

---

# ***Alcon Nordic A/S***

Edvard Thomsens Vej 14, DK-2300 København S

## **Annual Report for 1 January - 31 December 2022**

---

CVR No 15 88 74 78

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
19/7 2023

Mikkel Cockburn Buhl  
Chairman of the General  
Meeting

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	20
Balance Sheet 31 December	21
Statement of Changes in Equity	23
Notes to the Financial Statements	24

# **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Alcon Nordic A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 19 July 2023

## **Executive Board**

Julien René Noël Barone  
CEO

## **Board of Directors**

Julien Rosentraub  
Chairman

Mikkel Cockburn Buhl

Gordon Taylor

# Independent Auditor's Report

To the Shareholder of Alcon Nordic A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Alcon Nordic A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 Financial Statements" section of our report. We are independent of the Company 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

# Independent Auditor's Report

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

## **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

# Independent Auditor's Report

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.

Hellerup, 19 July 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Martin Lunden  
statsautoriseret revisor  
mne32209

Gösta Gauffin  
statsautoriseret revisor  
mne45821

## **Company Information**

### **The Company**

Alcon Nordic A/S  
Edvard Thomsens Vej 14  
DK-2300 København S

Telephone: + 45 36363434

Website: [www.alcon.dk](http://www.alcon.dk)

CVR No: 15 88 74 78

Financial period: 1 January - 31 December

Incorporated: 8 January 1992

Financial year: 31st financial year

Municipality of reg. office: København

### **Board of Directors**

Julien Rosentraub, Chairman  
Mikkel Cockburn Buhl  
Gordon Taylor

### **Executive Board**

Julien René Noël Barone

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	972.043	916.706	905.912	998.985	991.593
Gross profit/loss	150.025	169.860	198.050	193.138	189.696
Profit/loss before financial income and expenses	17.024	35.011	48.853	38.326	46.945
Net financials	-180	-3.341	-5.751	688	-982
Net profit/loss for the year	11.871	21.343	35.450	30.514	36.048
<b>Balance sheet</b>					
Balance sheet total	285.429	248.734	306.797	428.126	234.502
Equity	69.232	57.361	111.018	75.568	53.308
Investment in property, plant and equipment	3.794	10.871	1.347	1.898	-4.160
Number of employees	139	144	151	167	154
<b>Ratios</b>					
Gross margin	15,4%	18,5%	21,9%	19,3%	19,1%
Profit margin	1,8%	3,8%	5,4%	3,8%	4,7%
Return on assets	6,0%	14,1%	15,9%	9,0%	20,0%
Solvency ratio	24,3%	23,1%	36,2%	17,7%	22,7%
Return on equity	18,8%	25,4%	38,0%	47,4%	51,3%



# Management's Review

## Key activities

Alcon develops, manufactures, and markets surgical devices and instruments, pharmaceuticals, and vision care products in more than 140 countries. The production and sales of the Group's products is made from the parent company and the subsidiaries. The products are sold globally, but in Denmark, it happens from Alcon Nordic A/S.

The activities in 2022, as in previous years, consisted of the sale of products and technical equipment for the treatment and diagnosis of diseases of the eye and contact lens care products and pharmaceutical products.

Alcon has one mission: to provide innovative products that enhance quality of life by helping people to better vision.

## Development in the year

The income statement of the Company for 2022 shows a profit of TDKK 11,871, and at 31 December 2022 the balance sheet of the Company shows equity of TDKK 69,232.

## The past year and expectations for the year ahead

The company has faced inflationary pressures in cost of goods due to global macroeconomic headwinds which had had an adverse impact on the 2022 Profit Margin, which explains that the profit is lower than expected in last year's financial statements.

The performance of the Vision Care business in 2022 reflected the positive momentum from continued cooperation with our main customers combined with a return to pre-pandemic business norms. The continued investment in innovation resulted in the launch of several new products that greatly enhance the Vision Care portfolio offering.

Surgical performance in 2022 was remarkable driven by product innovation & expanded advanced Equipment pipeline across markets reflecting the continued enhancement of customer relationships & recovery from the COVID-19 pandemic

The expectation for 2023 is that our sales remain at a similar level and earnings to be at the same level in 2023 as 2022.

## Capital resources

The Company's balance sheet and capital structure are subject to continuous assessment together with the majority shareholder in order to ensure that the Company has adequate capital and funding.

# Management's Review

## Special risks - operating risks and financial risks

### *Foreign exchange risks*

The Group's activities outside Denmark imply that results, cash flows and equity are affected by the exchange and interest rate movements for a number of currencies.

The most significant effect is derived from exchange rate movements. The Company's sales are invoiced primarily in DKK, EUR, SEK and NOK. The net exposure relating to the above primary currencies is not hedged as the currencies are not considered highly fluctuating.

### *Interest rate risks*

Interest risk primarily relates to interest earning net payables to group enterprises. The debt earns interest at a floating rate. Interest risks are not hedged.

### *Credit risks*

Credit risk related to cash is handled by continuously assessing existing and new costumers' default risk.

## Research and development

There are no local research & development activities in the Company. All development activities are carried out by other entities within the Alcon Group.

## External environment

Alcon is working hard to improve environmental sustainability. We achieve this by adhering to strict internal requirements and expectations and the standards set by external regulatory authorities.

## Intellectual capital resources

Alcon Nordic A/S is a sales company and do not conduct independent research and development. The Company has not knowledge resources that are of particular importance for the Company's future earnings. Alcon Nordic A/S' employees participate to some extent in the Group's activities to promote knowledge.

# Management's Review

## **Branches abroad**

The company has branches respectively in Norway, Sweden and Finland. The branches are as follows:

Alcon Nordic Norway Filial  
Philip Pedersens vei 20, 1366 Oslo, Norway

Alcon Nordic Sweden Filial  
Eugeniavägen 12 5TR, 171 64 Solna, Sweden

Alcon Nordic A/S, Suomen Sivuliike  
Metsänneidonkuja 10, 02130 Espoo, Finland

## **Statutory statement of corporate social responsibility**

This statement of corporate social responsibility for Alcon Nordic A/S is a component of the management's report in the annual report for 2022 and covers the financial period 1 January – 31 December 2022.

Alcon is one of the leading eye care companies in the world, dedicated to helping people see brilliantly in more than 140 countries.

Alcon serves a wide range of customers, including ophthalmologists, optometrists, and other healthcare practitioners, patients, consumers, retailers, distributors, and medical institutions.

People are at the center of everything we do. Alcon recognizes that an engaged, valued workforce drives our success. Our values and behaviors guide our actions and daily business decisions and provide the foundation for our company culture.

The Alcon Blueprint, first introduced in 2017 and updated in 2019, keeps us focused on the right path as we create shared value for our stakeholders.

For a brief video on Alcon, please visit <https://www.alcon.dk/da/about-alcon> and watch “We are Alcon”.

## **Company overview**

With on over 75-year heritage, we are the largest eye care device company in the world – with complementary businesses in Surgical and Vision Care.

Being a truly global company, we operate in more than 70 countries and employs more than 25,000 associates representing 90 nationalities. We have a long history as an innovative company, and each year we commit a substantial amount in Research and Development to meet customer needs and patient demands.

We have the widest array of eye care offerings in the industry with products organized into two business:

## Management's Review

Surgical and Vision Care.

### *Surgical business*

We offer the industry's most complete line of ophthalmic surgical products, enabling surgeons to achieve the best results for their patients. Our surgical portfolio includes technologies and devices for cataract, retinal, refractive surgery, as well as advanced technology intraocular lenses (ATIOLs) to treat cataracts and refractive errors, like presbyopia and astigmatism. We also provide advanced viscoelastics, surgical solutions, surgical packs, and other disposable products for cataract and vitreoretinal surgery.

### *Vision Care business:*

We are one of the largest manufacturers of contact lenses and lens care products. Our Vision Care portfolio offers a broad range of daily disposable, reusable and color-enhancing contact lenses and a comprehensive portfolio of ocular health products. These include products for dry eye, contact lens care and ocular allergies, as well as ocular vitamins and redness relievers.

Our leadership is grounded in cutting-edge innovation and breakthrough technology, transforming the way we treat eye diseases and eye conditions.

### ***Environment***

The spin-off of Alcon created an opportunity to chart a path towards environmental sustainability as an independent company.

In building our environmental strategy, we listened to Alcon leaders and associates, as well as investors and customers, regarding opportunities to advance our environmental sustainability. Using data gathered from our assessment, we analyzed our performance and identified opportunities for improvement across our business lifecycle. With our business model, environmental risks are greatest in chemicals and operational waste.

Our environmental strategy aligns with our purpose, core values, and business strategy. Through our strategic initiatives — sustainable products and services, energy efficiency and greenhouse gas (GHG) reduction, operational waste reduction, and water stewardship — we are able to drive progress toward our sustainability vision.

Our core values include protecting the environment and the health and safety of our associates, neighbors, and others who intersect with our business activities.

Alcon's corporate-level health, safety, and environment (HSE) department leads our HSE management activities. This team includes subject matter experts who assist with setting corporate policies and standards and providing tools and training to mitigate risk, drive continuous improvement, and maximize efficiency.

Manufacturing sites have dedicated HSE teams, and commercial operation locations have assigned HSE champions to assist in HSE operations on a continuous basis.

## Management's Review

We engage with industry groups, such as the Medical Technology Europe (MedTech EU) and the European Association of the Contact Lens and Lens Care Product Manufacturers (EuromContact), to keep abreast of best practices and industry standards. We have implemented processes to evaluate the use of chemicals and parts throughout our product lifecycle, and we work closely with our suppliers to implement upstream compliance.

We are also committed to compliance within REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals), a European Community Regulation that focuses on chemicals and their safe use.

We are committed to protecting our associates and managing our environmental footprint as our business grows. Alcon is committed to growing sustainability by managing our environmental footprint throughout our product life cycle.

As we strive toward the utmost safety and product quality, we seek to develop practical solutions to reduce energy and material use and waste.

Alcon has a strong focus on waste management and recycling of materials, as a possible lack of handling is considered to pose a significant risk to our environment and business.

Our program to reprocess used surgical equipment has positive implications for the environment. Upon receiving returned equipment, our technical service engineers replace parts and update the existing technology to restore surgical equipment to Alcon's operational standards.

Reprocessed units are used in facilities around the world, as backup or primary equipment for commercial and educational purposes. Our repair centers also reprocess used spare parts. We use environmentally safe methods to dispose of any parts that cannot be reprocessed.

Our manufacturing sites have established environmental management systems, with 16 of 17 manufacturing sites certified to ISO 14001:2015 by the end of 2021. In 2022 all manufacturing sites were certified with ISO 14001:2015

We strive to minimize our environmental impacts, manage legal compliance, and continuously improve our performance. Our management system tool helps us track completion of our compliance obligations, investigate root causes of non-compliance, and implement corrective and preventive actions.

In 2021, we developed an Environmental Sustainability Scorecard created by a cross-collaborative group of R&D, manufacturing, and commercial teams, to integrate sustainability into new product development. The scorecard records water and energy usage intensity, greenhouse gas emissions intensity, and operational waste, as well as product and packaging waste for new products. We are currently piloting our new scorecard with several product development teams and will embed the scorecard into the enterprise stage-gate process starting in 2023.

# Management's Review

## *Social relationship and employee relationship*

The Alcon Blueprint, which includes our Values & Behaviors, sets the stage for talent and culture at Alcon. It is the bedrock for how we attract, develop, and retain top talent.

We seek diverse talent who embody our values and contribute to a culture that enables us to help people see brilliantly. We work with associates to set challenging performance and career goals, offer training and development opportunities, and encourage growth through mentoring, challenging roles and assignments – all while ensuring competitive compensation and benefits.

At Alcon, we treat others with respect and dignity, we encourage diversity, we welcome a wide range of ideas and perspectives, we provide equal opportunity for all, and we promote an inclusive culture. We value one another's contributions as well as the strengths that come from our differences.

Alcon expects you to be respectful, act professionally, and demonstrate courtesy, consideration, and sensitivity to the dignity and values of others when interacting with colleagues, guests, business partners, customers, government representatives, and other Alcon business contacts. This is true regardless of where the interactions occur (for example, at Alcon facilities, customer or vendor offices, business trip destinations, or work-related social events).

As part of our robust speak-up culture, Alcon encourages and expects its associates to ask questions and report ethical concerns by contacting a member of management, Human Resources, Compliance, Legal, or the Alcon Ethics Helpline. This is also rooted in our Code business of conduct.

Our success depends on the creativity, dedication, and performance of our associates. That's why we foster a performance-oriented culture that encourages achievement through collaboration and innovation. Like any great company, we focus on retention, as our people are our greatest assets. Our biggest risks related to employee relations are thus retention of employees and employee engagement.

Guided by our Alcon blueprint, people are at the center of our values and behaviors. Our associates feedback help shape how we build and evolve the associate journey, support associate development, and help all associates achieve their career aspirations.

Alcon uses a periodic associate survey tool called the Associate Experience Dashboard (AED). The AED gauges associate sentiment on a variety of topics, including connection to purpose, ability to speak up, and empowerment to make decisions. The survey results help us improve the associate experience, as well as understand how we execute organizational change and inform our talent strategy. We were pleased that our AED scores continued to outperform global benchmarks throughout 2022, particularly in Collaboration, Authenticity, and Removing Barriers to Execution. Moreover, all twelve scores covering various areas improved versus the prior year, which is notable during a challenging time.

In 2020, we hired a third party to perform a full assessment of our D&I program and have used the results of this assessment to develop a multi-year strategy for increasing our diversity and fostering a more inclusive workplace. Looking forward, we will continue to focus on priorities to support the development of D&I champions; identify opportunities to increase diversity in our talent pipeline; and strengthen the connections between our D&I councils, Employee Resource Groups, and supplier

## **Management's Review**

diversity programs.

We have also included two new metrics in our quarterly AED surveys, Acceptance, and Inclusion, to help us monitor our progress in these areas. Additionally, we have introduced the goal of fostering greater D&I awareness and supporting D&I initiatives as a company-wide objective.

We will measure our D&I progress using key performance indicators. We have identified opportunities to increase the representation of women globally and ethnic diversity at all levels of the company. We are also evaluating D&I best practices for marketing communications, and we are investing in programs to train our people on how to represent the diversity of our customers and patients at every touchpoint.

### ***Business Ethics***

We are committed to doing business the right way, without exception, and we expect our associates to adhere to the highest standards of honesty and integrity. We designed our global ethics and compliance program to promote a culture of ethical behavior. Alcon's framework of ethics governance covers standards of behavior, associate training, auditing, reporting, and disciplinary actions.

Our Code of Business Conduct defines our standards of conduct and the shared responsibility of all our associates and our Board of Directors to act ethically and responsibly. The Code is available in 23 languages, as is the mandatory training and certification covering the Code, which is delivered to all associates annually. We adhere to additional compliance policies including guidance from industry association groups, such as AdvaMed, AbiMed, APACMED, and MedTech, which advise on the appropriate rules of engagement with healthcare professionals.

We test compliance with our policies and procedures through our auditing and monitoring program on an annual basis. Our global risk and controls assessment process guides these efforts. Our audits provide insights to our different compliance risks by region and country as well as by type of interaction. Any action items identified are tracked, and corrections made in a timely manner. Any violations of our Code of Business Conduct or policies are investigated.

In 2021, we have achieved a 99,5% completion rate for Code of Business Conduct Training.

### ***Reporting Concerns***

Leading brilliantly begins with doing the right thing, and a positive culture requires speaking up. The Alcon Ethics Helpline is one of the important resources Alcon associates can use to speak up to ask questions and report concerns. Speaking up takes courage and is critical to creating positive and meaningful change.

We expect our associates to speak up and report ethical concerns, so we continue to earn and maintain the trust of our stakeholders. Our Code of Business Conduct stresses that we build trust by speaking up, and we reinforce the importance of this through training and communications programs, "Speak Up" posters throughout our facilities, and talking points in our leadership communications.

We foster an environment where our associates can ask questions and raise concerns about unethical or

## **Management's Review**

inappropriate behavior in good faith, without fear of retaliation. We have processes to enable any associate to speak up at any time.

An independent third party maintains Alcon's Ethics Helpline, which provides 24/7 live and web-based support in 21 languages. All reported concerns are reviewed in a timely manner. For any instances of confirmed misconduct, we carry out appropriate corrective or disciplinary actions up to and including termination of employment.

Alcon has a formal Non-Retaliation and Confidentiality Policy and does not tolerate retaliation in any form against anyone who speaks up in good faith, participates in an investigation, or files a complaint. Anonymous reporting is available via the Alcon Ethics Helpline, except where not permitted by local law.

### ***Human Rights***

We believe that all people should be treated with dignity and respect and recognize the importance of protecting human rights. We respect workers' rights including but not limited to, equal opportunity and freedom from discrimination. We comply with the employment and human rights laws, protection from child labor, modern slavery or human trafficking as covered in the UK Modern Slavery Act of 2015 and the California Transparency in Supply Chains Act of 2010, as outlined in our Declarations on Supply Chain, Modern Slavery and Human Trafficking.

Read more here: [https://www.alcon.com/sites/g/files/rbvwei496/files/2021-07/2021\\_Alcon\\_Supply\\_Chain\\_Modern\\_Slavery\\_Human\\_Trafficking\\_Statement\\_BOD\\_approved\\_28Apr2021.pdf](https://www.alcon.com/sites/g/files/rbvwei496/files/2021-07/2021_Alcon_Supply_Chain_Modern_Slavery_Human_Trafficking_Statement_BOD_approved_28Apr2021.pdf)

We promote the societal and environmental values of the United Nations Global Compact to our suppliers and use our influence, where possible, to encourage their adoption. The Alcon Third Party Code of Conduct combines the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and other international standards or accepted good practices.

Our Third Party Code of Conduct covers numerous ESG topics and risks including labor- and human rights, health and safety, environment, animal welfare, anti-bribery and fair competition, data privacy and information protection, conflict minerals, management systems, and trade sanctions and export controls.

Adherence to the standards contained in this Code is one of the criteria used in the Alcon Third Party selection and evaluation process. Alcon expects Third Parties to adhere to applicable legal standards and any higher standards contained herein.

Under some circumstances, where the Third Parties have shown and continue to show a material commitment to improvement, Alcon is willing to work with them to bring about improvements through engagement and collaboration.

Monitoring may include audits, development, and progress monitoring of corrective action plans, referring suppliers to external experts, and other reasonable improvement plans.



## Management's Review

For Alcon Nordic A/S, no concerns related to human rights have been reported to Alcon's Ethics Helpline, which is monitored continuously. In 2022, Alcon Nordic A/S did not carry out any monitoring of its suppliers. Our main supplier is our Group and we do not carry any significant risks. The monitoring is conducted by Group.

For 2023 and the coming years, Alcon Nordic A/S will continue its focus on human rights by initiating as well as evaluating the need for further initiatives to enforce human rights, equality and embrace diversity within the company. As an example, we have in 2021 created a role and elected a Diversity and Inclusion Ambassador to help us foster a more diverse and inclusive culture. The D&I Ambassador is dedicated to raising awareness of the importance of diversity, equality, and inclusion at Alcon Nordic A/S. In addition, our D&I training programs are focused on building a strong culture through raising awareness, advanced learning, skill-building, and supportive action.

We provide training in several areas, such as:

- Respect and civility
- Cultural awareness
- Unconscious bias
- Cross-cultural competency
- Anti-harassment

### ***Anti-corruption and bribery***

We do not tolerate bribery, or anything that could be perceived as bribery, in any form. Bribery can damage trust and is inconsistent with our commitment to integrity and respect for our stakeholders. Our associates or third parties must not offer, promise, approve, or provide anything of value (for example, a payment, gift, meal, travel, entertainment, loan, service, or donation) improperly to induce or reward business decisions related to Alcon products or services. We must also follow Alcon third-party screening processes when required by company procedures.

Building a strong company culture that promotes trust is a shared responsibility we take seriously. Our Code of Business Conduct and our Anti-Bribery and Corruption Policy prohibit bribery and corruption in any form. Alcon is committed to adhering to all anti-corruption and anti-bribery laws including the US Foreign Corrupt Practices Act, the UK Bribery Act, and other local laws globally.

We also require that every third-party company we do business with acts in accordance with these laws. Our third-party compliance process requires that risk-based due diligence be conducted before a third-party is engaged by Alcon. It includes processes for risk-based screening of third parties and requirements to mitigate identified risks, as well as requirements for training, monitoring, and auditing of relevant third parties.

We believe in fair competition and seek to make our products accessible to doctors, patients, and customers. Anti-competitive behavior is prohibited by our Code of Business Conduct. Our Global Fair Competition Policy supplements the fair competition provisions in our Code of Business Conduct, details our expectations for fair business dealings, and protects the proper functioning of markets, consistent with the applicable competition laws.

## Management's Review

We develop and implement commercial strategies independently and prohibit practices that may abuse our market position. We expect our associates to respect the principles of fair competition and observe the higher internal or regulatory standard governing fair competition.

We convey our ethical expectations to all our associates (including part-time and contract workers) via a multi-channel training and awareness program. This includes the provision of the Code of Business Conduct and core global policies (including The Lens and Anti-Bribery and Corruption policies) and related training programs in 23 languages so that associates receive guidance in their first language. In addition, we train our associates on our Code and require all Alcon associates, including our Board, to certify compliance annually.

We further provide additional training through our Integrity & Compliance staff at country and regional levels, as well as regular communications designed to enhance engagement with our policies. These communications include leader messaging, newsletters, videos, and case studies.

We annually verify compliance with our policies and procedures through our auditing and monitoring program. Our risk assessment process at both the enterprise and country levels guides these efforts and includes a review of internal and external inputs such as helpline reporting, investigation reports, audit findings and regulatory enforcement actions. Alcon's Internal Audit function performs an annual audit to assess compliance with our Code as well as ethics and compliance policies and procedures. Any action items identified are tracked and corrections made in a timely manner. We take seriously and investigate any alleged violations of our Code of Business Conduct or policies.

Given our due diligence processes, codes of conduct, trainings and no reports of concerns, it is assessed that the risk of corruption is low for Alcon Nordic A/S.

In 2022 and the last 5 years, Alcon Nordic A/S has not suffered any financial losses as a result of lawsuits in connection with bribery or corruption.

For the upcoming years we will continue our focus on providing training and communicate our ethical expectations. Moreover, aim to have 0 reports of concerns in 2023 related to anti-corruption and bribery.

Read more about our Third Party Code of Conduct here:

<https://www.alcon.com/sites/g/files/rbvwei496/files/2019-03/Alcon-Third-Party-Code-of-Conduct.pdf>

Read more about our corporate responsibility here:

<https://www.alcon.dk/da/corporate-responsibility#integrity>

# Management's Review

## Statement on gender composition

Alcon Nordic A/S believes in diversity among employees, including equal distribution of gender will contribute to a positive work environment and enhances the Company's development and competitiveness.

Alcon Nordic A/S will continuously strive towards an equal gender distribution in the management group. In Alcon Nordic A/S female managers represent 33% of the overall management team.

As part of the Alcon Group, Alcon Nordic A/S continuously develop talents across gender. Based on this work the number of female leaders expects to increase.

## Share of the underrepresented gender

Alcon Nordic A/S must according to the Danish financial statements Act account for the share of the underrepresented gender in the board of directors and general management.

### *Target for the board of directors*

Alcon Nordic A/S will strive towards an equal gender distribution in the board of directors and thus have a target to have 33,3% women in the board of directors by 2025.

By the end of 2022 the Board of Directors consisted of 3 members who were all men. The target to have 33,3% women in the board wasn't met due to no relevant candidate of the underrepresented gender being identified during the reporting year and therefore no changes to the composition were made.

### *Policy for increase of the underrepresented gender in general management*

Alcon Nordic A/S believes in diversity among employees, including equal distribution of gender will contribute to a positive work environment and enhances the Company's development and competitiveness. Alcon Nordic A/S therefore has a policy to strive for gender equality in general management.

When relevant and to the extent possible suited candidates of the underrepresented gender will be proposed to management roles to achieve the target.

As part of the Alcon Group, Alcon Nordic A/S continuously develop talents across gender. It is expected to have an improved equal gender distribution in management over time.

By the end of 2022, the distribution was 67% men and 33% women in the management team.

## Data ethics

We are committed to protecting the privacy and security of our information assets, especially the data that our customers entrust to us. Alcon has implemented a defense-in-depth strategy and information security framework, comprising multiple layers of people, processes, and technologies. This approach is aligned with internationally recognized industry standards for security, such as those from the National Institute of Standards and Technology (NIST) and ISO 27001 standard and is deployed in a centralized

## Management's Review

global fashion to ensure a consistent approach to security across the organization.

Key areas of focus:

- Systems lifecycle
- Operational security
- Security by design
- Information asset management
- Information risk management
- Third party risk and management

Alcon's Enterprise Risk Management team monitors and implements procedures to manage our cybersecurity and data privacy risks. Our IT Security team and Intellectual Property & Data Privacy team play a critical role supporting our cybersecurity and data privacy efforts. Alcon has established a Security Operations Center that manages the Cybersecurity Incident Management and Response process. Together with the Alcon Crisis Management team, we instituted a consistent cyber management program across our business areas. We maintain redundancies in critical systems and disaster recovery capabilities to maintain continuity in case of business disruption. Identified cybersecurity risks are addressed strategically as part of the cybersecurity maturity program. The Audit and Risk Committee oversees cybersecurity risk. The management team provides an update on cybersecurity risk and related strategic maturity efforts to the Board of Directors.

Alcon has a single Global Security Incident Management and Response process based on the NIST Security Incident Framework on which the Security Operations Center manages all cyber-related events. This process is integrated with Alcon Crisis Management and manages our responses across enterprise business units. We test this process at least twice a year through cross-functional security tabletop exercises.

We are focused on managing the risks of third-party events. We deploy vendor cybersecurity due diligence and privacy assessment programs to reduce our risks via our partners and suppliers. Additionally, we regularly execute targeted third-party assessments of our security controls. We train our associates on the importance of protecting the confidentiality and integrity of informational assets. As risks to the environment are identified, regular communication channels are in place to make associates aware of risk and protective actions to ensure a safe operating environment and the protection of Alcon's information assets. We provide monthly communications on IT security and dedicate resources to raise associate awareness through special events like Cybersecurity Month and IT Innovation Day.

Key areas of focus:

- Phishing awareness and testing
- Cybersecurity best practices
- Key enterprise cybersecurity risks

Many of our technological advancements enable exciting opportunities for data collection and analysis while improving customer experiences. However, these advancements also increase our responsibility to protect the personal information entrusted to us. In 2012, we began a multi-year software implementation project to standardize our digital processes, enhance data transparency, and integrate

## **Management's Review**

our information technology systems across our global operations. To do this, we made a significant investment in a new enterprise resource planning software platform. The consolidation of our enterprise-wide data and the rationalization of systems will enable Alcon to better protect information assets under our Cybersecurity and Information Management processes. We raise user awareness around risks from phishing, malware and best-practices in IT security and relevant data privacy training across all functions. Alcon's security and compliance model is aligned with internationally recognized industry standards for security.

At Alcon Nordic A/S, we do not use artificial intelligence or machine learning in connection with our daily operations. However, we use tools and data when recruiting and hiring a diverse talent base. Our key societal impact from use of data and technology are in our role as a responsible employer.

### **Uncertainty relating to recognition and measurement**

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

### **Unusual events**

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual events.

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 January - 31 December

	Note	2022 TDKK	2021 TDKK
<b>Revenue</b>	1	<b>972.043</b>	<b>916.706</b>
Other operating income		21.687	21.680
Expenses for raw materials and consumables		-714.439	-645.561
Other external expenses		-129.266	-122.965
<b>Gross profit/loss</b>		<b>150.025</b>	<b>169.860</b>
Staff expenses	2	-129.969	-132.784
Depreciation, amortisation and impairment of property, plant and equipment	3	-3.032	-2.065
<b>Profit/loss before financial income and expenses</b>		<b>17.024</b>	<b>35.011</b>
Financial income	4	11.671	13.484
Financial expenses		-11.851	-16.825
<b>Profit/loss before tax</b>		<b>16.844</b>	<b>31.670</b>
Tax on profit/loss for the year	5	-4.973	-10.327
<b>Net profit/loss for the year</b>		<b>11.871</b>	<b>21.343</b>

## Balance Sheet 31 December

### Assets

	Note	2022 TDKK	2021 TDKK
Other fixtures and fittings, tools and equipment		9.332	10.546
Leasehold improvements		0	0
<b>Property, plant and equipment</b>	6	<b>9.332</b>	<b>10.546</b>
Other receivables		2.351	2.351
<b>Fixed asset investments</b>	7	<b>2.351</b>	<b>2.351</b>
<b>Fixed assets</b>		<b>11.683</b>	<b>12.897</b>
<b>Inventories</b>		<b>81.724</b>	<b>66.828</b>
Trade receivables		138.955	128.275
Other receivables		19.537	11.776
Deferred tax asset	8	4.095	3.382
Corporation tax		2.087	5.123
Prepayments		1.289	2.490
<b>Receivables</b>		<b>165.963</b>	<b>151.046</b>
<b>Cash at bank and in hand</b>		<b>26.059</b>	<b>17.963</b>
<b>Currents assets</b>		<b>273.746</b>	<b>235.837</b>
<b>Assets</b>		<b>285.429</b>	<b>248.734</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2022 TDKK	2021 TDKK
Share capital	9	501	501
Retained earnings		68.731	56.860
<b>Equity</b>		<b>69.232</b>	<b>57.361</b>
Other payables		0	8.671
<b>Long-term debt</b>	11	<b>0</b>	<b>8.671</b>
Trade payables		21.003	29.400
Payables to group enterprises		122.521	88.444
Other payables	11	65.879	59.950
Deferred income		6.794	4.908
<b>Short-term debt</b>		<b>216.197</b>	<b>182.702</b>
<b>Debt</b>		<b>216.197</b>	<b>191.373</b>
<b>Liabilities and equity</b>		<b>285.429</b>	<b>248.734</b>
Distribution of profit	10		
Contingent assets, liabilities and other financial obligations	12		
Related parties	13		
Accounting Policies	14		



## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	501	56.860	57.361
Net profit/loss for the year	0	11.871	11.871
<b>Equity at 31 December</b>	<b>501</b>	<b>68.731</b>	<b>69.232</b>

# Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
<b>1 Revenue</b>		
<b>Geographical segments</b>		
Revenue, Denmark	191.393	168.690
Revenue, exports	780.650	748.016
	<b>972.043</b>	<b>916.706</b>
<b>Business segments</b>		
Surgical	471.583	402.333
Vision Care	500.460	514.373
	<b>972.043</b>	<b>916.706</b>
<b>2 Staff expenses</b>		
Wages and salaries	106.596	110.363
Pensions	8.277	8.879
Other social security expenses	10.437	9.113
Other staff expenses	4.659	4.429
	<b>129.969</b>	<b>132.784</b>
Including remuneration to the Executive Board of:		
Executive Board	2.367	2.418
	<b>2.367</b>	<b>2.418</b>
<b>Average number of employees</b>	<b>139</b>	<b>144</b>

## Notes to the Financial Statements

	2022 <u>TDKK</u>	2021 <u>TDKK</u>
<b>3 Depreciation, amortisation and impairment of property, plant and equipment</b>		
Depreciation of property, plant and equipment	3.032	2.065
	<b>3.032</b>	<b>2.065</b>
<b>4 Financial income</b>		
Interest received from group enterprises	92	0
Other financial income	85	0
Exchange gains	11.494	13.484
	<b>11.671</b>	<b>13.484</b>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	2.950	7.847
Deferred tax for the year	-713	-826
Adjustment of tax concerning previous years	2.736	3.306
	<b>4.973</b>	<b>10.327</b>
<b>6 Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment <u>TDKK</u>	Leasehold improvements <u>TDKK</u>
Cost at 1 January	20.287	1.542
Additions for the year	3.794	0
Cost at 31 December	24.081	1.542
Impairment losses and depreciation at 1 January	9.741	1.542
Depreciation for the year	5.008	0
Impairment losses and depreciation at 31 December	14.749	1.542
<b>Carrying amount at 31 December</b>	<b>9.332</b>	<b>0</b>

## Notes to the Financial Statements

### 6 Property, plant and equipment (continued)

	Other fixtures and fittings, tools and equipment <u>TDKK</u>	Leasehold improvements <u>TDKK</u>
Depreciated over	<u>3-5 years</u>	<u>5 years</u>
Including assets under finance leases amounting to	<u>0</u>	<u>0</u>

### 7 Fixed asset investments

	Other receiv- ables <u>TDKK</u>
Cost at 1 January	<u>2.351</u>
Cost at 31 December	<u>2.351</u>
<b>Carrying amount at 31 December</b>	<b><u>2.351</u></b>

### 8 Deferred tax asset

	<u>2022</u> TDKK	<u>2021</u> TDKK
Deferred tax asset at 1 January	3.382	2.556
Amounts recognised in the income statement for the year	<u>713</u>	<u>826</u>
<b>Deferred tax asset at 31 December</b>	<b><u>4.095</u></b>	<b><u>3.382</u></b>

### 9 Equity

The share capital consists of 501 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

### 10 Distribution of profit

Retained earnings	<u>11.871</u>	<u>21.343</u>
	<b><u>11.871</u></b>	<b><u>21.343</u></b>

# Notes to the Financial Statements

## 11 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022</u> TDKK	<u>2021</u> TDKK
<b>Other payables</b>		
Between 1 and 5 years	0	8.671
Long-term part	0	8.671
Other short-term payables	65.879	59.950
	<b><u>65.879</u></b>	<b><u>68.621</u></b>

## 12 Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	6.456	6.833
Between 1 and 5 years	4.916	15.449
After 5 years	0	691
	<b><u>11.372</u></b>	<b><u>22.973</u></b>

## 13 Related parties

### Transactions

Alcon Nordic A/S' related parties include companies in the Alcon Group. Trading primarily takes place with Alcon Pharmaceuticals Ltd., Route des Arsenaux 4, 1701 Fribourg, Schweiz.

Apart from the above, there have been no transactions with the Board of Directors, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

### Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Alcon Pharmaceuticals Ltd.  
Route des Arsenaux 4, 1701 Fribourg, Schweiz

# Notes to the Financial Statements

## 13 Related parties (continued)

The company's ultimate parent company, which prepares consolidated financial statements, in which the company is included as a subsidiary.

<u>Name</u>	<u>Place of registered office</u>
Alcon AG	Rue Louis-d'Affry 6, Fribourg, FR 1701, Switzerland

The Group Annual Report of Alcon AG may be obtained at the following address:

Alcon AG  
Rue Louis-d 'Affry 6  
Fribourg, FR 1701  
Switzerland

# Notes to the Financial Statements

## 14 Accounting Policies

The Annual Report of Alcon Nordic A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Alcon AG, the Company has not prepared a cash flow statement.

In accordance with section 96 (3) of the Danish Financial Statements Act the fee to the auditor appointed at the general meeting is disclosed in the Group Annual report.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 14 Accounting Policies (continued)

### Revenue

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Income Statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Service sales, comprising service and maintenance agreements for sold surgical devices, are recognised in the income statement over the term of the agreement as the agreed services are provided.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including services sold to group enterprises, contributions received from group enterprises and gains on the sale of property, plant and equipment.



# Notes to the Financial Statements

## 14 Accounting Policies (continued)

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	5	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

# Notes to the Financial Statements

## 14 Accounting Policies (continued)

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

# Notes to the Financial Statements

## 14 Accounting Policies (continued)

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$