

Haleon Denmark ApS

Delta Park 37, 2665 Vallensbæk Strand

CVR no. 55 54 18 17

Annual report 2022

Approved at the Company's annual general meeting on 27 June 2023

Chair of the meeting:

DocuSigned by:
Simon Falbe-Hansen
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Simon Falbe-Hansen

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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 Haleon Denmark ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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, 27 June 2023
Executive Board:


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.....8177F73FFEE44CA.....
Michael Pedersen
Man. director

Board of Directors:

DocuSigned by:

.....C3A482FFA5A04A0.....
Jonas Bille Rüdiger
Chairman

DocuSigned by:

.....8177F73FFEE44CA.....
Michael Pedersen

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.....0F864CTCAF4E42C.....
Trine Knudsen

Independent auditor's report

To the shareholder of Haleon Denmark ApS

Opinion

We have audited the financial statements of GlaxoSmithKline Consumer Healthcare ApS for the financial year 1 January 2022 - 31 December 2022, 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 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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, 27 June 2023

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

DocuSigned by:

Flemming Larsen

Flemming Larsen

State Authorised Public Accountant
mne27790

Management's review

Company details

Name	Haleon Denmark ApS
Address, Postal code, City	Delta Park 37, 2665 Vallensbæk Strand
CVR no.	55 54 18 17
Established	17 October 1961
Registered office	Vallensbæk
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	Jonas Bille Rüdiger, Chairman Michael Pedersen Trine Knudsen
Executive Board	Michael Pedersen, Man. director
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, 2300 København S

Management's review

Financial highlights

DKK'000	2022	2021	2020	2019	2018
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Key figures

Revenue	498,650	469,214	437,961	388,080	378,312
Gross profit	73,335	75,468	172,024	133,365	122,807
Profit before interest and tax (EBIT)	10,879	9,776	8,946	6,453	1,596
Net financials	108	-275	-143	536	-1,084
Profit for the year	8,544	7,399	6,860	5,049	376

Total assets	206,754	351,089	390,684	351,517	346,684
Investments in property, plant and equipment	0	2,040	0	0	0
Equity	63,281	254,737	247,338	248,313	243,264

Financial ratios

Gross margin	14.7%	16.1%	39.3%	34.4%	32.5%
EBITDA-margin	2.8%	2.5%	2.5%	2.5%	1.3%
Return on assets	0.5%	3.8%	2.2%	0.1%	-0.3%
Equity ratio	30.6%	72.6%	63.3%	70.6%	70.2%
Return on equity	5.4%	2.9%	2.8%	2.1%	0.2%

Average number of full-time employees	52	56	59	44	44
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The financial ratios stated under "Financial highlights" have been calculated as follows:

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

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 2022 shows a revenue increase of DKK 29,436 thousand and as of 31 December 2022 the balance sheet of the Company shows equity of DKK 63,281 thousand. The Danish Consumer Healthcare business showed a strong performance across most of the categories it competes in, namely across Wellness and Oral Health whereas Skin Health & Nutrition declined or delivered limited growth to the overall portfolio.

Performance in the Oral Health category was driven by Sensodyne, benefiting from the increased investment and focus as part of the agreed strategic approach building on from prior years' experience. The Wellness category also recorded strong performance, primarily coming from Panodil driving the performance of the Wellness category from increased Cold & Flu season coming out of Covid, but were also affected by a normalization of past Covid.

Otrivin has been another key pillar of the Danish Consumer business in 2022, experienced an increased growth due to external factors, which was an increasing Cold and Flu season that extended a bit further into offseason periods. Despite the effect of cold and flu and Covid, this is strong performance was within a highly competitive environment.

Another big pillar for the Danish consumer business is the NRT, where Nicotinell experienced a small growth within traditional formats which the company competes in, whereas the formats that the company does not compete in continues to grow faster than the traditional category format. Further the Vitamin business experienced a minor decline vs last year, main reason is the reposition of the portfolio done in 2021 affecting into 2022, but the vitamin business also experienced an uplift during 2022 with the new packaging design, which expected to help future performance. A concern for the business is the topical segment, which for 2022 experienced a decline in category but also had increased pressure from the competitive environment.

In summary Haleon Denmark ApS experienced a strong financial year benefitting from growth in its flagship brands such as Panodil, Otrivin & Sensodyne and navigating through significant external risks and internal changes.

Separation

For the separation we managed to have a successful separation from GSK Group into the exciting new Consumer Healthcare company Haleon which happen the 14th of July 2022. On 14th April 2023, Glaxosmithkline Consumer Heathcare ApS changed its name into Haleon Denmark ApS.

Outlook

The Danish Consumer business will continue to drive organic growth of the combined portfolio. Another focus for Haleon is to continue investing and maintain the growth and market share, for the two flagship brands Panodil and Otrivin, to keep the strong performance moving into 2023. The increase pressure from the competitive landscape of topical pain, is a creating a key focus area for the Danish Consumer business to keep/win back market share within this segment. Further the Danish business will keep focusing on leveraging the remainder of its portfolio within the market.

The forecast is to grow in line with 2022, and Revenue is expected to be approximately DKK 531,000 thousand, where the operating profit is aimed to be in line with our global strategic ambitions. We will continue to make selective investments in our brands, drive pricing initiatives and launch new products in our relentless pursuit of delivering on its promise to provide consumers with better everyday health with humanity.

Financial risks and use of financial instruments

Financial risks

In consequence of its operations, investments and funding, the Company is exposed to changes in exchange rates and the interest level. It is the Company's policy not to speculate actively in, or hedge, financial risks.

Management's review

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 are related.

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.

Research and development activities

The Company believes that innovation is a key driver of its business, and the ultimate parent company, conducts extensive research and development (R&D) activities principally in the UK and the US. Significant areas of R&D focus include fast & long-lasting OTC tablet technologies, gum & lozenges developments, premium toothpaste formulation and formulation upgrades, as well as the redesign of product packaging with due regard to environmental considerations. 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 market.

Recognition and measurement uncertainties

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

Events after the balance sheet date

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year 2022 have not been affected by any subsequent events.

Unusual matters having affected the financial statements

Risks associated with the coronavirus

From 2022 the Coronavirus is no longer classified as a pandemic in Denmark; business wise we didn't notice any effect from Coronavirus in 2022.

Ukraine

As the war in Ukraine is impacting Europe inflation overall, this also has an effect on Haleon as well as for its competitors. Haleon does not have any manufacturing facilities inside Ukraine, so for Haleon Denmark ApS there are limitations to the direct influence of the war. Indirectly we're impacted by the macro environmental impacts, such as the increased cost of goods and the high inflation rates.

Statutory CSR report

Environment Issues, Health and Safety

The Company, in line with Haleon corporate policy, is committed to the good-keeping of the environment and continuously reviews its operating procedures to ensure that it is minimizing 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.

Management's review

Social responsibility and diversity

The company is covered by the obligation of information with regards to social responsibility. Please refer to the Group's reports concerning social responsibility: <https://www.haleon.com/our-impact/esg-reporting-hub>

Account of the gender composition of Management

Haleon management is committed to provide equal opportunity and career development to every employee irrespective of gender. The Danish Haleon Consumer Legal entity is part of the Northern Business Unit. The Full Area Leadership Team of Consumer Healthcare Northern Business Unit consists of 15 members of which 6 (40%) are female. The aim is to have a level of 50% women and 50% men in management and board. Within the Danish Consumer entity specifically, 67% of the board are male and 33% are female.

Data ethics

We maintain data integrity by making sure that information is accurate and stored correctly. This is essential since much of our work relies on having robust data and information. As well as meeting legal and regulatory requirements, this means we have accurate information when making decisions about our products, our patients, and our people. To see more about the data ethics, the company has chosen to publish its statement on the Company's website www.haleon.com _Who we are_Our impact_ESG Reporting.

Financial statements 1 January - 31 December**Income statement**

Note	DKK'000	<u>2022</u>	<u>2021</u>
3	Revenue	498,650	469,214
	Cost of sales	-337,726	-298,016
	Other operating income	9,613	0
4	Other external expenses	-97,202	-95,730
	Gross profit	<u>73,335</u>	<u>75,468</u>
5	Staff costs	-59,203	-59,280
6	Amortisation/depreciation of intangible assets and property, plant and equipment	-3,254	-2,026
	Other operating expenses	0	-4,385
	Profit before net financials	<u>10,878</u>	<u>9,777</u>
7	Financial income	401	79
8	Financial expenses	-293	-354
	Profit before tax	<u>10,986</u>	<u>9,502</u>
9	Tax for the year	-2,442	-2,103
	Profit for the year	<u><u>8,544</u></u>	<u><u>7,399</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
10	Intangible assets		
	Computer Software	1,411	4,309
	Goodwill	0	0
		<u>1,411</u>	<u>4,309</u>
11	Property, plant and equipment		
	Equipment	1,417	1,773
		<u>1,417</u>	<u>1,773</u>
	Total fixed assets	<u>2,828</u>	<u>6,082</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	74,924	78,911
	Receivables from group enterprises	114,101	231,924
12	Deferred tax assets	1,333	1,299
	Corporation tax receivable	1,384	403
	Other receivables	3,820	24,897
13	Prepayments	8,352	7,573
		<u>203,914</u>	<u>345,007</u>
	Cash	12	0
	Total non-fixed assets	<u>203,926</u>	<u>345,007</u>
	TOTAL ASSETS	<u><u>206,754</u></u>	<u><u>351,089</u></u>

Financial statements 1 January - 31 December**Balance sheet**

Note	DKK'000	<u>2022</u>	<u>2021</u>
	EQUITY AND LIABILITIES		
	Equity		
14	Share capital	3,000	3,000
	Retained earnings	60,281	51,737
	Dividend proposed	0	200,000
	Total equity	<u>63,281</u>	<u>254,737</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	36,567	36,008
15	Payables to group enterprises	54,790	1,746
	Other payables	52,116	58,598
		<u>143,473</u>	<u>96,352</u>
	Total liabilities other than provisions	<u>143,473</u>	<u>96,352</u>
	TOTAL EQUITY AND LIABILITIES	<u>206,754</u>	<u>351,089</u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 16 Contractual obligations and contingencies, etc.
- 17 Collateral
- 18 Related parties
- 19 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at				
	1 January 2021	3,000	244,338	0	247,338
19	Transfer, see "Appropriation of profit"	0	-192,601	200,000	7,399
	Equity at				
	1 January 2022	3,000	51,737	200,000	254,737
19	Transfer, see "Appropriation of profit"	0	8,544	0	8,544
	Dividend distributed	0	0	-200,000	-200,000
	Equity at				
	31 December 2022	3,000	60,281	0	63,281

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Haleon Denmark ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Changes in accounting policies

The Company's has decided to change the presentation principle of the income statement from nature based to species based, as the Company has changed from a production company to a distribution company. The change has not impacted the year-end result or equity of the Company.

The accounting policies used in the preparation of the financial statements are otherwise consistent with those of last year. Comparative figures have been restated to reflect the policy changes.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company GlaxoSmithKline plc., Brentford, Middlesex, England.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen 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.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

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

Other external expenses

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

Staff costs

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

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

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.

Balance sheet

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 5-10 years.

Property, plant and equipment

Property, plant and equipment assets are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the assets 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 3-10 years.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

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

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

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

Income taxes and deferred taxes

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 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.

As administration entity for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

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

Other payables comprise rebates payable, accruals and payroll accruals.

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****2 Events after the balance sheet date**

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year 2022 have not been affected by any subsequent events.

DKK'000	<u>2022</u>	<u>2021</u>
3 Segment information		
Breakdown of revenue by business segment:		
Wellness	430,300	389,078
Oral Health	39,791	36,975
Skin Health	10,209	21,228
Nutrition	18,350	21,933
	<u>498,650</u>	<u>469,214</u>
Breakdown of revenue by geographical segment:		
Denmark	452,789	426,186
Iceland	45,861	43,028
	<u>498,650</u>	<u>469,214</u>
4 Fee to the auditors appointed in general meeting		
Total fees to Deloitte	430	413
Statutory audit	430	413
	<u>430</u>	<u>413</u>
5 Staff costs		
Wages/salaries	51,704	55,141
Pensions	3,677	3,909
Other social security costs	635	230
Other staff costs	3,187	0
	<u>59,203</u>	<u>59,280</u>
Average number of full-time employees	<u>52</u>	<u>56</u>

There is not special incentive plans for the Company's management.

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	<u>2022</u>	<u>2021</u>	
6 Amortisation/depreciation of intangible assets and property, plant and equipment			
Amortisation of intangible assets	2,898	1,759	
Depreciation of property, plant and equipment	<u>356</u>	<u>267</u>	
	<u>3,254</u>	<u>2,026</u>	
7 Financial income			
Interest receivable, group entities	245	25	
Other financial income	<u>156</u>	<u>54</u>	
	<u>401</u>	<u>79</u>	
8 Financial expenses			
Interest expenses, group entities	3	0	
Other financial expenses	<u>290</u>	<u>354</u>	
	<u>293</u>	<u>354</u>	
9 Tax for the year			
Estimated tax charge for the year	1,750	2,561	
Deferred tax adjustments in the year	-34	-458	
Tax adjustments, prior years	<u>726</u>	<u>0</u>	
	<u>2,442</u>	<u>2,103</u>	
10 Intangible assets			
DKK'000	<u>Computer Software</u>	<u>Goodwill</u>	<u>Total</u>
Cost at 1 January 2022	<u>18,822</u>	<u>7,263</u>	<u>26,085</u>
Cost at 31 December 2022	<u>18,822</u>	<u>7,263</u>	<u>26,085</u>
Impairment losses and amortisation at 1 January 2022	14,513	7,263	21,776
Amortisation for the year	<u>2,898</u>	<u>0</u>	<u>2,898</u>
Impairment losses and amortisation at 31 December 2022	<u>17,411</u>	<u>7,263</u>	<u>24,674</u>
Carrying amount at 31 December 2022	<u>1,411</u>	<u>0</u>	<u>1,411</u>
Amortised over	<u>10 years</u>	<u>5 years</u>	

Financial statements 1 January - 31 December**Notes to the financial statements****11 Property, plant and equipment**

DKK'000	<u>Equipment</u>
Cost at 1 January 2022	19,631
Cost at 31 December 2022	19,631
Impairment losses and depreciation at 1 January 2022	17,858
Depreciation	356
Impairment losses and depreciation at 31 December 2022	18,214
Carrying amount at 31 December 2022	1,417
Depreciated over	<u>3-10 years</u>

DKK'000	<u>2022</u>	<u>2021</u>
12 Deferred tax		
Deferred tax at 1 January	-1,299	-841
Deferred tax adjustment, previous year	-726	0
Deferred tax for the year	692	-458
Deferred tax at 31 December	-1,333	-1,299
Deferred tax relates to:		
Intangible assets	-1,268	-630
Property, plant and equipment	-65	13
Liabilities	0	-682
	<u>-1,333</u>	<u>-1,299</u>

13 Prepayments

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

Financial statements 1 January - 31 December**Notes to the financial statements**

DKK'000	2022	2021
14 Share capital		
Analysis of the share capital:		
3,000 shares of DKK 1,000.00 nominal value each	3,000	3,000
	3,000	3,000

There is no difference in share voting rights

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

15 Payables to group enterprises

The company has entered into a cash pool agreement with Danske Bank, where Haleon UK Finance Limited is the account holder and Haleon Denmark ApS is the sub-account holder together with the company's other affiliated companies. The terms of the cash pool scheme provides the right to settle withdrawals and deposits with each other, whereby it is exclusively the net balance of the total cash pool accounts that make up balance with Danske Bank.

Haleon Denmark ApS' accounts in the cash pool scheme, which are recognised under receivables from affiliated companies, amount to a deposit of DKK 41,972 thousand as of 31 December 2022.

16 Contractual obligations and contingencies, etc.**Other financial obligations**

Other rent and lease liabilities:

Rent and lease liabilities	9,203	10,731
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Contractual obligations

The company has entered into lease agreements of company cars. Total commitments amount to DKK 1,612 thousand (2021: 2,035 thousand) at 31 December 2022 with a non-terminability period up to 47 months.

The company has entered into rent agreements with a non-terminable period of 89 months. Total commitments in the period of non-terminability amounts to DKK 7,591 thousand (2021: DKK 8,614 thousand).

Other

As administration entity, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

17 Collateral

The company's bank have issued a bank guarantee regarding rent deposit amounting to DKK 640 thousand at 31 December 2022.

Financial statements 1 January - 31 December**Notes to the financial statements****18 Related parties**

Haleon Denmark ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
GlaxoSmithKline plc.	Brentford, UK	Ultimate parent company
GlaxoSmithKline Consumer Healthcare (Overseas) Ltd.	Brentford, UK	Immediate parent company

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
GlaxoSmithKline plc.	Brentford, UK	www.GSK.com

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

DKK'000	<u>2022</u>	<u>2021</u>
19 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	0	200,000
Retained earnings/accumulated loss	8,544	-192,601
	<u>8,544</u>	<u>7,399</u>