

# **AMO DENMARK ApS**

c/o Biofarma A/S  
Naverland 22  
2600 Glostrup

*Annual report 2020*

*Central Business Registration No 26 54 36 73*

*Approved at the annual general meeting of shareholders on 05 May 2021*

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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 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 Company's financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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 05 May 2021.

Executive Board:

Walter Petrus Jacobus Arnoldina van de Ven

Thomas Roat Jørgensen

## ***Independent Auditor's Report***

### **To the Shareholder 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 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 2020, 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, 05 May 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Boje Andreassen

State Authorised Public Accountant

mne2338

Lone Vindbjerg Larsen

State Authorised Public Accountant

mne34548

***Company information***

***Company***

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

CVR-no: 26 54 36 73

Established: 27 March 2002

Registered office: Albertslund

Financial year: 1 January - 31 December 2020

Bankers: Bank of America, and  
Handelsbanken Copenhagen

***Executive Board***

Walter Petrus Jacobus Arnoldina van de Ven  
Thomas Roat Jørgensen

***Company auditors***

PricewaterhouseCoopers Statsautoriseret  
Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup,  
Denmark

***Management commentary******Primary activities***

On the 1st January 2020 AMO Denmark ApS changed from a Commissionaire Model to Limited Risk Distributor “LRD” operating model.

The Company operates in the field of ophthalmic surgery and the market for contact lenses and related maintenance products. The Company operates as Limited Risk Distributor for AMO Ireland. The risk borne by AMO Denmark ApS is limited as the contract with AMO Ireland stipulates a minimum operating profit margin in favor of AMO Denmark ApS.

***Developments in activities and finances***

Sales to Customers fell by 9% in 2020 compared to 2019 which was primarily driven by the impacts of COVID-19 on the market. Sales in the markets in which the Company operates has proceeded in line with expectations in 2021 with Q1 2021 Customer Sales at 95% of Q1 2019 Sales.

Profit of the year amounts to DKK 864,068 and is considered satisfactory. Profit of the year profit will be kept as retained earnings and at 31 December 2020 equity amounts to DKK 11,919,782.

***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 2020 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.

The financial statements have been prepared based on the same accounting policies as last year.

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***

Revenue comprises sales to Customers of Consumer Eye Health (CEH) products mainly for contact lens maintenance; Refractive Surgery which manages vision defects and corrects them with the aid of diagnostic tools and specific lasers and Cataract Surgery which is aimed at patients suffering from Cataracts. Income from sales to Customers is recognized in the Income Statement as earned.

***Cost of Sales***

Cost of Sales are recognized in the Income Statement at the same time as the corresponding Customer Sale is recognized in the Income Statement.

Periodically an adjustment is reflected in Cost of Sales to reflect the minimum operating profit margin stipulated in the Limited Risk Distribution Agreement.

***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 recognized 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 2020***

DKK	Note	2020	2019
<b>Revenue</b>		20,314,982	6,612,646
<i>Cost of Sales</i>		-14,152,246	-
<i>Distributions costs</i>		-3,757,055	-4,995,734
<i>Administrative expenses</i>		-1,282,812	-890,922
<b>Profit from primary activities</b>		<b>1,122,869</b>	<b>725,990</b>
<i>Other financial income</i>	1	128,333	402,958
<i>Other Financial expenses</i>	2	-142,288	-165,597
<b>Profit before tax</b>		<b>1,108,914</b>	<b>963,351</b>
<i>Tax on profit for the year</i>	3	-244,846	-211,940
<b>Profit for the year</b>		<b>864,068</b>	<b>751,411</b>
<b>Proposed distribution of profit</b>			
<i>Retained earnings</i>		864,068	751,411
		<b>864,068</b>	<b>751,411</b>

## ***Balance sheet at 31 December 2020***

DKK	Note	2020	2019
<i>Other fixtures and fittings, tools and equipment</i>	4	1,216,242	1,293,157
<b><i>Property, plant and equipment</i></b>		<b><u>1,216,242</u></b>	<b><u>1,293,157</u></b>
 <b><i>Fixed assets</i></b>		<b><u>1,216,242</u></b>	<b><u>1,293,157</u></b>
 <i>Trade Receivables</i>		3,678,255	-
<i>Receivables from group enterprises</i>		18,455,769	19,604,172
<i>Deferred tax</i>		46,447	56,866
<b><i>Receivables</i></b>		<b><u>22,180,471</u></b>	<b><u>19,661,038</u></b>
 <b><i>Cash</i></b>		<b><u>492,688</u></b>	<b><u>117,917</u></b>
 <b><i>Current assets</i></b>		<b><u>22,673,159</u></b>	<b><u>19,778,955</u></b>
 <b><i>ASSETS</i></b>		<b><u>23,889,401</u></b>	<b><u>21,072,112</u></b>

## ***Balance sheet at 31 December 2020***

DKK	Note	2020	2019
<i>Share capital</i>		500,000	500,000
<i>Retained earnings</i>		11,419,782	10,555,714
<b><i>Equity</i></b>	<b>5</b>	<b>11,919,782</b>	<b>11,055,714</b>
 <i>Amount owed to group enterprises</i>		 10,544,610	 9,076,109
<i>Accounts payable</i>		95,953	30,990
<i>Income tax</i>		233,542	209,850
<i>Other payables</i>	6	1,095,514	699,449
<b><i>Short-term liabilities other than provisions</i></b>		<b>11,969,619</b>	<b>10,016,398</b>
 <b><i>Liabilities other than provisions</i></b>		<b>11,969,619</b>	<b>10,016,398</b>
 <b>EQUITY AND LIABILITIES</b>		<b>23,889,401</b>	<b>21,072,112</b>
 <i>Contingent liabilities etc.</i>	7		
<i>Related parties</i>	8		

### ***Statement of Changes in Equity for financial year 2020***

DKK	Share Capital	Retained Earnings	Total
<b><i>Equity at 1 January 2020</i></b>	500,000	<b>10,555,714</b>	11,055,714
<i>Transfer through appropriation of profit</i>	-	864,068	864,068
<b><i>Equity at 31 December 2020</i></b>	<b>500,000</b>	<b>11,419,782</b>	<b>11,919,782</b>

### ***Statement of Changes in Equity for financial year 2019***

DKK	Share Capital	Retained Earnings	Total
<b><i>Equity at 1 January 2019</i></b>	500,000	9,804,303	10,304,303
<i>Transfer through appropriation of profit</i>	-	751,411	751,411
<b><i>Equity at 31 December 2019</i></b>	<b>500,000</b>	<b>10,555,714</b>	<b>11,055,714</b>

## Notes to the Financial Statement

### Staff costs

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

	1/1-31/12 2020	1/1-31/12 2019
<b>1 Other Financial income</b>		
<i>Financial income from group enterprises</i>	113,313	362,085
<i>Interest Income</i>	3,727	-
<i>Exchange gains</i>	11,294	40,873
	<b>128,333</b>	<b>402,958</b>
<b>2 Other Financial expenses</b>		
<i>Financial costs from group enterprises</i>	66,527	76,444
<i>Exchange Losses</i>	27,770	50,284
<i>Interest expenses</i>	47,991	38,869
	<b>142,288</b>	<b>165,597</b>
<b>3 Tax of the profit for the year</b>		
DKK	1/1-31/12 2020	1/1-31/12 2019
<i>Income tax</i>	233,542	209,850
<i>Adjustment of deferred tax asset</i>	10,419	2,088
<i>Adjustment regarding previous year</i>	885	2
	<b>244,846</b>	<b>211,940</b>

**4 Property, plant and equipment**

	1/1-31/12 2020	1/1-31/12 2019
<i>Cost at the beginning</i>	4,147,017	3,514,273
<i>Additions for the year</i>	351,511	632,744
<i>Disposals for the year</i>	-433,621	-
<b><i>Cost at the end</i></b>	<b>4,064,907</b>	<b>4,147,017</b>
 <i>Impairment losses and depreciation at the beginning</i>	 2,853,860	 2,346,135
<i>Depreciation for the year</i>	428,426	507,725
<i>Reversal of depreciation and impairment losses of sold assets</i>	-433,621	-
<b><i>Depreciations and impairment losses at the end</i></b>	<b>2,848,665</b>	<b>2,853,860</b>
 <b><i>Carried amount at the end</i></b>	<b>1,216,242</b>	<b>1,293,157</b>

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

**5 Capital and reserves**

The share capital is distributed on shares of DKK 1.

The share capital is unchanged in the past 5 years.

## 6 Other payables

DKK	31/12 2020	31/12 2019
VAT payable	176,986	389,373
Other Payable costs	918,528	310,076
	<b>1,095,514</b>	<b>699,449</b>

## 7 Contingent liabilities etc.

The Company is part of a Danish joint taxation with Janssen-Cilag A/S for 2020. 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.

## 8 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  
Johnson & Johnson, New Jersey, USA, ultimate parent company.

### Consolidated Financial Statements:

The Company is included in the group annual report of Johnson & Johnson, New Jersey, US.  
The group Annual Report of Johnson & Johnson, New Jersey, US may be obtained at the following address: <https://www.jnj.com/about-jnj/annual-reports>

### Other related parties the Company had transactions with:

AMO Ireland, affiliated company

JJSV Norden AB, affiliated company

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

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

## Walter Petrus Jacobus Arnoldina van de Ven

Adm. direktør

On behalf of: AMO Denmark ApS

Serial number: wvandev1@its.jnj.com

IP: 77.248.xxx.xxx

2021-05-05 07:47:52Z

## Jan Boje Andreassen

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret...

Serial number: CVR:33771231-RID:61973527

IP: 83.136.xxx.xxx

2021-05-05 08:37:38Z

## Thomas Roat

Dirigent

On behalf of: AMO Denmark ApS

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

IP: 95.166.xxx.xxx

2021-05-05 13:06:00Z

## Thomas Roat

Direktør

On behalf of: AMO Denmark ApS

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

IP: 217.63.xxx.xxx

2021-05-05 08:06:55Z

NEM ID

## Lone Vindbjerg Larsen

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret...

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