



Procter & Gamble Danmark ApS

Stensmosevej 15, st.
2620 Albertslund
CVR No. 20960531

**Annual report 01.07.2019 -
30.06.2020**

The Annual General Meeting adopted the
annual report on 25.11.2020

Jacob Hjortshøj

Chairman of the General Meeting

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Entity details

Entity

Procter & Gamble Danmark ApS

Stensmosevej 15, st.

2620 Albertslund

CVR No.: 20960531

Registered office: Albertslund

Financial year: 01.07.2019 - 30.06.2020

Board of Directors

Jacob Hjortshøj, chairman

Nicolai Fisker Kristiansen

Matthew John Tipple

Executive Board

Andrew Eric Mill

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Procter & Gamble Danmark ApS for the financial year 01.07.2019 - 30.06.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 25.11.2020

Executive Board

Andrew Eric Mill

Board of Directors

Jacob Hjortshøj
chairman

Nicolai Fisker Kristiansen

Matthew John Tipple

Independent auditor's report

To the shareholders of Procter & Gamble Danmark ApS

Opinion

We have audited the financial statements of Procter & Gamble Danmark ApS for the financial year 01.07.2019 - 30.06.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 25.11.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Flemming Larsen

State Authorised Public Accountant
Identification No (MNE) mne27790

Management commentary

Primary activities

The Company's activity consists of distributing Procter & Gamble products in Denmark. As consideration for this, the Company receives commission.

Development in activities and finances

The profit realised by the Company in the financial year amounts to DKK 10,911 thousand (2018/19 profit DKK 9,374) which Management considers satisfactory.

Outlook

Management expects a similar profit in the financial year 2020/21.

Events after the balance sheet date

The Procter & Gamble Group is exposed to the supply, demand, and other operational challenges associated with the novel coronavirus (COVID-19) outbreak, including increased volatility and uncertainty. The company's business could be negatively impacted by significant volatility in demand, as well as the inability to fully staff its operations and produce, sell, and distribute products in certain regions. The Company has endeavoured to follow recommended actions of government and health authorities to protect our employees with particular measures in place for those working in our plants and distribution facilities. We have also worked closely with local and national officials to keep our manufacturing facilities open due to the essential nature of our products. We intend to continue to work with government authorities and implement our employee safety measures to ensure that we are able to continue manufacturing and distributing our products during the pandemic. Procter & Gamble Denmark continues to monitor this risk and to work to manage its impact to the company's operations.

The directors have reviewed the above key risk and concluded that the company does not expect that it will have a significant impact on the company's ability to continue to operate under the current business model. The directors have considered the company's future trading, and available liquidity, taking into account possible changes in trading performance. At 30 June 2020 the company had cash of DKK 6,712 thousand, a receivable with the intragroup cash pool of DKK 45,036 thousand, net current assets of 40,114 and net assets of 41,751. In addition, the company generated a profit for the financial year. Because the pandemic has not materially impacted our operations or demand for our products, it has also not negatively impacted the Company's liquidity position. Thus, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Except from this no other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019/20

	Notes	2019/20 DKK'000	2018/19 DKK '000
Revenue	2	58,159	56,290
Other external expenses		(23,236)	(24,246)
Gross profit/loss		34,923	32,044
Staff costs	3	(19,946)	(19,256)
Depreciation, amortisation and impairment losses	4	(503)	(307)
Operating profit/loss		14,474	12,481
Other financial income		1	1
Other financial expenses	5	(417)	(389)
Profit/loss before tax		14,058	12,093
Tax on profit/loss for the year	6	(3,147)	(2,719)
Profit/loss for the year		10,911	9,374
Proposed distribution of profit and loss:			
Retained earnings		10,911	9,374
Proposed distribution of profit and loss		10,911	9,374

Balance sheet at 30.06.2020

Assets

	Notes	2019/20 DKK'000	2018/19 DKK'000
Other fixtures and fittings, tools and equipment		1,225	923
Leasehold improvements		312	71
Property, plant and equipment	7	1,537	994
Other receivables		144	145
Deferred tax		0	93
Other financial assets		144	238
Fixed assets		1,681	1,232
Trade receivables		47,492	32,894
Receivables from group enterprises		47,563	30,877
Other receivables		85	32
Prepayments		142	216
Receivables		95,282	64,019
Cash		6,712	9,475
Current assets		101,994	73,494
Assets		103,675	74,726

Equity and liabilities

	Notes	2019/20 DKK'000	2018/19 DKK'000
Contributed capital		20,000	20,000
Retained earnings		21,751	10,842
Equity		41,751	30,842
Deferred tax		44	0
Provisions		44	0
Bank loans		17	0
Trade payables		18,445	16,559
Payables to group enterprises		22,818	4,727
Income tax payable		2,135	1,676
Other payables		18,465	20,922
Current liabilities other than provisions		61,880	43,884
Liabilities other than provisions		61,880	43,884
Equity and liabilities		103,675	74,726
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	8		
Transactions with related parties	9		
Group relations	10		

Statement of changes in equity for 2019/20

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	20,000	10,840	30,840
Profit/loss for the year	0	10,911	10,911
Equity end of year	20,000	21,751	41,751

Notes

1 Uncertainty relating to recognition and measurement

The Procter & Gamble Group is exposed to the supply, demand, and other operational challenges associated with the novel coronavirus (COVID-19) outbreak, including increased volatility and uncertainty. The company's business could be negatively impacted by significant volatility in demand, as well as the inability to fully staff its operations and produce, sell, and distribute products in certain regions. The Company has endeavoured to follow recommended actions of government and health authorities to protect our employees with particular measures in place for those working in our plants and distribution facilities. We have also worked closely with local and national officials to keep our manufacturing facilities open due to the essential nature of our products. We intend to continue to work with government authorities and implement our employee safety measures to ensure that we are able to continue manufacturing and distributing our products during the pandemic. Procter & Gamble Denmark continues to monitor this risk and to work to manage its impact to the company's operations.

The directors have reviewed the above key risk and concluded that the company does not expect that it will have a significant impact on the company's ability to continue to operate under the current business model. The directors have considered the company's future trading, and available liquidity, taking into account possible changes in trading performance. At 30 June 2020 the company had cash of DKK 6,712 thousand, a receivable with the intragroup cash pool of DKK 47,583 thousand, net current assets of 40,114 and net assets of 41,751. In addition, the company generated a profit for the financial year. Because the pandemic has not materially impacted our operations or demand for our products, it has also not negatively impacted the Company's liquidity position. Thus, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

2 Revenue

Revenue consists of commission income comprised by commission on the sale of the Procter & Gamble Groups products to Danish customers carried out by Procter & Gamble Danmark ApS.

3 Staff costs

	2019/20	2018/19
	DKK'000	DKK'000
Wages and salaries	17,489	16,942
Pension costs	1,653	1,663
Other social security costs	546	453
Other staff costs	258	198
	19,946	19,256
Average number of full-time employees	22	22

Pursuant to clause 98 (3) no. 2 of the Danish Financial Statements Act, remuneration for the Supervisory and Executive Boards is not disclosed.

4 Depreciation, amortisation and impairment losses

	2019/20	2018/19
	DKK'000	DKK'000
Depreciation of property, plant and equipment	377	307
Profit/loss from sale of intangible assets and property, plant and equipment	126	0
	503	307

5 Other financial expenses

	2019/20	2018/19
	DKK'000	DKK'000
Financial expenses from group enterprises	272	329
Other interest expenses	145	60
	417	389

6 Tax on profit/loss for the year

	2019/20	2018/19
	DKK'000	DKK'000
Current tax	3,010	2,712
Change in deferred tax	137	5
Adjustment concerning previous years	0	2
	3,147	2,719

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	2,066	2,260
Additions	701	343
Disposals	(1,064)	(2,260)
Cost end of year	1,703	343
Depreciation and impairment losses beginning of year	(1,141)	(2,189)
Depreciation for the year	(275)	(102)
Reversal regarding disposals	938	2,260
Depreciation and impairment losses end of year	(478)	(31)
Carrying amount end of year	1,225	312

8 Unrecognised rental and lease commitments

	2019/20	2018/19
	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	3,390	4,808

9 Transactions with related parties

Only non-arm's length transactions with related parties are disclosed in the financial statements. All related party transactions carried out during the financial year have been made on an arm's length basis.

10 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
The Procter & Gamble Company, Cincinnati, Ohio, USA

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
The Procter & Gamble Company, Cincinnati, Ohio, USA

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue consists of commission income comprised by commission on the sale of the Procter & Gamble Groups products to Danish customers carried out by Procter & Gamble Danmark ApS.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, payables and transactions in foreign currencies, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-15 years
Leasehold improvements	7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.