

AMO DENMARK ApS

c/o Biofarma A/S
Naverland 22
2600 Glostrup

Annual report 2017

Central Business Registration No 26 54 36 73

Approved at the annual general meeting of shareholders on 29 May 2018

Thomas Roat Jørgensen Chairman of General Meeting

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Statement by the Management on the annual report

We have today presented the annual report of AMO DENMARK ApS for the financial year 1 January to 31 December 2017.

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 Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting 29 May 2018.

Executive Board:

Jean Claude Dubacher

Thomas Roat Jørgensen

Independent Auditor's Report

To the Shareholders of AMO Denmark APS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of AMO Denmark ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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' 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.

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.

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 judgment and maintain professional skepticism 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, 29 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

René Otto Poulsen
State Authorised Public Accountant
mne26718

Jan Boje Andreassen
State Authorised Public Accountant
mne2338

Company information***Company***

AMO DENMARK ApS
c/o Biofarma A/S
Naverland 22
2600 Glostrup

Telephone: 44 94 08 10
Fax: 80 88 45 62
CVR-no: 26 54 36 73
Established: 27 March 2002
Registered office: Albertslund
Financial year: 1 January - 31 December 2017
Bankers: Bank of America, and
Handelsbanken Copenhagen

Executive Board

Jean Claude Dubacher
Thomas Roat Jørgensen

Company auditors

PricewaterhouseCoopers Statsautoriseret
Revisionspartnerselskab
Strandvejen 44
2900 Hellerup, Denmark

Management commentary***Primary activities***

The company is a commission agent for group companies selling contact lens fluids and eye care products. As part of the agreement the Danish company takes care of invoicing, etc., for the foreign group companies. Settlement of debtors' payments to the group companies takes place on an on-going basis. No risk on debtors is incumbent on the company. The company receives commission on its sales from AMO Ireland, an affiliated company and its expenses are reimbursed by AMO Ireland.

Developments in activities and finances

Sale of contact lens fluid and eye care products has proceeded in accordance with the approved budget.

Profit of the year amounts to DKK 1,029,267 and is considered satisfactory. Profit of the year profit will be kept as retained earnings and at 31 December 2017 equity amounts to DKK 9,554,855

The expectation to next year's profit is in line with 2017.

Events after the balance sheet date

No post balance sheet events have occurred that would have a significant influence on the evaluation of the annual accounts.

Accounting policies

The annual report of AMO DENMARK ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

The annual report is presented in DKK.

Recognition and measurement

Income is recognized in the income statement as earned. Equally, all costs are recognised in the income statement, including depreciation and impairment.

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

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that materially affect conditions at the balance sheet date are taken into account.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose is recognized in the income statement as interest income or expense and similar items.

Income statement***Revenue - Sales commission***

Revenue comprises commission by sale of contact lens fluids and eye care products.

Income from the rendering of service (group support functions) is recognised as revenue as the services are rendered.

Revenue - Reimbursement of expenses

AMO Denmark's expenses are reimbursed in full by AMO Ireland, an affiliated company.

Distribution costs

Distribution costs comprise distribution costs, selling costs, advertising costs, payroll etc.

Administration costs

Administration costs comprise costs for administration and management fee.

Financial income and expense

Interest income and expense and similar items comprise interest income and expense and realized and unrealized exchange gains and losses on receivables and payables denominated in foreign currencies.

Tax on the profit for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

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

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:

Tools and equipment	3 years
Fixtures and fittings	5 years

Receivables

Receivables are measured at amortized cost. Provision is made for anticipated losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income in prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.
Changes in deferred tax due to changes in the tax rate are recognized in the income statement.

Cash

Cash and cash equivalents comprise cash which are subject to an insignificant risk of changes in value.

Liabilities other than provisions

Other payables are measured at amortized cost, equaling nominal value.

Income statement for financial year 2017

DKK	Note	2017	2016
Revenue		5,825,593	5,449,457
<i>Distributions costs</i>		-3,864,021	-2,969,489
<i>Administrative expenses</i>		-814,400	-1,177,671
Profit from primary activities		1,147,172	1,302,297
<i>Other financial income</i>	1	289,091	181,471
<i>Other Financial expenses</i>	2	-142,387	-162,986
Profit before tax		1,293,876	1,320,782
<i>Tax on profit for the year</i>	3	-264,609	-314,582
Profit for the year		1,029,267	1,006,200
Proposed distribution of profit			
<i>Retained earnings</i>		1,029,267	1,006,200
		1,029,267	1,006,200

Balance sheet at 31 December 2017

DKK	Note	2017	2016
<i>Other fixtures and fittings, tools and equipment</i>	4	1,155,712	440,324
<i>Property, plant and equipment</i>		<u>1,155,712</u>	<u>440,324</u>
<i>Deferred tax</i>		49,686	60,261
<i>Financial assets</i>		<u>49,686</u>	<u>60,261</u>
<i>Fixed assets</i>		<u>1,205,398</u>	<u>500,585</u>
<i>Receivables from group enterprises</i>		12,184,252	7,250,045
<i>Other debtors</i>		-	-
<i>Receivables</i>		<u>12,184,252</u>	<u>7,250,045</u>
<i>Cash</i>		<u>764,405</u>	<u>2,041,971</u>
<i>Current assets</i>		<u>12,948,657</u>	<u>9,265,016</u>
<i>ASSETS</i>		<u>14,154,055</u>	<u>9,765,601</u>

Balance sheet at 31 December 2017

DKK	Note	2017	2016
<i>Share capital</i>		500,000	500,000
<i>Retained earnings</i>		9,054,855	8,025,588
<i>Equity</i>		<u>9,554,855</u>	<u>8,525,588</u>
 <i>Amount owed to group enterprises</i>		3,461,753	262,361
<i>Accounts payable</i>		69,458	-
<i>Income tax</i>		274,054	304,952
<i>Other payables</i>	5	793,935	672,700
<i>Short-term liabilities other than provisions</i>		<u>4,599,200</u>	<u>1,240,031</u>
 <i>Liabilities other than provisions</i>		<u>4,599,200</u>	<u>1,240,013</u>
 EQUITY AND LIABILITIES		<u>14,154,055</u>	<u>9,765,601</u>
 <i>Contingent liabilities etc.</i>	6		
<i>Related parties</i>	7		

Statement of Changes in Equity for financial year 2017

DKK	Share Capital	Retained Earnings	Total
<i>Equity at 1 January 2017</i>	500,000	8,025,588	8,525,588
<i>Transfer through appropriation of profit</i>	-	1,029,267	1,029,267
<i>Equity at 31 December 2017</i>	500,000	9,054,855	9,554,855

Statement of Changes in Equity for financial year 2016

DKK	Share Capital	Retained Earnings	Total
<i>Equity at 1 January 2017</i>	500,000	7,019,388	7,519,388
<i>Transfer through appropriation of profit</i>	-	1,006,200	1,006,200
<i>Equity at 31 December 2017</i>	500,000	8,025,588	8,525,588

Notes to the Financial Statement

Staff costs

From 1st January 2012 no employees are hired directly by AMO Denmark ApS.

1 Other Financial income	1/1-31/12 2017	1/1-31/12 2016
<i>Financial income from group enterprises</i>	233,249	152,760
<i>Exchange gains</i>	55,842	28,711
	289,091	181,471
2 Other Financial expenses	1/1-31/12 2017	1/1-31/12 2016
<i>Financial costs from group enterprises</i>	87,769	118,741
<i>Interest expenses</i>	54,618	44,245
	142,387	162,986
3 Tax of the profit for the year		
DKK	1/1-31/12 2017	1/1-31/12 2016
<i>Income tax</i>	274,054	304,952
<i>Adjustment of deferred tax asset</i>	10,575	9,462
<i>Adjustment regarding previous year</i>	-20,020	168
	264,609	314,582

4 Property, plant and equipment

	Andre anlæg, driftsmateriel og inventar <i>Tools and equipment</i>	1/1-31/12 2017	1/1-31/12 2016
<i>Cost at the beginning</i>	1,853,178	1,452,945	
<i>Additions for the year</i>	1,127,841	400,233	
<i>Disposals for the year</i>	-	-	
<i>Cost at the end</i>	2,981,019	1,853,178	
 <i>Impairment losses and depreciation at the beginning</i>	1,412,854	1,217,784	
<i>Depreciation for the year</i>	412,453	195,070	
<i>Reversal of depreciation and impairment losses of sold assets</i>	-	-	
<i>Depreciations and impairment losses at the end</i>	1,825,307	1,412,854	
 <i>Carried amount at the end</i>	1,155,712	440,324	

Annual Depreciation Cost is recognized through Distribution Costs in the Income Statement

Capital and reserves

The share capital is distributed on shares of DKK 1.

The share capital is unchanged in the past 5 years.

5 Other payables

DKK	31/12 2017	31/12 2016
VAT payable	441,583	337,971
Other Payable costs	352,352	334,729
	793,935	672,700

6 Contingent liabilities etc.

The Company was part of a Danish joint taxation with Abbott Laboratories A/S as the administration Company for the period 01.01.2017 – 27.02.2017. The Company is part of a Danish joint taxation with Janssen-Cilag AS for the period 28.02.2017 – 31.12.2017. Consequently, referring to the Danish Corporation Tax Act regulations, the Company is, with effect from the financial year 2013, liable for any income taxes etc. for the jointly taxed companies and with effect from 1 July 2012, the Company is liable for any obligations to withhold tax at source on interests, royalties and returns for the jointly taxed companies.

7 Related Parties

AMO DENMARK ApS related parties comprise:

Control

AMO DENMARK ApS is a wholly owned subsidiary of:

AMO International Holdings, Block B, Liffey Valley Office Campus, Quarryvale, Co Dublin, Ireland

Other related parties the Company had transactions with:

AMO Ireland, affiliated company

Abbott Medical Optics Norden AB, affiliated company

Abbott Laboratories A/S (Denmark)

Related party transactions

The Company's administrative functions are by signed contract handled by affiliated Abbott Medical Optics Norden AB.

The Company has a Commissionaire agreement with AMO Ireland.

The Company's commissionaire revenue originates from this agreement.

Johnson & Johnson Vision Care Limited bills AMO Denmark for work that Johnson & Johnson employees do for AMO Denmark.

8 Subsequent Events

No post balance sheet events have occurred that would have a significant influence on the evaluation of the Annual Accounts.

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"By my signature I confirm all dates and content in this document."

Thomas Roat Jørgensen

Direktør

On behalf of: AMO Denmark ApS

Serial number: PID:9208-2002-2-683953736581

IP: 148.177.168.117

2018-05-29 11:22:09Z

NEM ID 

Jean-Claude Dubacher

Adm. direktør

On behalf of: AMO Denmark ApS

Serial number: jdubache@its.jnj.com

IP: 148.177.129.213

2018-05-29 13:16:27Z



Jan Boje Andreassen

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret

Revisionspartnerselskab

Serial number: CVR:33771231-RID:61973527

IP: 83.136.94.4

2018-05-29 13:19:36Z

NEM ID 

René Otto Poulsen

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret

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