
Alcon Nordic A/S

Edvard Thomsens Vej 14, DK-2300 Copenhagen

Annual Report for 2023

CVR No. 15 88 74 78

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 26/6 2024

Julien René Noël
Barone
Chairman of the
general meeting



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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 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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, 26 June 2024

Executive Board

Julien René Noël Barone
CEO

Board of Directors

Julien Rosentraub
Chairman

Julien René Noël Barone

Annette Koch Jensen

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 2023, 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 Financial 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.

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.

Independent Auditor's report

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.

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, 26 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden

State Authorised Public Accountant

mne32209

Gösta Gauffin

State Authorised Public Accountant

mne45821

Company information

The Company	Alcon Nordic A/S Edvard Thomsens Vej 14 2300 Copenhagen Telephone: + 45 36363434 Website: www.alcon.dk CVR No: 15 88 74 78 Financial period: 1 January - 31 December Incorporated: 8 January 1992 Municipality of reg. office: Copenhagen
Board of Directors	Julien Rosentraub, chairman Julien René Noël Barone Annette Koch Jensen
Executive Board	Julien René Noël Barone
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	975,336	972,043	916,706	905,912	998,985
Gross profit	170,766	150,025	169,860	198,050	193,138
Profit/loss of primary operations	32,223	17,024	35,011	48,853	38,326
Profit/loss of financial income and expenses	-322	-180	-3,341	-5,751	688
Net profit/loss for the year	25,471	11,871	21,343	35,450	30,514
Balance sheet					
Balance sheet total	324,502	285,422	248,734	306,797	428,126
Investment in property, plant and equipment	9,726	3,794	10,871	1,347	1,898
Equity	94,703	69,232	57,361	111,018	75,568
Number of employees	131	139	144	151	167
Ratios					
Gross margin	17.5%	15.4%	18.5%	21.9%	19.3%
Profit margin	3.3%	1.8%	3.8%	5.4%	3.8%
Return on assets	9.9%	6.0%	14.1%	15.9%	9.0%
Solvency ratio	29.2%	24.3%	23.1%	36.2%	17.7%
Return on equity	31.1%	18.8%	25.4%	38.0%	80.8%

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 2023, 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 2023 shows a profit of TDKK 25,471 and at 31 December 2023 the balance sheet of the Company shows equity of TDKK 94,703.

The past year and expectations for the year ahead

The company has reached a level of sales comparable to previous years, with the good performance of the Vision Care business compensating a slight decrease in the Surgical business.

The Vision Care business performance in 2023 was very positive and driven by strong market conditions combined with ongoing uptake of Alcon innovative launches by key customer groups.

The Surgical business performance in 2023 was impacted by lower level of premium procedures in the market due to the impact of inflation on consumer spending as well as lower number of surgical equipment installed.

The expectation for 2024 is that our sales remain at a similar level, and earnings to be at the same level in 2024 as 2023.

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.

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.

Management's review

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.

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 2023 and covers the financial period 1 January – 31 December 2023.

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.

For a brief video on Alcon, please visit <https://www.alcon.com/about-us> 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: Surgical and Vision Care.

Management's review

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 viscoelastic, 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.

Statutory CSR report

The policies of Alcon A/S on social responsibility apply to the Company. The following sections are developed in accordance with section 99a of the Danish Financial Statement Act.

Environment

Alcon cares for our planet and helps create a more sustainable world so everyone can See Brilliantly and Live Brilliantly. Because we manufacture about 90% of our products internally, we are able to manage our environmental footprint through efficiency and optimization to reduce emissions, water, waste and chemicals of concern.

Our Global Environmental Sustainability Committee brings together leaders from across Alcon's global operations and is responsible for setting environmental goals and implementing plans to achieve them.

The Governance and Nomination Committee oversees our environmental strategy and receives periodic updates from our Senior Vice President, Global MTO and Global Head of Health, Safety and Environment (HSE). Alcon's senior management and Board of Directors regularly assess financial performance risks, including environmental risks, and identify ways to manage and mitigate these risks. These discussions play a critical role in our operating and investment decision-making processes throughout the business.

The Global HSE team partners with the Social Impact and Sustainability team to lead the company's environmental efforts and works to achieve goals and initiatives related to emissions intensity, non-hazardous waste landfill diversion rates, water conservation and site-specific environmental projects.

The Global Head of HSE — supported by the Global HSE team — runs all HSE programmatic activities, including policy changes, targets and commitments and ensures effective governance structures are in place throughout the business. Alcon's CEO and Executive Leadership Team (ELT) engage with the Global Head of HSE to provide strategic direction and receive updates on emerging risks and impacts, as needed.

Our HSE Management System is the foundation of our environmental program and helps us ensure we meet requirements for legal compliance by investigating causes of non-compliance and implementing corrective and preventive action plans. Embedded throughout the company, the system aligns with ISO 14001:2015 Environmental Management Systems.

In 2022, Alcon set a goal to be carbon neutral for Scope 1 and Scope 2 across our global operations by 2030. We are working to reduce our Scope 1 and 2 emissions through energy improvement and efficiency projects and procurement of renewable energy.

Management's review

In 2023, Alcon Singapore Manufacturing installed rooftop solar panels that generate approximately 7,500 gigajoules of renewable energy for direct site consumption. We also worked with our Texas energy utility company to secure the physical delivery of renewable energy to our Fort Worth and Houston locations. We continue to evaluate renewable energy options for our other operations. We track these projects' performance individually and review aggregate energy savings and emissions avoidance. This continued a more than three-year trend in operational emissions reductions and puts us on track to achieve our Carbon Neutral Goal.

We also seek to protect our business from both the physical and transitional risks of climate change. We evaluate the potential vulnerability of Alcon's operations and assets to climate events that are projected to take place through the mid-century under lower-emissions and higher-emissions scenarios. We also assess the potential impact of emerging policy and legal requirements, technology changes and market shifts such as consumer expectations through the mid-century under these same scenarios.

Social relationship and employee relationship

Our associates drive Alcon's success. Failing to create an inclusive culture that fosters creativity, dedication and performance could result in the loss of top talent, hinder innovation and affect our ability to hire. The loss of key members of our organization—including senior members of our scientific and management teams, high-quality research and development specialists and skilled personnel in developing countries—could delay or prevent the achievement of major business objectives.

Foundational to our strategy to help people See Brilliantly is a world-class workforce of more than 25,000 associates around the world and a strong governance structure that fortifies our commitment to ethics, integrity, quality and safety. We extend our high expectations to the third parties who work with us, including our distributors, suppliers and others.

We have built a strong culture based on the Alcon Blueprint. The Alcon Blueprint articulates our purpose, our foundational principles and the values and behaviors that engage associates and shape our culture. Our Associate Experience Dashboard (AED) engagement survey helps facilitate associate feedback to improve the associate experience. The survey asks questions about empowerment to make decisions, inclusion, connection to our purpose, barriers to execution, collaboration, opportunities to learn and grow, and more. Leaders discuss results of the survey with their team to improve engagement and create better ways of working. Approximately 80% of Alcon associates responded to the AED in 2022. Based on survey results, we focused on improving inclusion and barriers to execution, and we are pleased to report scores for both of these areas improved in 2022 and remained above external global benchmarks

We are building an even stronger Alcon by cultivating a diverse and inclusive culture. Through our Diversity and Inclusion (D&I) strategy, we strive to create a culture where diversity is valued and each associate is treated fairly and has equal opportunity and support to succeed and grow.

Alcon's D&I leadership starts with our Chief D&I Officer, who is responsible for setting the vision, defining and executing the D&I strategy, engaging leaders and ensuring associates are active participants in driving D&I outcomes. Our Executive D&I Council, made up of executives across major business lines, provides guidance and decision-making related to our enterprise D&I strategy and executive sponsorship for our employee resource groups (ERGs). This council added two more women in 2022, growing to a total of seven representatives. As part of our strategy, eight D&I councils were either newly formed or reignited to support the activation and implementation of plans, identify additional tactics and further engage associates. D&I councils are sponsored by senior leaders and composed of associates of various levels. Multiple D&I committees and ambassadors at our sites around the world partner with the D&I councils, their local human resources (HR) business partners, our D&I team and senior leadership in activating plans and promoting D&I. New in 2022, each member of our ELT adopted a diversity improvement goal and created an accompanying D&I action plan in their respective function. Achievement of this goal was factored into each ELT member's Individual Performance Factor (IPF) impacting their Short-Term Incentive (STI) bonus.

In 2023, we implemented Elevate Brilliantly, an initiative to foster a greater understanding of our cultural priorities: Ownership and Accountability, Speed and Simplicity and Inclusion. All global associates across Alcon experienced this program in 2023 and had the opportunity to practice tools and approaches that bring these cultural priorities to life in their daily work.

We are always working to strengthen our culture and associate engagement. As a result of our programs' effectiveness, Alcon Inc. was recognized by Great Place to Work as a Best Place to Work in 2023. Across our footprint, we hold more than 20 Best Workplaces and Great Place to Work certifications. In Switzerland, we

Management's review

were named a Top Employer for 2024 and carry the Swiss LGBTI Label, which recognizes our commitment to equality.

For 2023 and the coming years, Alcon will continue to invest heavily in recruiting, training and retaining qualified individuals. We regularly assess quantitative performance metrics and qualitative associate feedback. We strive for continual improvement, regularly evaluating our internal practices, reviewing associate survey results and monitoring the market to identify potential changes that could impact our strategy.

Business Ethics

Alcon has been committed over its 75-year history to conducting business the right way and inspiring trust in stakeholders. We expect our associates (including full-time, part-time and contract workers), executives and Board of Directors to follow our Code of Business Conduct. We expect our third-party business partners to follow similar principles stated in our Third Party Code of Conduct.

The Audit and Risk Committee, under the oversight of the full Board of Directors, supervises Alcon's global Integrity and Compliance program. The committee meets quarterly to provide strategic direction and oversight on compliance-related issues. The Global Integrity and Compliance program is led by our Global Head, Integrity and Compliance, and aligns with the guidance of the U.S. Department of Health and Human Services Office of the Inspector General.

Alcon's framework for ethical governance covers behavioral expectations, associate training, monitoring, auditing, risk assessment, reporting and remedial action, which includes discipline when warranted. The program is designed to prevent, detect and mitigate compliance risks across Alcon. We have also established regional- and country-level compliance committees to help oversee compliance and ethics.

Our Code of Business Conduct, available in 18 languages, establishes our standards of conduct and the shared responsibility for Alcon to act with integrity in the workplace, the marketplace and society. The importance of following the code and speaking up is reiterated to associates in our mandatory annual training and certification process.

Reporting Concerns

Associates are encouraged to report concerns about perceived unethical or inappropriate behavior to their manager, HR, Legal or the Integrity and Compliance department. They can also report through the Alcon Ethics Helpline, which is hosted externally by EthicsPoint and monitored 24/7 with telephone support. The Ethics Helpline accepts anonymous reports where permitted under local law. All reports are reviewed and investigated promptly with oversight by the Integrity and Compliance department. If misconduct is found, we carry out appropriate corrective or disciplinary actions, up to and including termination of employment.

As stated in our Code of Business Conduct, we do not tolerate retaliation against anyone who reports a concern in good faith or participates in investigations.

Human Rights

Alcon believes that all people should be treated with dignity and respect and recognizes the importance of maintaining and promoting fundamental human rights. We strive to respect the rights of employees to associate freely and respect their right to choose collective bargaining.

We are committed to operating our business consistent with the highest standards of ethics and integrity. Alcon's Global Policy on Human Rights outlines our commitment to prohibiting child labor, modern slavery or human trafficking from our operations and supply chain, and to fostering a respectful work environment free from discrimination. Our suppliers are held to the same high standards and conduct human rights risk assessments as part of the vendor onboarding process. Our Third Party Code of Conduct also addresses expectations with regard to employment and human rights laws, including protection from child labor, modern slavery and human trafficking. If a supplier does not meet our minimum human rights requirements, we will not do business with them. Read more about our expectations in the Responsible Procurement and Supply Chain section.

Management's review

Alcon has implemented robust human resources policies and controls, such as an annual audit of our associate roster, to mitigate the risk of human rights violations within our operations. In 2023, we established a process to screen and monitor new suppliers for risks by collecting information to determine the need for further risk assessments on specific areas such as labor rights and health and safety. This process has deepened our supplier engagement and understanding of human rights risks within our supply chain.

For 2023 and the coming years, Alcon will continue to conduct biannual training for all managers and leaders. This training covers how inclusivity relates to and furthers our mission and improves business outcomes. We have also established leadership guidelines to encourage effective teamwork, voicing concerns and discussion on how to address inclusion issues professionally.

For 2023 and the coming years, Alcon proactively assesses ethics and compliance risks, including bribery and corruption risks, at each of our commercial operating locations. Through an annual assessment, we consider internal and external inputs, such as recent regulatory changes, enforcement actions, audit and monitoring findings, Ethics Helpline reports and market-level data. We use the results to select sites and topics for internal audit and monitoring activities for the upcoming year, inform the need for policy, training and other program updates and make legal and compliance staffing decisions.

For more information, please see our Responsible Business Practices, including our Supply Chain and Modern Slavery and Human Trafficking Statement, California Compliance Declaration and Conflict Minerals Report

Anti-corruption and bribery

Alcon's extensive international operations and sales distribution include countries that are perceived to have heightened levels of public sector corruption. Operating in such areas subjects us to increased scrutiny and has inherent risks.

Our Code of Business Conduct, Third Party Code of Conduct and Global Policy on Anti-Bribery prohibit bribery and corruption in any form and require compliance with all anti-corruption and anti-bribery laws, including the U.S. Foreign Corrupt Practices Act, the United Kingdom (U.K.) Bribery Act and other local laws. To mitigate bribery risks, Alcon conducts risk-based screening and due diligence before engaging third parties. Our third-party compliance processes also include mitigation requirements for identified risks and targeted, risk-based training, monitoring and auditing activities.

In addition to risk-based due diligence on third-party business partners, we conduct risk-based monitoring and auditing to assess the effectiveness of our Global Integrity and Compliance Program. Our Ethics and Compliance team continually works to refine our program to address any gaps identified and risks triggered by changes in Alcon business activities and/ or changes in external requirements. This team also provides progress reports and meets quarterly with Alcon's Audit and Compliance Committee.

These measures have proved effective at fostering awareness and an ethical culture at Alcon. In our 2023 Ethical Culture Survey, approximately 94% of associates reported that Alcon has clearly communicated our ethics expectations. Nearly 95% felt that our Code of Business Conduct training was clear and understandable.

Alcon's Code of Business Conduct, Third Party Code of Conduct and Global Policy on Fair Competition outline our expectations for fair business dealings consistent with applicable competition laws.

Data ethics

Our customers and all other persons who provide their personal information and data to us rely on us to protect and secure that data. We do this through a centralized, layered (defense-in-depth) cybersecurity framework and risk management program that aligns with industry cybersecurity frameworks, including the National Institute of Standards and Technology (NIST) and ISO 27001 standards.

In 2022, we consolidated Alcon's enterprise cybersecurity organization under one umbrella and added an automation team and capabilities to aid in the maturity of our Security Operations Center and cybersecurity capabilities. Our Chief Information Security Officer, reporting to the Chief Information and Transformation Officer, leads Alcon's IT Security and reports to the Audit and Risk Committee of the Board of Directors on cybersecurity risks twice a year.

Management's review

Our Global IT Security Incident Management Plan helps ensure appropriate business-level and customer communications and involvement across identified cybersecurity events. Twice a year, we conduct cross-functional security tabletop exercises with significant participation across multiple business domains that are facilitated with external experts. Key improvements implemented as a result of these tabletop exercises include:

- Establishing playbooks and third-party relationships to assist in the event of a ransomware or extortion attack
- Adding standing holding statements on cyber events for Alcon's Corporate Affairs public and social media inquiries
- Implementing threat detection capabilities to enhance security monitoring and threat hunting
- Harmonizing medical product and enterprise security incident response plans

We assess our IT security programs annually against industry standards and peers through a third-party cybersecurity assessment based on NIST's Cybersecurity Framework, measuring the maturity of our program on a Capability Maturity Model Integration scale. The results are communicated to the Audit and Risk Committee. We are pleased to report, with the disciplined plan and strong security organization, we were able to continuously reduce security vulnerabilities and increase our cybersecurity maturity in the past years. In addition, we have successfully secured our cybersecurity insurance.

We are committed to reducing cybersecurity risk in the increasingly connected enterprise and have set strategic roadmaps for the future year, including assessing more ways to use artificial intelligence, machine learning and automation to manage risks and protect Alcon customers and key critical assets.

The Alcon Global Privacy Office (GPO) is responsible for managing privacy compliance through a Global Privacy Compliance Program, including the oversight of privacy policies, procedures and training. The GPO, led by Alcon's Global Head of Privacy (Alcon's Data Protection Officer), regional privacy officers and local privacy contacts are part of the Legal and Compliance function and work closely across all functions, including IT security. Alcon implements its Privacy Compliance Program globally, regionally and across all countries while simultaneously addressing the requirements of different jurisdictions. The Global Privacy Program consists of 10 deliverables, the delivery of which is automated through privacy compliance software and includes outputs such as consent management, data inventory maintenance, privacy assessments, cross-border transfer requirements, and global privacy training and communications.

We regularly assess our Global Privacy Program deliverables against various internal and external metrics to continuously mature the program. The Audit and Risk Committee of the Board of Directors receives an annual update from our Global Head of Privacy on Alcon's Global Privacy Program.

Share of the underrepresented gender

In accordance with section 99b of the Danish financial statements Act Alcon A/S must account for the share of the underrepresented gender in the board of directors and other management.

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 2023 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.

In 2023 and going forward, when relevant and to the extent possible suited candidates of the underrepresented gender have been and will be proposed to management roles to achieve the target.

Management's review

Other management

At the end of 2023, the distribution was 86% men and 14% women among all the employees with people management responsibilities at upper management level. The upper management level consisted of two women and twelve men.

Policy for increase of the underrepresented gender in other 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 and has set a target to have 30% women at this level by the end of 2026.

When relevant, in 2023 and in the coming years, and to the extent possible suited candidates of the underrepresented gender are proposed to management roles to achieve the target.

Actions have already been taken in 2023 as the Company put a strong focus on establishing a solid succession planning and positioning talents of the underrepresented gender in favorable situations 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.

Gender distribution in management (summary)

Board of Directors	2023
Members	3
Underrepresented gender, %	0%
Target, %	33.3%
Fulfillment year	2025
Other Management	2023
Members	14
Underrepresented gender, %	14%
Target, %	30%
Fulfillment year	2026

Uncertainly 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 2023 of the Company and the results of the activities of the Company for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue	1	975,336	972,043
Other operating income		35,771	21,687
Expenses for raw materials and consumables		-714,686	-714,439
Other external expenses		-125,655	-129,266
Gross profit		170,766	150,025
Staff expenses	2	-131,715	-129,969
Depreciation and impairment losses of property, plant and equipment	3	-6,828	-3,032
Profit/loss before financial income and expenses		32,223	17,024
Financial income	4	29,051	11,671
Financial expenses		-29,373	-11,851
Profit/loss before tax		31,901	16,844
Tax on profit/loss for the year	5	-6,430	-4,973
Net profit/loss for the year	6	25,471	11,871

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Other fixtures and fittings, tools and equipment		9,343	9,332
Leasehold improvements		2,198	0
Property, plant and equipment	7	11,541	9,332
Other receivables	8	2,351	2,351
Fixed asset investments		2,351	2,351
Fixed assets		13,892	11,683
Finished goods and goods for resale		84,765	81,724
Inventories		84,765	81,724
Trade receivables		153,455	138,955
Other receivables		28,067	19,537
Deferred tax asset	9	7,454	4,095
Corporation tax		0	2,087
Prepayments	10	2,597	1,289
Receivables		191,573	165,963
Cash at bank and in hand		34,272	26,059
Current assets		310,610	273,746
Assets		324,502	285,429

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	11	501	501
Retained earnings		94,202	68,731
Equity		94,703	69,232
Trade payables		26,774	21,003
Payables to group enterprises		119,560	122,521
Corporation tax		4,228	0
Other payables	12	67,809	65,879
Deferred income	13	11,428	6,794
Short-term debt		229,799	216,197
Debt		229,799	216,197
Liabilities and equity		324,502	285,429
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
Fee to auditors appointed at the general meeting	16		
Subsequent events	17		
Accounting Policies	18		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	501	68,731	69,232
Net profit/loss for the year	0	25,471	25,471
Equity at 31 December	501	94,202	94,703

Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
1. Revenue		
Geographical segments		
Revenue, Denmark	200,784	191,393
Revenue, exports	774,552	780,650
	975,336	972,043
Business segments		
Surgical	460,875	471,583
Vision Care	514,461	500,460
	975,336	972,043
	2023	2022
	TDKK	TDKK
2. Staff Expenses		
Wages and salaries	106,025	106,596
Pensions	7,365	8,277
Other social security expenses	13,395	10,437
Other staff expenses	4,930	4,659
	131,715	129,969
<p>Remuneration to the Executive Board has not been disclosed for 2023 in accordance with section 98 B(3) of the Danish Financial Statements Act.</p> <p>Remuneration to the Executive Board in 2022 was TDKK 2.367.</p>		
Average number of employees	131	139
	2023	2022
	TDKK	TDKK
3. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	6,828	3,032
	6,828	3,032

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
4. Financial income		
Interest received from group enterprises	0	92
Other financial income	675	85
Exchange gains	28,376	11,494
	<u>29,051</u>	<u>11,671</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	9,117	2,950
Deferred tax for the year	-2,687	-713
Adjustment of tax concerning previous years	0	2,736
	<u>6,430</u>	<u>4,973</u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
6. Profit allocation		
Retained earnings	25,471	11,871
	<u>25,471</u>	<u>11,871</u>

Notes to the Financial Statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK
Cost at 1 January	39,310	1,621
Additions for the year	7,190	2,536
Disposals for the year	-1,218	0
Cost at 31 December	<u>45,282</u>	<u>4,157</u>
Impairment losses and depreciation at 1 January	29,980	1,621
Depreciation for the year	6,490	338
Reversal of impairment and depreciation of sold assets	-531	0
Impairment losses and depreciation at 31 December	<u>35,939</u>	<u>1,959</u>
Carrying amount at 31 December	<u>9,343</u>	<u>2,198</u>
Amortised over	<u>3-5 years</u>	<u>5 years</u>

8. Other fixed asset investments

	Other receivables
	TDKK
Cost at 1 January	<u>2,351</u>
Cost at 31 December	<u>2,351</u>
Carrying amount at 31 December	<u>2,351</u>

9. Deferred tax asset

	2023	2022
	TDKK	TDKK
Deferred tax asset at 1 January	4,095	3,382
Amounts recognised in the income statement for the year	<u>3,359</u>	<u>713</u>
Deferred tax asset at 31 December	<u>7,454</u>	<u>4,095</u>

10. Prepayments

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

Notes to the Financial Statements

11. Share capital

The share capital consists of 501 shares of a nominal value of TDKK 1000. No shares carry any special rights.

12. Other payables

Other debt

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
	67,809	65,879
	<u>67,809</u>	<u>65,879</u>

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. Other payables comprise VAT, payroll liabilities and other accruals.

13. Deferred income

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

14. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year

Between 1 and 5 years

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
	9,783	6,456
	21,150	4,916
	<u>30,933</u>	<u>11,372</u>

The development is due that company in 2022 no longer had any lease obligations for properties in Denmark. The company has signed a new leasing contract in 2023, which has caused the lease obligations to increase.

Notes to the Financial Statements

15. Related parties and disclosure of consolidated financial statements

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 Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

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

Name	Place of registered office
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

16. Fee to auditors appointed at the general meeting

PriceWaterhouseCoopers

	2023	2022
	TDKK	TDKK
Audit fee	610	540
Non-audit services	61	83
	<u>671</u>	<u>623</u>

17. Subsequent events

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

Notes to the Financial Statements

18. Accounting policies

The Annual Report of Alcon Nordic A/S for 2023 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 2023 are presented in TDKK.

Cash flow statement

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 , 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.

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.

Notes to the Financial Statements

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 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.

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
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

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.

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 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.

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 liabilities

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.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$