

GlaxoSmithKline Consumer Healthcare A/S

Nykær 68, 2605 Brøndby

CVR no. 55 54 18 17

Annual report 2019

Approved at the Company's annual general meeting on 29 May 2020

Chairman:



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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 GlaxoSmithKline Consumer Healthcare A/S for the financial year 1 January - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Copenhagen, 29 May 2020
Executive Board:



Michael Pedersen

Board of Directors:



Thomas Maximilian Maurer
Chairman



Michael Pedersen



Trine Knudsen

Independent auditor's report

To the shareholder of GlaxoSmithKline Consumer Healthcare A/S

Opinion

We have audited the financial statements of GlaxoSmithKline Consumer Healthcare A/S for the financial year 1 January 2019 – 31 December 2019, 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 2019 and of the results of its operations for the financial year 1 January 2019 – 31 December 2019 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.
- 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.

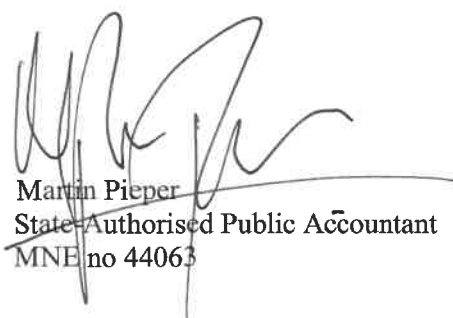
Copenhagen, 29 May 2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Lars Hansen
State-Authorised Public Accountant
MNE no 24828



Martin Pieper
State-Authorised Public Accountant
MNE no 44063

Management's review

Company details

Name	GlaxoSmithKline Consumer Healthcare A/S
Address, Postal code, City	Nykær 68, 2605 Brøndby
CVR no.	55 54 18 17
Established	17 October 1961
Registered office	Brøndby
Financial year	1 January - 31 December
Website	www.glaxosmithkline.dk
Telephone	+45 44 86 86 86
Telefax	+45 44 86 86 87
Board of Directors	Thomas Maximilian Maurer, Chairman Michael Pedersen Trine Knudsen
Executive Board	Michael Pedersen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, 2300 København S

Management's review

Financial highlights

DKK'000	2019	2018	2017	2016	2015
Key figures					
Revenue	388,080	378,312	362,830	479,393	521,444
Gross profit	133,365	122,807	123,248	167,554	157,047
Profit before interest and tax (EBITA)	6,453	1,596	8,722	19,282	27,052
Net financials	536	-1,084	-3,486	6,444	-18,528
Profit for the year	5,049	376	3,255	18,467	-26,718
Total assets					
Total assets	351,517	346,684	345,102	445,350	680,958
Investment in property, plant and equipment	1,955	0	0	0	341
Equity	73,270	68,221	242,888	239,633	461,166
Financial ratios					
Gross margin	34.4%	32.5%	34.0%	35.0%	30.1%
EBITDA-margin	2.5%	1.3%	3.3%	4.7%	5.8%
Return on assets	0.1%	-0.3%	1.8%	3.3%	3.8%
Equity ratio	20.8%	19.7%	70.4%	53.8%	67.7%
Return on equity	7.1%	0.2%	1.3%	5.3%	-5.6%
Average number of employees					
Average number of employees	44	44	42	43	47

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

Management's review

Business review

The Company's principal activities comprise the importation and sale of pharmaceuticals and consumer healthcare products.

Financial review

The income statement of the Company for 2019 shows a revenue increase of TDKK 9,768 and as of 31 December 2019 the balance sheet of the Company shows equity of TDKK 75,341.

The Danish Consumer Healthcare business showed a strong performance across most of the categories it competes in, namely across Wellness, Oral Health, Skin Health and Respiratory. Performance in the Oral Care category was driven by Sensodyne, benefiting from the increased investment and focus as part of the agreed strategic approach building on prior year experience.

During 2019 GSK Consumer Healthcare, divested Ceridal portfolio the 31.08.2019. This brand was part of the Skin health category. This was a minor brand and did not account for a large sum of the total sales.

Joint venture with Pfizer

In 2019, GSK closed a deal with Pfizer to combine our two consumer healthcare businesses, making us number one globally in over-the-counter (OTC) medicines and therapeutic oral health, and giving us leading positions in key geographies including the US and China.

GSK is leveraging the joint venture integration as a catalyst to accelerate growth and drive innovation. GSK is sharpening the strategic resource allocation to ensure we focus our investments on the right markets and brands so that we can generate the strongest growth and highest returns. For GSK Consumer Health Care in Denmark, the joint venture has a small impact, because a limited number of products will be added to the portfolio.

Since completing the transaction with Pfizer to create a new Consumer Healthcare Joint Venture on 31 July 2019, GSK has made good progress towards integrating the two businesses. By the end of 2019 GSK completed legal closes of the joint venture in 40% of the local markets. No business continuity issues or significant employee experience issues were reported. The local close in Denmark will be in May 2020.

Capital resources

No dividend is proposed in the 2019 annual report.

Outlook

The Danish Consumer business will continue its drive on the organic growth of the combined portfolio, focusing on investing behind its Oral Care business and leveraging the remainder of its portfolio within a market that is forecasted to only grow marginally in 2020. The profit before taxes is expected to be between TDKK 7,000 and TDKK 7,500.

Special 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

The Company is affected by changes in exchange rates as purchases and sales are made in different currencies. As the primary currencies are Danish Krone, British pound and Euro no significant exchange risks is related. It is the Company's policy not to speculate actively in, or hedge, foreign exchange risks.

Management's review

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.

Impact on the external environment

Environment Issues, Health and Safety

The Company, in line with GSK corporate policy, is committed to the good-keeping of 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 also considered to ensure that environmentally safe options are followed. The Company takes health & safety seriously and takes initiatives to ensure that our employees have a place of work where work-related risks are reduced to the extent possible.

Anti-bribery & corruption (ABAC)

We have appropriate controls in place such as training, awareness raising, and strong monitoring around transactions and payments to third parties. We plan to continue with pre and post-transaction ABAC due diligence, increasing the capabilities in the business on monitoring, oversight and red flag resolution of third parties. We continue to understand and assess our money-laundering risk exposure and mitigate any existing risk. The risk for the Company remains low.

Research and development activities

The Company has no R&D facilities of its own and conducts no R&D activities except occasional product packaging redesign activities for its local markets.

Social responsibility and diversity /DFA § 99A and § 99B

The company is covered by the obligation of information with regards to social responsibility. Please refer to the Group's reports concerning social responsibility: "Environmental, social and governance (ESG) data" on <https://www.gsk.com/media/5886/esg-performance-summary-2019.pdf> and "annual report 2019" on <https://www.gsk.com/media/5894/annual-report.pdf>

GSK management is committed to provide equal opportunity and career development to every employee irrespective of gender. The Danish GSK Consumer Legal entity is part of the GSK Consumer Area Benelux Nordics. The Full Area Leadership Team of Consumer Healthcare Benelux Nordics consists of 16 members of which 11 (69%) are female. The aim is to have a level of 33% women and 67% men in management and board. The Danish Consumer entity has three board members, of which 67% of the board are male and 33% are female. We consider our gender diversity goal met. With future appointments the Company will take gender diversity into account and make serious efforts to comply with the equal gender targets set by the European Commission.

Recognition and measurement uncertainties

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

Subsequent events

The financial position at 31 December 2019 of the Company and the results of the activities of the Company for the financial year 2019 have not been affected by any subsequent events.

Risks associated with the coronavirus outbreak

The potential impact of the coronavirus outbreak on GSK's trading performance and supply continuity remains uncertain. Up to the date of this Report, the outbreak has not had a material impact on the trading results of the Group or the Company. However, we continue to monitor the situation closely, including the potential impacts on trading results, our supply continuity and our employees. The situation could change at any time and there can be no assurance that the coronavirus outbreak will not have a material adverse impact on the future results of the Group and the Company on a local level.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2019	2018
3	Revenue	388,080	378,312
	Cost of sales	-254,715	-255,505
	Gross profit	133,365	122,807
4	Distribution costs	-67,132	-76,849
4.6	Administrative expenses	-66,018	-47,142
	Operating profit/loss	215	-1,184
5	Other operating income	6,238	2,780
	Profit before net financials	6,453	1,596
7	Financial income	1,393	235
8	Financial expenses	-857	-1,319
	Profit before tax	6,989	512
9	Tax for the year	-1,940	-136
	Profit for the year	5,049	376

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	ASSETS		
	Fixed assets		
10	Intangible assets		
	Computer Software	7,828	9,587
	Goodwill	242	1,695
		<u>8,070</u>	<u>11,282</u>
	Total fixed assets	<u>8,070</u>	<u>11,282</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	56,590	73,096
	Receivables from group enterprises	257,104	249,153
	Corporation tax receivable	3,193	5,287
	Other receivables	19,662	7,300
11	Prepayments	6,898	566
		<u>343,447</u>	<u>335,402</u>
	Total non-fixed assets	<u>343,447</u>	<u>335,402</u>
	TOTAL ASSETS	<u>351,517</u>	<u>346,684</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	3,000	3,000
	Retained earnings	70,270	65,221
	Total equity	73,270	68,221
	Provisions		
13	Deferred tax	1,247	1,701
	Total provisions	1,247	1,701
	Liabilities other than provisions		
14	Non-current liabilities other than provisions		
	Other payables	1,266	0
		1,266	0
	Current liabilities other than provisions		
	Trade payables	24,508	21,275
	Payables to group enterprises	209,021	212,139
	Other payables	42,205	43,348
		275,734	276,762
	Total liabilities other than provisions	277,000	276,762
	TOTAL EQUITY AND LIABILITIES	351,517	346,684

- 1 Accounting policies
- 2 Events after the balance sheet date
- 15 Contractual obligations and contingencies, etc.
- 16 Related parties
- 17 Fee to the auditors appointed by the Company in general meeting

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2019	3,000	65,221	68,221
18	Transfer, see "Appropriation of profit"	0	5,049	5,049
	Equity at 31 December 2019	3,000	70,270	73,270

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of GlaxoSmithKline Consumer Healthcare A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of 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.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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.

Segment reporting

Segment information is presented in respect of business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 supply and transfer of risk to the buyer have taken place and the income can be reliably measured and is expected to be received.

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

Cost of sales

The cost of goods sold comprises of standard costs incurred for the year.

Distribution costs

Sales and distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating Income

Other operating Income comprise items of a secondary nature to the core activities of the enterprise.

Amortisation/depreciation

The item comprises amortisation/depreciation 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

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 Company is jointly taxed with Danish sister company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. If it is not possible to reliably estimate useful life the amortisation period is 5 years.

Intangible assets are measured at cost less accumulated amortisation 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.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Depreciation period: 5-10 years

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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 asset 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.

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 is also made based on the Company's experience from previous years.

Prepayments

Prepayments are measured at cost and comprise insurance premiums, advertising expenses, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend distribution proposed by Management for the year is recognised in equity.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

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 years 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.

Liabilities

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

Other payables

Other payables comprise rebates payable, accruals and payroll accruals.

Cash flow statement

The cash flow of GlaxoSmithKline Consumer Healthcare A/S are recognised in the consolidated financial statements of GlaxoSmithKline plc., Brentford, Middlesex, England. Therefore, cash flow statement is not presented in the annual report of GlaxoSmithKline Consumer Healthcare A/S, ref. Danish Financial Statements Act § 86, stk. 4.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Gross margin ratio	$\frac{\text{Gross margin x 100}}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA) x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

2 Events after the balance sheet date

COVID-19

During 2020, the spread of the COVID-19 virus is affecting various countries and economies world-wide. Up to the date of this Report, the COVID-19 virus has not had a material impact on the trading results of the Company. However, management continues to monitor the situation closely, including the potential impacts on trading results, supply continuity and employees.

Joint venture with Pfizer

On 31 July 2019, GSK (globally) completed a transaction with Pfizer to create a new Consumer Healthcare Joint Venture. On 27 April 2020, the Company acquired the Consumer Healthcare business from Pfizer ApS. As of 27 April 2020, the Company sells GSK and legacy Pfizer consumer healthcare products.

DKK'000	2019	2018
3 Segment information		
Breakdown of revenue by business segment:		
Wellness	332,323	328,250
Oral Health	30,335	25,509
Skin Health	17,214	18,018
Respiratory	8,208	6,535
	<u>388,080</u>	<u>378,312</u>
Breakdown of revenue by geographical segment:		
Denmark	351,361	336,417
Iceland	36,719	41,895
	<u>388,080</u>	<u>378,312</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2019	2018
4 Staff costs		
Wages/salaries	31,366	25,792
Pensions	2,637	2,648
Other social security costs	841	839
	<u>34,844</u>	<u>29,279</u>
Average number of full-time employees	<u>44</u>	<u>44</u>
Remuneration to members of Management:		
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.		
Intercompany charges in 2019 DKK 1m (Royalties in 2018: DKK 8m) is part of Administrative expenses		
5 Other operating income		
Intercompany service fees	6,238	2,780
	<u>6,238</u>	<u>2,780</u>
6 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	3,212	3,212
Depreciation of property, plant and equipment	0	14
	<u>3,212</u>	<u>3,226</u>
Amortisation/depreciation of intangible assets and property, plant and equipment is recognised in the income statement under the following items:		
Administrative expenses	3,212	3,226
	<u>3,212</u>	<u>3,226</u>
7 Financial income		
Interest receivable, group entities	21	19
Other financial income	1,372	216
	<u>1,393</u>	<u>235</u>
8 Financial expenses		
Interest expenses, group entities	0	2
Other financial expenses	857	1,317
	<u>857</u>	<u>1,319</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2019	2018
9 Tax for the year		
Estimated tax charge for the year	2,009	442
Deferred tax adjustments in the year	-454	-306
Tax adjustments, prior years	385	0
	<u>1,940</u>	<u>136</u>

10 Intangible assets

DKK'000	Computer Software	Goodwill	Total
Cost at 1 January 2019	18,822	7,263	26,085
Cost at 31 December 2019	18,822	7,263	26,085
Impairment losses and amortisation at 1 January 2019	9,235	5,568	14,803
Amortisation for the year	1,759	1,453	3,212
Impairment losses and amortisation at 31 December 2019	10,994	7,021	18,015
Carrying amount at 31 December 2019	<u>7,828</u>	<u>242</u>	<u>8,070</u>
Amortised over	<u>10 years</u>	<u>5 years</u>	

11 Prepayments

Prepayments consist primarily of prepaid expenses concerning insurance premiums, lease plans, etc.

12 Share capital

Analysis of the share capital:

3,000 shares of DKK 1,000.00 nominal value each	3,000	3,000
	<u>3,000</u>	<u>3,000</u>

The Company's share capital has remained DKK 3,000 thousand over the past 5 years.

13 Deferred tax

Deferred tax at 1 January	1,701	2,007
Deferred tax for the year	-454	-306
Deferred tax at 31 December	<u>1,247</u>	<u>1,701</u>

Deferred tax relates to:

Intangible assets	1,319	1,797
Property, plant and equipment	-72	-96
	<u>1,247</u>	<u>1,701</u>

Financial statements 1 January - 31 December

Notes to the financial statements

14 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	1,266	0	1,266	0
	1,266	0	1,266	0

15 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2019	2018
Rent and lease liabilities	3,989	1,228

Contractual obligations

The company has entered into agreements with an affiliated company regarding rendering of services. The agreements may be terminated by 3 - 6 months notice after the non-terminable period is ended. Total commitments in the period of non-terminability amounts to TDKK 1,147.

Other

The Company is jointly taxed with other Danish group companies. As a group company, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

16 Related parties

GlaxoSmithKline Consumer Healthcare A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
GlaxoSmithKline pic.	Brentford, UK	Ultimate parent company
GlaxoSmithKline Consumer Healthcare (Overseas) Ltd.	Brentford, UK	Immediate parent company

Related party 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 Consumer has purchased 271m DKK of inventory from GSK Consumer Trading Services. GSK Consumer has 257m DKK of receivables from affiliates relating to loans, intercompany service fees and interests, and cross charges for warehousing and distribution costs. GSK Consumer has 209m DKK of payables to affiliates relating to cost of goods sold, intercompany charges of DKK 1m and FY17 dividends.

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Notes to the financial statements

Ownership

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

<u>Name</u>	<u>Domicile</u>
GlaxoSmithKline Consumer Healthcare (Overseas) Ltd.	980 Great West Road, Brentford, Middlesex, Tw8 965, United Kingdom

17 Fee to the auditors appointed by the Company in general meeting

Fee to auditors appointed at the general meeting has not been disclosed in accordance with section 96 (3) of the Danish Financial Statements Act. Reference is made to the consolidated Financial Statements of GlaxoSmithKline plc.

DKK'000	<u>2019</u>	<u>2018</u>
18 Appropriation of profit		
Recommended appropriation of profit	5,049	376
Retained earnings	<u>5,049</u>	<u>376</u>