

GlaxoSmithKline Pharma A/S
Delta Park 37
DK-2665 Vallensbæk Strand
CVR 27 39 40 19

GlaxoSmithKline Pharma A/S

Annual Report 2023

The annual report was presented and adopted at the
Company's annual general meeting
on 20 June 2024



chairman

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Statement by the Board of Directors and the Executive Board

The Executive Board and Board of Directors have today considered and adopted the Annual Report of GlaxoSmithKline Pharma A/S for the financial year 1 January - 31 December 2023.

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 financial position at 31 December 2023 and of the Company and of the results of the Company operations for the financial year 1 January - 31 December 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed. We recommend that the Annual Report be adopted at the Annual General Meeting.

Vallensbæk, 20 June 2024

Executive Board

Dominika M Wiktor-Brown

Board of Directors

Patrick Gerard Connor
Chairman

Hemal Depan Malde

Helle Ann Hellberg

Dominika M Wiktor-Brown

Independent Auditor's Report

To the shareholders of GlaxoSmithKline Pharma A/S

Opinion

We have audited the financial statements of GlaxoSmithKline Pharma A/S for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 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.

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.

Independent Auditor's Report (continued)

- 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 20 June 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556



Flemming Larsen
State Authorised Public Accountant
Identification No (MNE) mne27790

Company Information

The Company

GlaxoSmithKline Pharma A/S
Delta Park 37
DK-2665 Vallensbæk Strand
Telephone: +45 36 35 91 00
Website: www.glaxosmithkline.dk
CVR No: 27 39 40 19
Municipality of reg. office: Vallensbæk

Board of Directors

Patrick Gerard Connor, Chairman
Hernal Depan Malde
Helle Ann Hellberg
Dominika M Wiktor-Brown

Executive Board

Dominika M Wiktor-Brown

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 København S

Consolidated Financial Statements

The Company is included in the Group Annual Report of GSK plc, Brentford, Middlesex, England.

Financial Highlights

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

	2023	2022	2021	2020	2019
DKKm					
Profit/loss					
Revenue	474	440	446	442	417
Profit/loss before financial income and expenses	16	14	14	15	15
Net financials	0	0	0	0	0
Net profit for the year	12	11	9	12	11
Balance sheet					
Balance sheet total	117	116	137	160	174
Investments in property, plant and equipment	0	0	3	0	0
Equity	38	37	35	38	36
Number of employees	72	68	66	62	68
Ratios %					
Gross margin	25.2%	28.7%	20.1%	27.2%	27.4%
Profit margin	3.3%	3.3%	3.2%	3.3%	3.6%
Return on assets	13.4%	12.4%	10.4%	9.1%	8.6%
Solvency ratio	32.3%	31.9%	25.3%	23.6%	20.5%
Return on equity	32.1%	30.9%	24.8%	33.5%	30.0%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Main activity

The main activity of the company is the sale and marketing of pharmaceuticals for the Danish and Icelandic Market. The pharmaceuticals are purchased from group enterprises.

Development during the year

The past year development

GSK Denmark ended the 2023 financial year with an increase in revenues in comparison to FY2022 which represented underlying growth of 5%.

2023 saw continued strong performance across our HIV business unit with our market leading share maintained through the year and an acceleration in performance of our innovative 2 drug regimen (2DR) treatment at the expense of our older 3DR portfolio. From a CEP (classic and established portfolio) perspective, declines in our older established portfolio of medicines continued but at a slower rate compared to prior years however this portfolio was also impacted by supply constraints.

The key growth drivers in 2023 included products within the Respiratory portfolio (inhaled and biologics). Here, market shares remained stable with some small growth despite the launches of new competitors. The biologic compound Nucala achieved reimbursement of three new indications during late 2022 which delivered 20% growth in 2023.

GSK Denmark has continued to invest in the vaccines portfolio specifically to drive the uptake of Shingrix (to protect against Shingles) and the launch of an innovative new Vaccines to protect against RSV. Building a strong and sustainable vaccines business in Denmark remains a key priority for the organisation and therefore investments to support this business unit have been prioritised. Additionally, the travel vaccination market saw a strong recovery in 2023 as traveller numbers continued to rebound.

The Company has not been impacted by the continued war in Ukraine nor the events in Israel/Palestine.

2023 was the first full year after the demerger and separation of GSK's old Consumer Healthcare business, Haleon.

Capital resources

A dividend of DKK 12.0Mn has been proposed in the 2023 annual report.

Special risk factors - operating risks and financial risks

Financial risks

The Company obtains funding for its operations and investments within the group. The financial risk is therefore considered immaterial.

Foreign exchange risks

Most sales and purchases made by the company are in Danish Krone, therefore, the exchange rate exposure is kept to a minimum. It is the Company's policy not to speculate actively in or hedge foreign exchange risks.

Credit risks

It is expected that the Company's procedure for assessing trading partners will lead to a minimal risk of losses. The Company's loans have been contracted with group companies, and the counter-party risk is considered low.

Management's Review (continued)

Strategy and objectives

Expected development

The company continues to operate 5 business units (General Medicines, Vaccines, Oncology, Speciality, HIV) however during 2023 Oncology and Speciality were managed via one combined Business Unit Head.

For 2024 the company expects to focus on the same 5 business units but will make a change to split the management of Oncology and Speciality to ensure sufficient focus on each. A high level of activities focused on the interface with healthcare professionals are planned which will drive continued strong demand for the products of the company.

The company will continue focus on innovation in 2024 by investing behind the HIV portfolio including the new long-acting injectable, Oncology (1 extension and 1 launch) and pursuing a reimbursement strategy for the innovative Arexvy Vaccine (protection against RSV disease for older adults).

An important factor impacting our financial results is the level of parallel import. Being a member of the EU, Denmark is impacted by the trading of products within the European pharmaceutical market from one-member state to another. It impacts price levels and the sales registered to GSK Denmark. We continue to see increased impact of parallel trade for some of our key brands and expect this to also have an impact on financial performance. The impact of generic (Gx) penetration on GSK sales has stabilised as an increasing proportion of sales are innovative medicines which do not yet have Gx competition.

The Company continues to have a very strong pipeline and in the coming years, new medicines and vaccines for the treatment and prevention of both new and existing disease areas will be available for the benefit of patients in Denmark.

Targets and expectations for the year ahead

For 2024 we expect to see a moderate increase in revenue and operating profit versus 2023. This increase will be driven by our new launches from prior years plus expected new launches (and line extensions) in 2024. Parallel imports will continue to impact the business however the generic impacts should be less significant than in previous years.

Our innovation portfolio of products will represent a significant portion of sales in 2024 which reflects continued growth performance across Ellipta portfolio, uptake of our new HIV and Oncology medicines and the successful reimbursement of Arexvy and uptake of Shingrix.

Basis of earnings

Supply Chain

The company does not have its own production and purchases all products in packs intended for the Danish market. As a result of the general rules of returning goods the company receives a small amount of returned packs. These returned packs are sent for destruction at Nomeco in accordance with accepted industry standards; the same process applies to surplus medicine from clinical trials at hospitals and with general practitioners.

Danish Financial Statement act §99a and §99b

The disclosure below covers all requirements stated in Danish Financial Statement act §99a and §99b for 2022.

Environment Issues, Health and Safety

The Company, in line with GSK corporate policy, is committed to sustainable practices for the environment and continuously reviews its operating procedures to ensure that it is minimising all risks of environmental pollution. The Company takes steps to limit the environment impact from its products and operations by eliminating waste and ensuring that products are disposed of in an environmentally friendly way. Packaging for new products is carefully considered to ensure that the options selected are environmentally sustainable. The Company takes health and safety seriously and takes initiatives to ensure that there is minimal exposure to risk by employees in their place of work.

Social responsibility and diversity

The company is covered by the obligation of information with regards to social responsibility. Please refer to the Group's reports concerning social responsibility: "ESG Performance Report 2023" on <https://www.gsk.com/media/11009/esg-performance-report-2023.pdf> and "annual report 2023" on <https://www.gsk.com/media/11007/annual-report-2023.pdf>.

The company management is committed to our Modern Employer Agenda: in which, we aim to create a working environment where all employees feel included, respected and valued for the unique qualities they bring and are empowered to contribute and realise their full potential. We are also dedicated to providing equal opportunities and career development to every employee irrespective of gender, race and background. It is a focus area to make sure the management and board are put together by individuals with the right competencies and an appropriate number of the under-represented sex.

Management's Review (continued)

In 2023 there were a number of changes to the Board which now consists of 2 male and 2 female members. With five women and four men in the management team, the company has a balanced and diverse leadership team. Please refer to Group's report "Inclusion and diversity at GSK", here <https://www.gsk.com/en-gb/responsibility/diversity-equity-and-inclusion/>

With future appointments the Company will continue to take diversity into account and make serious efforts to comply with the equal gender targets set by the European Commission.

Uncertainty relating to recognition and measurement

Recognition and measurement in the annual report have not been subject to any uncertainty.

Subsequent events

The financial position as at 31 December 2023 of the company and the results of the activities of the Company for the financial year 2023 have not been affected by any subsequent events.

External Risks to business operations

Four years on from the coronavirus outbreak, the company expects no further impact on business operations. Up to the date of this Report, the outbreak has not had an impact on the trading results of the Group. However, we continue to monitor for new strains of the virus and outbreaks, including the potential impacts on trading results, our supply continuity and our employees.

The business regularly reviews and updates both crises management and business continuity plans which ensure preparedness in the event of many different scenarios with a recent focus on Cyber related attacks.

Given the Groups' strong performance in 2023, strong liquidity position, and the positive results of the Company, there is currently no material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Data ethics

Currently, GSK has among others, the following policies, procedures and programs in place that touch upon and will inform the formation of the company's future data ethics principles:

- Global Code of Conduct
- Global Privacy Policy
- Global Privacy Notice and Consent SOP

The Global Privacy Office will take the lead to develop GSK's data ethics principles as well as the necessary guidance and governance around these. Policies and SOPs are approved through the Global Privacy Governance Board.

The Global Privacy Policy sets out the company's privacy principles and its commitment to the highest standards of integrity in dealing with and protecting Personal Information (PI). The policy covers any business activities involved with the collection, use, storage, sharing and deletion of PI.

There is a separate Global Privacy Notice and Consent SOP which establishes the process for when and how to provide notice to individuals whose PI is processed by or for GSK as well as the process to obtain and track consent for processing PI where required by law.

GSK has built its privacy policy on nine Principles applicable globally some of which are set out below and included in the Code of Conduct:

- Only collecting the minimum information necessary for its business goals
- Telling people exactly what is being done with their information
- How long PI will be kept for
- Why PI is being collected
- Destroying PI when it's no longer needed

All employees are required to complete the GSK values and expectations learning programme which connects to the GSK Values by exploring the GSK Code of Conduct and company policy expectations. Reading the GSK Code of Conduct is highly encouraged as part of this learning programme. This learning programme reiterates that integrity starts with individual responsibility and that if something doesn't feel right, employees should aim to speak up.

The Code of Conduct also sets out expectations around managing records properly and handling personal information with care which includes safeguarding personal information, keeping records up to date and gathering market/competitor data in the right way.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Revenue		474,477	440,283
Other operating income		37,569	34,977
Costs of raw materials and consumables		-333,487	-291,241
Other external expenses		-58,778	-57,858
Gross profit		<u>119,781</u>	<u>126,161</u>
Staff costs	2	-103,673	-103,410
Depreciation and amortisation of property, plant, equipment and intangible assets		-364	-1,851
Other operating expenses		0	-6,569
Profit/loss before financial income and expenses		<u>15,744</u>	<u>14,331</u>
Financial income	3	251	44
Financial expenses	4	-532	-34
Profit/loss before tax		<u>15,463</u>	<u>14,341</u>
Tax on profit/loss for the year	5	-3,460	-3,273
Profit/loss for the year	6	<u>12,003</u>	<u>11,068</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2023</u> TDKK	<u>2022</u> TDKK
Other fixtures and fittings, tools and equipment		<u>2,385</u>	<u>2,749</u>
Property, plant and equipment	7	<u>2,385</u>	<u>2,749</u>
Fixed assets		<u>2,385</u>	<u>2,749</u>
Trade receivables		66,419	52,119
Receivables from group entities		42,202	56,886
Corporation tax		443	0
Deferred tax assets	8	244	0
Other receivables		1,156	1
Prepayments	9	<u>4,475</u>	<u>4,048</u>
Receivables		<u>114,939</u>	<u>113,054</u>
Currents assets		<u>114,939</u>	<u>113,054</u>
Assets		<u>117,324</u>	<u>115,803</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2023 TDKK	2022 TDKK
Share capital		10,000	10,000
Retained earnings		15,889	15,886
Proposed dividend for the year		<u>12,000</u>	<u>11,060</u>
Equity	10,6	<u>37,889</u>	<u>36,946</u>
Deferred tax	8	<u>0</u>	<u>210</u>
Provisions		<u>0</u>	<u>210</u>
Trade payables		14,616	12,650
Payables to group entities		18,224	22,359
Corporation tax		0	8
Other payables		<u>46,595</u>	<u>43,630</u>
Short-term debt		<u>79,435</u>	<u>78,647</u>
Debt		<u>79,435</u>	<u>78,647</u>
Liabilities and equity		<u>117,324</u>	<u>115,803</u>
Contingent liabilities and other financial obligations	11		
Related parties and ownership	12		

Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Proposed dividend for the year</u> TDKK	<u>Total</u> TDKK
Equity at 1 January 2023	10,000	15,886	11,060	36,946
Distributed Dividend	0	0	-11,060	-11,060
Net profit/loss for the year	0	3	12,000	12,003
Equity at 31 December 2023	<u>10,000</u>	<u>15,889</u>	<u>12,000</u>	<u>37,889</u>

Notes

1 Accounting policies

Basis of Preparation

The Annual Report of GlaxoSmithKline Pharma A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Annual Report for 2023 is presented in TDKK.

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 costs 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. Gains and losses 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 transaction date rates 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

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Revenue from the sale of goods is recognised in the income statement when delivery and transfer of risk has been made before year-end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Notes (continued)

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

Depreciation based on the 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 5-10 years

There is no depreciation on land.

Other operating income

Other operating income comprise items of a secondary nature to the core activities of the enterprise, including income from intragroup transactions, i.e. intercompany service fees, operational excellence, promotional allowance.

Other operating expenses

Other operating expenses comprise intercompany service fees as well as items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprising of interest, bank charges and foreign exchange 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 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 tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

In 2022 the Company had undergone separation and has left the Danish Fiscal Unity on the 18th of July. The Company has adopted the on-account taxation scheme.

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.

Impairment of fixed assets

The carrying amounts of intangible assets and 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, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the assets is written down to its lower recoverable amount. This impairment test is performed on an annual basis for development projects in progress irrespective of any indication of impairment.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Notes (continued)

1 Accounting policies (continued)

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision.

Equity

Dividend

Dividend distribution proposed by management for the year is disclosed as a separate equity item.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of 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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to the office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognized at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement of equity, respectively.

Other payables

Other payables comprises of VAT, accruals and payroll accruals.

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 year and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Prepayments and deferred income

Deferred income comprises payments received regarding income in subsequent years.

Cash Flow Statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of GSK plc.

Notes (continued)

1 Accounting policies (continued)

Financial Highlights

Explanation of financial ratios

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

2 Staff costs	2023	2022
	TDKK	TDKK
Wages and Salaries	81,558	73,239
Pensions	6,498	5,491
Other social security expenses	19	544
Other costs	15,598	24,136
	103,673	103,410
Average number of employees	72	68

According to section 98 B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

3 Financial income

Interest received from group enterprises	251	44
	251	44

4 Financial expenses

Interest paid to group enterprises	530	30
Other financial expenses	2	4
	532	34

Notes (continued)

5	Tax on profit/loss for the year	<u>2023</u>	<u>2022</u>
		TDKK	TDKK
	Current tax for the year	3,895	3,674
	Deferred tax for the year	-439	-475
	Adjustment of tax concerning previous years	4	74
		<u>3,460</u>	<u>3,273</u>
6	Distribution of profit		
	Proposed distribution of profit		
	Proposed dividend for the year	12,000	11,060
	Retained earnings	3	8
		<u>12,003</u>	<u>11,068</u>
7	Tangible assets, property plant and equipment		Other fixtures and fittings, tools and equipment
			<u>TDKK</u>
	Cost at 1 January 2023		3,878
	Disposals		-263
	Cost at 31 December 2023		<u>3,615</u>
	Impairment losses and depreciation at 1 January 2023		1,129
	Depreciation for the year		364
	Disposals		-263
	Impairment losses and depreciation at 31 December 2023		<u>1,230</u>
	Carrying amount at 31 December 2023		<u>2,385</u>
	Depreciated over		<u>5-10 years</u>

Notes (continued)

8	Deferred tax	<u>2023</u> TDKK	<u>2022</u> TDKK
	Property, plant and equipment	110	117
	Prepayments	204	310
	Other payables	<u>-558</u>	<u>-217</u>
		<u>-244</u>	<u>210</u>
	Deferred tax 1 January	210	685
	Deferred tax recognized in the profit and loss statement	-439	-475
	Adjustment of deferred tax concerning previous years	<u>-15</u>	<u>-</u>
	Deferred tax 31 December	<u>-244</u>	<u>210</u>

9 Prepayments

Other prepayments consist primarily of prepaid expenses concerning insurance premiums, database services, payroll related prepayments, etc.

10 Equity

1 share with a nominal value of DKK 449,000	449	449
2 shares with a nominal value of DKK 500	1	1
1 share with a nominal value of DKK 50,000	50	50
1 share with a nominal value of DKK 9,500,000	<u>9,500</u>	<u>9,500</u>
	<u>10,000</u>	<u>10,000</u>

The equity has been unchanged for the last 5 years.

11 Contingent liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

Within 1 year	4,218	3,927
Between 1 and 5 years	<u>5,936</u>	<u>7,044</u>
	<u>10,154</u>	<u>10,971</u>

Other

The Company has provided a Flu pandemic fee guarantee of DKK 0m (2022: DKK 11.7m) to the Danish government. The Company has also provided a guarantee of DKK 0.6m for the office lease.

Notes (continued)

12 Related parties and ownership

Basis

Controlling interest

GSK plc, Brentford, UK

Ultimate parent company

Setfirst Limited, Brentford, UK

Immediate parent company

Transactions

There have been no transactions with the Supervisory Board, the Executive Board, senior employees, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

GSK Pharma has purchased DKK 231.32m (2022: DKK 235m) of inventory from GSK Trading Services Limited and DKK 114.91m (2022: DKK 75m) from ViiV Healthcare Trading Services UK Limited.

GSK Pharma has DKK 41.2m (2022: DKK 57m) of receivables from affiliates relating to cross charges for people related costs, and for intercompany service fees and interest.

GSK Pharma has DKK 14.6m (2022: DKK 22m) payables to affiliates relating to cost of goods sold, flu pandemic fee and intercompany charges.

GSK Pharma has paid DKK 11.1m (2022: DKK 8.9m) of dividends to Setfirst Limited.

Intercompany charges in 2023 of DKK 18.6m (2022: DKK 29.3m) is part of operating expenses.

Ownership

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

Setfirst Limited, 980 Great West Road, Brentford, Middlesex TW8 9GS, England (intermediate holding entity).

The Company is included in the Group Annual Report of GSK plc, 980 Great West Road, Brentford, Middlesex TW8 9GS, England (ultimate holding entity).

