

# McNeil Denmark ApS

Bregnerødvej 133, 2  
3460 Birkerød

CVR no. 30 07 70 08

## Annual report for 2021

Adopted at the Annual General Meeting  
on 30 May 2022

*Thomas Jørgensen*

[Thomas Jørgensen \(May 30, 2022 14:49 GMT+2\)](#)

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Thomas Roat Jørgensen

Chief Executive Officer

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## Statement by management on the annual report

The executive board has today discussed and approved the annual report of McNeil Denmark ApS for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Birkerød, 30 May 2022

### Executive Board

*Thomas Jørgensen*

Thomas Jørgensen (May 30, 2022 14:49 GMT+2)

Thomas Roat Jørgensen  
Chief Executive Officer

*John Jensen*

John Jensen (May 30, 2022 17:20 GMT+2)

John Jensen  
Executive Officer



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

To the Shareholders of McNeil 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of McNeil Denmark ApS for the financial year 1 January - 31 December 2021, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **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.

Copenhagen, 30 May 2022  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

*Martin Lunden*

Martin Lunden (May 30, 2022 16:05 GMT+2)

Martin Lunden  
State Authorised Public Accountant  
mne 32209

*Christopher Kowalczyk*

Christopher Kowalczyk (May 30, 2022 20:59 GMT+2)

Christopher Kowalczyk  
State Authorised Public Accountant  
mne47863

## Company details

### The company

McNeil Denmark ApS  
Bregnerødvej 133, 2  
3460 Birkerød

Telephone: +45 70205212

Fax: +45 70205213

Website: [www.mcneil.dk](http://www.mcneil.dk)

CVR no.: 30 07 70 08

Reporting period: 1 January - 31 December 2021

Domicile: Rudersdal

### Executive Board

Thomas Roat Jørgensen (Chief Executive Officer)  
John Jensen (Executive Officer)

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

### Lawyers

Advokat Steffen Theodor Petersen  
Overgaden Neden Vandet 19A, 2. sal  
1414 Copenhagen, Denmark

### Bankers

Nordea Bank Danmark A/S  
Slotsgade 44  
3400 Hillerød

### General meeting

The annual general meeting is held at the company's address on 30 May 2022.

## Financial highlights

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

	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	407,306	370,609	324,866	304,394	299,698
Gross profit	133,518	120,001	113,024	120,070	120,311
Operating profit/loss	13,934	18,531	16,243	16,399	14,989
Net financials	18	-2	38	-21	-17
Profit/loss for the	10,531	14,429	12,594	12,728	11,590
<b>Balance sheet</b>					
Balance sheet total	93,774	116,830	81,830	295,240	268,085
Equity	37,679	27,148	12,719	223,748	211,022
Number of employees	31	19	21	22	20
<b>Financial ratios</b>					
Gross margin (%)	33	32	35	39	40
Profit margin (%)	3	5	5	5	5
Return on assets (%)	15	16	20	6	6
Solvency ratio (%)	40	23	16	77	79
Return on equity (%)	32.5	72.4	10.7	5.8	5.6

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.



## **Management's review**

### **Business activities**

In the Danish market, McNeil Denmark ApS sells non-prescription drugs to wholesalers, pharmacies and grocery stores, as well as various tenders for the Danish hospital service. In 2021 the company had a 35.6% market share in the OTC category in the Danish market, which is 0.5% point declined from 2020. Despite various market challenges for McNeil Denmark ApS, the financial base remains strong.

### **Recognition and measurement uncertainties**

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

### **Financial review**

The Company's income statement for the year ended 31 December shows a profit of TDKK 10,531 and the balance sheet at 31 December 2021 shows equity of TDKK 37,679.

The Company had a strong year (+11%) in line with Management's expectations, and growth drivers as outlined in the last year's Annual Report.

2022 is expected to be a year of growth of 5% for the Danish business, the expected growth is coming from existing trademarks. The major growth driver is commercial innovation.

As of the financial statement issuance date, the country, region and world are continuing to be impacted by the coronavirus (COVID-19). Although the situation is still evolving at the date of issue of these financial statements, there is no tangible impact on the Company's sales or supply chain to date, however, the impact of this situation on the Company in the future cannot be predicted. Management will continue to closely monitor the potential impact of these events and will take all possible measures to mitigate possible consequences.

### **The year at glance and follow-up on expectations from last year**

Based on our "conduct of policy", we develop, register, market and sell high quality products that improve quality of life by the best possible prevention, cure and relief. We focus on providing our business partners with the best possible conditions. This applies especially to patients, doctors, nurses and other therapists, but also to suppliers, producers, authorities and society. We want to be a leader within our focus area by offering the best products of the highest quality.

### **Special risks apart from generally occurring risks in industry**

#### ***Operating risks***

The Company is highly dependent on the OTC part of the portfolio, which represents 89% of sales, of which 60% is produced in one production facility. Any manufacturing disturbance at this facility could therefore significantly impact the Company.

The Company is working with one Distribution Center in the Danish market where all the sales is going through. This does represent a certain risk.

## Management's review

### *Currency risks*

The company's products are purchased and sold primarily in Danish currency, so foreign exchange risks are eliminated.

### *Impact on external environment and measures of preventing, reducing or mitigating damage*

No production takes place in Denmark; most of the drugs are bought in packaging designed for the Danish market, whereas most of the consumer products are bought in Nordic packaging. Destruction of expired and surplus drugs is carried out by Kommunekemi in accordance with industry standards.

### **Research and development activities in and for reporting entity**

Each year, Johnson & Johnson (including McNeil) makes considerable investments worldwide in research and development of new products.

### **Data ethics**

#### *Responsible Business Practices*

At McNeil Denmark ApS, we aim to create an open and honest environment where we can achieve our best work both compliantly and with integrity. That's what we mean by responsible conduct, and we strive to ensure it's reflected in decisions and interactions of employees throughout their work. When it comes to ethical and responsible practices, we expect all our employees to help us sustain the trust earned over the course of more than 130 years of business operations across our family of companies. In doing so, we are empowered to advance Our Purpose of blending heart, science, and ingenuity to profoundly change the trajectory of human health. We apply this solid foundation of ethical and values-based conduct to our business practices, including how we govern our organization; engage and inspire a diverse, skilled workforce; apply standards of ethics in our research; assure the safety of our products for our patients and consumers; act as stewards of the environment and maintain a global supply network that supports our mission.

#### *Ethics*

Our responsibilities to patients, consumers, healthcare professionals, employees, communities and shareholders are embedded in Our Credo. Our comprehensive policies, procedures and trainings help our employees and contingent workers comply with applicable laws, regulations and industry codes, as well as the Company's internal standards and expectations for responsible conduct.

We believe that Companies that operate in line with high standards of ethical and compliant conduct protect people, communities, and their own business from risk, and establish a strong basis for sustainable business over time.

As a legal entity that is part of the world's largest and most diversified healthcare company, McNeil Denmark ApS requires clear, comprehensive, and robust guidance for ethical behavior across our corporation to provide an aligned and consistent framework for employees and contingent workers. All legal entities within the Johnson & Johnson group of companies conduct a wide range of activities in the healthcare marketplace, including research, medical education, product and procedure training, marketing, and selling. These interactions involve many different healthcare stakeholders as well as employees, suppliers, business partners and officials from governments and health authorities around the world. A variety of legal and ethical standards, some of which are unique to the healthcare industry, apply to these activities.

## Management's review

To protect our people, our patients, and our business, McNeil Denmark ApS takes every reasonable measure to ensure that we all operate in accordance with ethical and compliance laws and standards that apply to our business.

### *Guiding Principles*

McNeil Denmark ApS is strongly committed to maintaining ethical and compliant conduct with a high level of integrity. As stated in the Johnson & Johnson Credo: “We must provide highly capable leaders and their actions must be just and ethical ... We are responsible to the communities in which we live and work and to the world community as well ... We must be good citizens ...” Additionally, McNeil Denmark ApS’s firm commitment to ethical and compliant conduct is underlined by its adoption of both Johnson & Johnson’s Code of Business Conduct and Procurement Code of Conduct.

McNeil Denmark ApS’s success depends on conducting its business responsibly and earning the trust of the people we serve. To maintain ethical and compliant conduct with high level of integrity, our comprehensive policies, procedures and compliance training help our employees and contingent workers navigate applicable laws, regulations and industry codes, as well as our own ethical standards.

### *Data Privacy & Information Security*

McNeil Denmark ApS is strongly committed to protecting the privacy of those who entrust us with their personal information. In addition to our Code of Business Conduct and all the laws that apply to McNeil Denmark ApS’s handling of personal information, we maintain global privacy policies to which all our business operations must adhere. Our policies reflect our commitment to fair and transparent information practices. Similarly, through our Information Security and Risk Management organization, we safeguard McNeil Denmark ApS’s networks, systems, products, and information against evolving cyber threats to prevent unintended or unauthorized access to both business and personal information. All McNeil Denmark ApS employees and certain categories of contingent workers are assigned and required to complete the Information Security training and the GDPR – A Practical Overview training every year. All new employees are assigned and required to complete The Information Security and GDPR training.

In 2021, in addition to ongoing programs and controls, our focus included:

Proactive cyber protection for our COVID-19 vaccine information: The intensive development processes and global scrutiny of all COVID-19 development, including the work undertaken at various companies in the Johnson & Johnson group, made vaccine-related information a target for sophisticated attackers and cybercrime. The global information and security organization identified a clear need for additional vigilance and protection of critical data, communications, applications, and systems supporting the development and production of the COVID-19 vaccine and during 2021, increased threat intelligence and proactive monitoring was maintained, as well as targeted protection of key manufacturing sites, systems, and processes to prevent disruption to vaccine-related activities from potential cyber threats. Further, heightened privacy support and guidance for on-site COVID-19 testing was established including at McNeil Denmark ApS.

### *Data Privacy*

With the major advances in digital technology and the importance of data to drive innovation and discovery, it has become increasingly important for individuals to have a clear understanding of how and when their personal information is being used, as well as their rights under applicable laws and regulations. They need to have confidence that their personal information is being

## Management's review

handled appropriately, securely, and consistently with applicable laws. In the course of doing business, a company will gather personal information about the individuals with whom it engages in order to provide better services, solutions and products. We believe that Companies that collect such personal information have a responsibility to protect every individual's right to privacy, to establish reasonable security measures—including, at a minimum, those prescribed by law—and to ensure appropriate handling and protection of personal information in their possession or control.

McNeil Denmark ApS maintains a Privacy Compliance Framework that establishes a consistent approach applicable to all its operating companies that use personal information. This Framework sets forth fundamental Privacy Principles, including:

- a. **Transparency & Choice:** McNeil Denmark ApS clearly and conspicuously discloses to individuals what personal information is being collected about them, how it will be used or shared and to obtain their permission for such purposes.
- b. **Right to Access & Correction:** Individuals have the right to review, correct, update, restrict or delete their personal information, in alignment with local laws.
- c. **Data Integrity & Security:** As responsible custodians of personal information, we are committed to protecting the integrity and security of data that has been entrusted to us, applying a combination of appropriate physical, technical and organizational safeguards to protect them.

### ***Information Security***

In any corporation, information is a critical asset that must be managed and protected; its unauthorized use, disclosure, modification or destruction can adversely impact the corporation's ability to achieve its goals. Information assets can include proprietary product formulas, information used in manufacturing processes, customer data or any information systems required for the proper functioning of the company. In today's advanced technological environment, where more information than ever is stored electronically, information assets are under constant threat from malicious cyberattacks that can disrupt business functions and/or compromise the security of personal data that the organization is committed to protect. At McNeil Denmark ApS, we believe that a proactive information security strategy to properly manage information assets and protect against such deliberate, as well as inadvertent, threats is necessary to safeguard any business and its stakeholders.

McNeil Denmark ApS is fiercely committed to protecting its information assets and business integrity. We adhere to the policies and processes set out by the Information Security and Risk Management (ISRM) organization. This group is part of a global organization, led by a Chief Information Security Officer, which has global reach with presence in all our major markets of the world, and provides ongoing security consulting on relevant policies, procedures and requirements to all Johnson & Johnson businesses including McNeil Denmark ApS. ISRM has developed a Position on Information Security [2 robust] program, which McNeil Denmark ApS applies to enhance its own security capabilities, safeguard the McNeil Denmark ApS networks, systems, products and information against evolving cyber threats. The program encompasses people, processes and technology.

## **Accounting policies**

The annual report of McNeil Denmark ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C as well as selected provisions as regards larger entities.

The accounting policies applied remain unchanged from last year.

The annual report for 2021 is presented in TDKK.

### **Share Based Compensation**

A number of the Company's employees are covered by share option schemes. The shared based instruments are recognized and booked as staff expense when the shares are exercised and invoiced from the mother company in the US.

## **Income statement**

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### **Staff costs**

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

### **Other external expenses**

Other operating expenses comprise items of a secondary nature relative to the company's activities,

### **Change of presentation of operating expenses**

In current year Management deemed to change the presentation of operating expenses from the by-function method, which includes the categories distribution costs and administration costs, to the by-nature method, which implies reporting the expenses group based on their nature. The change is deemed to provide a better representation of the Company's expenses situation according to the peculiarity of the business.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses.

### **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation.

## **Accounting policies**

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

## **Balance sheet**

### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

### **Liabilities**

Liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

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 the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## Accounting policies

### Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement cf. Danish Financial Statements Act paragraph 86.

### Financial Highlights

Definitions of financial ratios.

Gross profit ratio	$\frac{\text{Gross Profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on Assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Total assets}}$
Solvency Ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets}}$
Return on Equity	$\frac{\text{Net Profit/loss for the year} \times 100}{\text{Average equity}}$

**Income statement 1 January - 31 December**

	Note	2021 TDKK	2020 TDKK
Revenue		407,306	370,609
Cost of goods sold		(273,788)	(250,608)
<b>Gross profit</b>		<b>133,518</b>	<b>120,001</b>
Staff expenses	6	(20,859)	(18,327)
Other operating expenses		(98,725)	(83,143)
<b>Operating profit</b>		<b>13,934</b>	<b>18,531</b>
Financial income	1	180	19
Financial costs	2	(198)	(17)
<b>Profit from ordinary activities before tax</b>		<b>13,916</b>	<b>18,533</b>
Tax on profit for the year	3	(3,385)	(4,104)
<b>Net profit for the year</b>	4	<b>10,531</b>	<b>14,429</b>

**Restatement of profit and loss statement**

The profit and loss statement in the financial period ended on 31 December 2020 reported the operating expenses with the by-function breakdown. The management decided to represent the operating expenses with the by-nature breakdown which is deemed to provide a more faithful representation of the expenses.

	2020 TDKK
<b>Gross profit</b>	<b>120,001</b>
Distribution cost	(95,199)
Administrative costs	(6,271)
	<b>18,531</b>



**Balance sheet at 31 December**

	Note	2021	2020
		TDKK	TDKK
<b>Assets</b>			
Trade receivables		89,311	50,117
Other receivables		0	1,738
Receivables from group enterprises		0	62,261
<b>Receivables</b>		<b>89,311</b>	<b>114,116</b>
<b>Cash at bank an in hand</b>		<b>4,463</b>	<b>2,714</b>
<b>Current assets total</b>		<b>93,774</b>	<b>116,830</b>
<b>Assets total</b>		<b>93,774</b>	<b>116,830</b>

**Balance sheet at 31 December**

	Note	2021	2020
		TDKK	TDKK
<b>Liabilities and equity</b>			
Share capital		125	125
Retained earnings		37,554	27,023
<b>Equity</b>		<b>37,679</b>	<b>27,148</b>
Other payables	5	441	1,883
<b>Long-term liabilities</b>		<b>441</b>	<b>1,883</b>
Trade payables		9,308	12,519
Payables to group enterprises		21,722	60,156
Corporation tax		3,248	4,104
Other payables		21,376	11,020
<b>Short term debt</b>		<b>55,654</b>	<b>87,799</b>
<b>Debt total</b>		<b>56,095</b>	<b>89,682</b>
<b>Liabilities and equity total</b>		<b>93,774</b>	<b>116,830</b>
Staff	6		
Equity	7		
Contingent assets, liabilities and other financial	8		
Related parties and ownership	9		
Subsequent Events	10		

**Statement of changes in equity**

	Share capital	Retained earnings	Proposed Dividend	Total
	TDKK	TDKK	TDKK	TDKK
<i>Equity at 1 January 2021</i>	125	27,023	0	27,148
Net profit for the year	0	10,531	27,600	38,131
<b>Equity at 31 December</b>	<b>125</b>	<b>37,554</b>	<b>0</b>	<b>37,679</b>
	Share capital	Retained earnings	Proposed Dividend	Total
	TDKK	TDKK	TDKK	TDKK
<i>Equity at 1 January 2020</i>	125	12,594	223,623	236,342
Net profit for the year	0	14,429	0	14,429
Dividend paid	0	0	(223,623)	(223,623)
<b>Equity at 31 December</b>	<b>125</b>	<b>27,023</b>	<b>0</b>	<b>27,148</b>

## Notes to the annual report

	2021 TDKK	2020 TDKK
<b>1 Financial income</b>		
Exchange gain	180	19
	<b>180</b>	<b>19</b>
	2021 TDKK	2020 TDKK
<b>2 Financial costs</b>		
Other financial costs	64	17
Exchange loss	134	0
	<b>198</b>	<b>17</b>
	2021 TDKK	2020 TDKK
<b>3 Tax on profit for the year</b>		
Current tax for the year	3,241	4,104
Adjustment relating to previous years	144	0
	<b>3,385</b>	<b>4,104</b>
	2021 TDKK	2020 TDKK
<b>4 Distribution of profit</b>		
Proposed distribution of profit	27,600	0
Transfer to retained earnings	9,954	14,429
	<b>37,554</b>	<b>14,429</b>

	<u>2021</u>	<u>2020</u>
	TDKK	TDKK
<b>5 Other payables</b>		
Holiday payable term within 1 year	1,503	702
Holiday payable term from 1 to 5 years	441	1,883
	<u><b>1,944</b></u>	<u><b>2,585</b></u>

The long-term other payables regard holiday payables which are due for payment within 1-5 years after the balance sheet date.

	<u>2021</u>	<u>2020</u>
	TDKK	TDKK
<b>6 Staff</b>		
Wages and salaries	16,884	14,523
Pensions	3,213	3,050
Other social security expenses	131	121
Other staff expenses	631	633
	<u><b>20,859</b></u>	<u><b>18,327</b></u>

#### **Restatement of by-function breakdown of staff expenses**

Wages and salaries, pensions, other social security expenses and other staff expenses were recognized in the following breakdown in the reporting period ended in 31 December 2020:

	<u>2020</u>
	TDKK
Distribution cost	17,044
Administrative cost	1,283
	<u><b>18,327</b></u>
Average number of employees	20                      19

The staff expenses includes the company's Management compensation which for 31 December 2021 was TDKK 4,655 (31 December 2020: TDKK 4,539). The amount includes base salary, bonuses, pension and Share Based Compensation payments and other benefits.

Management and other employees are included in Johnson & Johnson's share based compensation program. Stock options are granted with a vesting period of 10 years, and maturity of 3 years for stock options and restricted stock units. There are performance conditions in connection with the program.

Payment to the parent company regarding shares delivered to employees according to the program are recognized as expense in the income statement.

## **7 Equity**

Currently the equity composition is made of Share capital of TDKK 125 and the profit of the year for TDKK 10,531.

No dividend distribution was performed during the year.

## **8 Contingent assets, liabilities and other financial obligations**

The company is part of a Danish joint taxation with Danish companies in the Johnson & Johnson Group. Accordingly, the Company is liable also for income taxes of the jointly taxes companies in accordance with the Danish Companies Tax Code from the 2013 financial year. From 1 July 2012, the Company is also liable for any obligation including withholding tax on interest, royalties and dividends for jointly taxed companies.

## **9 Related parties and ownership**

Cilag Holding AG, Schweiz, Switzerland  
Immediate Parent Company

Johnson & Johnson, New Jersey, USA  
Ultimate Parent Company

### **Other related parties**

Thomas Roat Jørgensen - Chief Executive Officer

John Jensen - Executive Officer

### **Transactions**

All intercompany transactions are based on market value.

### **Ownership**

According to the company's register of shareholders, the following shareholder holds a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

Cilag Holding AG, Switzerland

### **Consolidated financial statements**

The Company is included in the consolidated financial statements of Johnson & Johnson, New Jersey, USA. References is made to the Company's annual report on the internet address:  
<https://www.investor.jnj.com/annual-meeting-materials/2021-annual-report>

## **10 Subsequent Events**

In November 2021, Johnson & Johnson announced its plan to separate the Company's Consumer Health business, with the intention to create a new, publicly traded company.

The management believes that the New Consumer Health Company and the new Johnson & Johnson would each be better positioned to deliver for patients and consumers, pursue more targeted business strategies and accelerate growth as separate and independent companies.

The Company is targeting completion of the planned separation in 18 to 24 months after initial announcement.

Completion of the planned separation will be subject to the satisfaction of certain conditions, including, among others, consultations with works councils and other employee representative bodies, as required, and the receipt of other regulatory approvals.

There can be no assurance regarding the ultimate timing of the planned separation or that such separation will be completed.











# [1764774] McNeil Denmark Aps FS FY 2021 LE7767

Final Audit Report

2022-05-30

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