credit institutions	9,688	10,916
Lease liabilities	245	246
Other non-current liabilities, interest bearing	181	180
Cash and cash equivalents	(364)	(227)
Net interest-bearing debt (NIBD)	**9,750**	**11,115**

Note 3 Revenue

Quarterly review

(DKK million)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	% change Q1 2025/ Q1 2024
Revenue by region						
Europe	1,744	1,713	1,660	1,764	1,698	3%
North America	653	602	610	583	439	49%
Rest of the world	976	706	787	964	927	5%
Total	**3,373**	**3,021**	**3,057**	**3,311**	**3,064**	**10%**
Revenue by area						
Dermatology	**2,727**	**2,427**	**2,480**	**2,656**	**2,444**	**12%**
- Established brands	2,076	1,825	1,866	2,147	2,078	0%
- Strategic brands	651	602	614	509	366	78%
Thrombosis	**585**	**562**	**536**	**619**	**588**	**(1)%**
Other	**61**	**32**	**41**	**36**	**32**	**91%**
Total	**3,373**	**3,021**	**3,057**	**3,311**	**3,064**	**10%**

Note 4 Other operating income and expenses

In Q1 2025, LEO Pharma recorded a DKK 1.739m net gain from sale of assets related to the upfront payment from the strategic partnership with Gilead in the Income statement under Other operating income. Please refer to the Note 6.7 Events after the balance sheet date in the Annual report 2024.

Note 5 Other cash flow specifications

(DKK million)	Q1 2025	Q1 2024
Adjustment for other non-cash operating items:		
(Gain)/loss on sale of non-current assets	(1,739)	-
Change in provisions	(181)	(1)
Other non-cash adjustments	44	(89)
Total	**(1,876)**	**(90)**

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