

Ferrosan International ApS

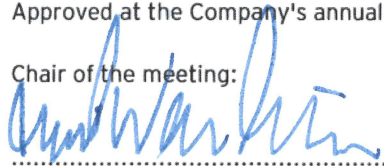
Delta Park 37, 2665 Vallensbæk Strand

CVR no. 45 53 24 10

Annual report 2020

Approved at the Company's annual general meeting on 11 June 2021

Chair of the meeting:



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Niels Walther-Rasmussen

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Ferrosan International ApS for the financial year 1 January - 31 December 2020.

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 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.

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.

Vallensbæk Strand, 11 June 2021
Executive Board:



Michael Pedersen
Managing director

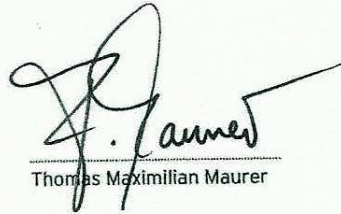
Board of Directors:



Michael Pedersen
Chair



David Marty Mdss



Thomas Maximilian Maurer

Independent auditor's report

To the shareholder of Ferrosan International ApS

Opinion

We have audited the financial statements of Ferrosan International ApS for the financial year 1 January 2020 - 31 December 2020, which comprise the income statement, balance sheet, statement of changes in equity, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2020 and of the results of its operations for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management review

Management is responsible for the management review.

Our opinion on the financial statements does not cover the management 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 the management review and, in doing so, consider whether the management review 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 review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 11 June 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56



Lars Hansen
State Authorised Public Accountant
mne24828

Management's review

Company details

Name	Ferrosan International ApS
Address, Postal code, City	Delta Park 37, 2665 Vallensbæk Strand
CVR no.	45 53 24 10
Established	8 December 1972
Financial year	1 January - 31 December
Website	https://dk.gsk.com/da-dk/
Telephone	+45 44 86 86 86
Board of Directors	Michael Pedersen, Chair David Marty Moss Thomas Maximilian Maurer
Executive Board	Michael Pedersen, Managing director
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, 2300 Copenhagen

Management's review

Business review

Ferrosan International ApS is a part of the consumer healthcare joint venture between the British Glaxo Smith Kline-GSK and the American Pfizer group, both multinational pharmaceutical groups listed on the New York Stock Exchange.

Ferrosan International ApS' marketing activities for nutrition and pharmaceutical products on the international market outside Scandinavia, finalized in financial year 2015/16.

Unusual matters having affected the financial statements

Going concern

GSK Group has considered any impact/strain on the central Treasury functions. We are confident the Group can continue to meet liquidity and working capital requirements whilst also not breaching any covenants. This is on the basis that there are currently no significant operational or contractual risks that would inhibit Treasury supporting local entities as they would under 'normal' conditions.

The Company is supported financially by the GSK Group and has a credit facility at GlaxoSmithKline Consumer Healthcare Finance Ltd with no upper limit. GlaxoSmithKline Consumer Healthcare Finance Ltd has issued a letter of support to the Company that is valid for 12 months from the signing date of the financial statements for the year ended 31 December 2020.

On the basis hereof, it is Management's assessment that the Company's financial resources are sufficient, and the financial statements are therefore prepared using the going concern assumption.

Financial review

The income statement for 2020 shows a loss of DKK 133 thousand against a profit of DKK 512 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 8,698 thousand.

COVID-19 have had no impact on the company's operations, and no relief packages has been utilized.

The result of the year is in line with management's expectations.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020 12 months	2018/19 13 months
	Other external expenses	-120	-44
	Gross profit	-120	-44
3	Staff costs	0	-18
	Profit/loss before net financials	-120	-62
	Financial income	4	0
	Financial expenses	-17	-78
	Profit/loss before tax	-133	-140
4	Tax for the year	0	652
	Profit/loss for the year	-133	512
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-133	512
		-133	512

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2018/19
	ASSETS		
	Current assets		
	Receivables from group enterprises	8,748	8,759
		8,748	8,759
	Cash	31	72
	Total current assets	8,779	8,831
	TOTAL ASSETS	8,779	8,831

Balance sheet

Note	DKK'000	2020	2018/19
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	20,001	20,001
	Retained earnings	-11,303	-11,170
	Total equity	8,698	8,831
	Liabilities		
	Current liabilities		
	Other payables	81	0
	Total current liabilities	81	0
		81	0
	TOTAL EQUITY AND LIABILITIES	8,779	8,831

- 1 Accounting policies
- 2 Going concern uncertainties
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral
- 7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	20,001	-11,170	8,831
Transfer through appropriation of loss	0	-133	-133
Equity at 31 December 2020	<u>20,001</u>	<u>-11,303</u>	<u>8,698</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Ferrosan International ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

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

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

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

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

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

Reporting currency

The Company's functional currency is Danish kroner (DKK). Thus, other currencies than Danish kroner are considered foreign currencies. DKK is used as the measurement and presentation currency in the preparation of the annual report. Amounts in the annual report are stated in thousands of Danish kroner (DKK).

Foreign currency translation

During the year, transactions denominated in foreign currency are converted at the exchange rate ruling at the transaction date. Gains and losses arising as a result of differences between the exchange rate at the transaction date and the exchange rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items are converted at the exchange rates ruling at the balance sheet date, and exchange differences are recorded in the income statement under financial items.

Income statement

Other external expenses

Other external expenses comprise administrative expenses.

Staff costs

Staff costs comprise salaries, wages and pensions as well as other staff costs.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses include interest, realised and unrealised exchange differences, supplements and allowances under the on-account tax scheme, value adjustments of securities and similar items.

Tax

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

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Receivables

Receivables are measured in the balance sheet at amortised cost, which essentially corresponds to the nominal value or a lower net realisable value. Write-downs to net realisable value are calculated on the basis of an individual assessment of each receivable and for trade receivables also with a general impairment loss based on the Company's experience from prior years.

Other receivables primarily comprise receivables from staff and public authorities, which are measured at nominal values and the fair value of forward contracts.

Cash

Cash and cash equivalents comprise cash.

Income taxes and deferred taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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 crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Other liabilities to group entities are measured at amortised cost and essentially correspond to nominal value.

Other liabilities primarily comprise liabilities to staff and public authorities, which are measured at nominal values and the fair value of forward contracts.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Going concern uncertainties

GSK Group has considered any impact/strain on the central Treasury functions. We are confident the Group can continue to meet liquidity and working capital requirements whilst also not breaching any covenants. This is on the basis that there are currently no significant operational or contractual risks that would inhibit Treasury supporting local entities as they would under 'normal' conditions.

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On the basis hereof, it is Management's assessment that the Company's financial resources are sufficient, and the financial statements are therefore prepared using the going concern assumption.

DKK'000	2020 12 months	2018/19 13 months
3 Staff costs		
Other staff costs	0	18
	0	18
	0	0
4 Tax for the year		
Estimated tax charge for the year	0	-760
Deferred tax adjustments in the year	0	-3,199
Tax adjustments, prior years	0	3,307
	0	-652

5 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its group companies, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2019 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 August 2019.

6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Related parties

Ferrosan International ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Ferrosan ApS	Vallensbæk	Parent company (100%)

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
GlaxoSmithKline plc	980 Great West Road, Brentford, Middlesex, TW8 9GS, United Kingdom	https://www.gsk.com/en-gb/investors/corporate-reporting/