

Haleon Denmark ApS

Delta Park 37, 2665 Vallensbæk Strand

CVR no. 55 54 18 17

Annual report 2023

Approved at the Company's annual general meeting on 15 July 2024

Chair of the meeting:

.....
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 2023.

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

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, 15 July 2024
Executive Board:

.....
Birgitte Lohmann Rindom
Man. director

Board of Directors:

.....
Jonas Bille Rüdiger
Chairman

.....
Birgitte Lohmann Rindom

.....
Sarah Bjerregaard Mangor

Independent auditor's report

To the shareholder of Haleon Denmark ApS

Opinion

We have audited the financial statements of Haleon Denmark ApS for the financial year 1 January - 31 December 2023 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 15 July 2024

KPMG P/S

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Sara Carstensen

State Authorised Public Accountant

mne34191

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.haleon.dk |
| Telephone | +45 44 86 86 86 |
| Board of Directors | Jonas Bille Rüdiger, Chairman Birgitte Lohmann Rindom Sarah Bjerregaard Mangor |
| Executive Board | Birgitte Lohmann Rindom, Man. director |
| Auditors | KPMG P/S Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, 2100 København Ø |

Management's review

Financial highlights

| DKK'000 | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------|---------|---------|---------|---------|
| Key figures | | | | | |
| Revenue | 543,117 | 498,650 | 469,214 | 437,961 | 388,080 |
| Gross profit | 70,068 | 73,335 | 75,468 | 172,024 | 133,365 |
| Profit before interest and tax (EBIT) | 8,358 | 10,879 | 9,776 | 8,946 | 6,453 |
| Net financials | 1,361 | 108 | -275 | -143 | 536 |
| Profit for the year | 7,577 | 8,544 | 7,399 | 6,860 | 5,049 |
| Balance sheet | | | | | |
| Total assets | 182,885 | 206,754 | 351,089 | 390,684 | 351,517 |
| Investments in property, plant and equipment | 0 | 0 | 2,040 | 0 | 0 |
| Equity | 70,858 | 63,281 | 254,737 | 247,338 | 248,313 |
| Financial ratios | | | | | |
| Gross margin | 12.9% | 14.7% | 16.1% | 39.3% | 34.4% |
| EBITDA-margin | 1.8% | 2.8% | 2.5% | 2.5% | 2.5% |
| Return on assets | -0.5% | 0.5% | 3.8% | 2.2% | 0.1% |
| Equity ratio | 38.7% | 30.6% | 72.6% | 63.3% | 70.6% |
| Return on equity | 11.3% | 5.4% | 2.9% | 2.8% | 2.1% |
| Employees | | | | | |
| Average number of full-time employees | 54 | 52 | 56 | 59 | 44 |

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 2023 shows a revenue increase of DKK 44,467 thousand and as of 31 December 2023 the balance sheet of the Company shows equity of DKK 70,858 thousand. The Danish Consumer Healthcare business showed a strong performance across most of the categories it competes in, namely across Wellness, Oral Health, and Skin Health, whereas Nutrition 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. Another driver in this category –successful launch of Oral care brand Parodontax.

The Wellness category also recorded strong performance, primarily coming from Panodil driving the performance of the Wellness category coming from a medium cold and flu season and a general value growth in the category. Another important pillar for the Danish entity is the topical business Voltaren that grew vs last year by winning back market share within the category.

Another big pillar for the Danish consumer business is the NRT, where Nicotinell experienced a mid single digit growth within their traditional formats which the company competes in, this was coming from a value growth in the category itself.

Further the Vitamin business shows minor growth vs last year, coming from new product launched with the Multi-tabs brands. A concern for the business is the Nasal Business, which for 2023 experienced a decline driven by one-off external factors which overstated 2022 landing, but also had increased pressure from the competitive environment effecting the performance.

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

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 their flagship brands, to keep the strong performance moving into 2024. Another focus will be gaining share in Wellnes, specifically Smokers Health with Spray Innovation competing with a new format in the NRT category. 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 2023, and Revenue is expected to be approximately DKK 563,000 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 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.

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.

Management's review

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 & lozenge 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 2023 of the Company and the results of the activities of the Company for the financial year 2023 have not been affected by any subsequent events

Unusual matters having affected the financial statements

Ukraine

The continuing war in Ukraine is impacting Europe inflation overall, this also has an effect on Haleon as well for its competitors. Haleon does not have any manufacturing facilities inside Ukraine, so for Haleon Denmark ApS there are limitation 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 inflations rates.

Statutory CSR report

The company is covered by the obligation of information with regards to social responsibility. Please refer to the Group's reports concerning social responsibility:

The Statutory CSR report is published on Haleon plc's website: <https://www.haleon.com/our-impact/esg-reporting-hub>

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

Report on 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 13 members of which 5 (40%) are female. The aim is to have an equal split of women and men in management and board. Within the Danish Consumer entity specifically, 33% of the board are male and 67% are female. The Company has achieved an equal distribution of genders in both the supreme governing body and at other management levels.

Overview

| | 2023 |
|---|------|
| <i>Supreme governing body</i> | |
| Total number of members | 3 |
| Underrepresented gender in % | 33 |
| Target figure in % | 40 |
| Year in which the target figure is expected to be met | 2023 |
| <i>Other levels of management</i> | |
| Total number of members | 13 |
| Underrepresented gender in % | 40 |
| Target figure in % | 40 |
| Year in which the target figure is expected to be met | 2023 |

Supreme governing body

Haleon Denmark ApS' goal has been to get 40% of the underrepresented gender in the top management body, which the company has achieved in 2023, as the top management consist of 2 woman and 1 man.

Other levels of management

The Company's other level management consist of the Full Area Leadership team as well as heads of the organization's individual functions, who report directly to the registered executive board. The other management level consist of following 5 woman and 8 men.

Data ethics

Haleon ethical commitment are a priority. Haleons ambition to be the leading company with consumer healthcare, as being a responsible business, it is essential that our conduct is exemplary. Therefore, we responsibly handle and process all data with integrity and ethical manner in all our areas of business.

Personnel Data

We responsibly handle all data entrusted to us. We commit ourselves and our service providers to comply with our Data Privacy and Data Security principles, as well as local data protection regulations. We oblige to process data lawfully and transparently. We safeguard important data from corruption, compromise, or loss. And we secure the privacy, availability, and integrity of the data available to us. We delete data we do not need in line with our data retention policies. For further information search through Haleon Plc. website: <https://www.haleon.com/>

Risk Assessment

At Haleon we recognize that we are faced with data ethics challenge in a constant developing technologic and due to the large data processing. Haleon recognize that it could face legal, financial, and reputational risk when handling data. Therefore, it is essential and critical that Haleon look at all data ethic challenges. Challenges that Haleon is to collect data only for specific instances and for explicit and legitimate purposes only. Haleon strive to asses the risk that our use data may generate, we will manage the risks by complying with legal requirement and through Haleon responsible principles and values shared at Haleon plc website: [haleon-coc_engb..pdf](https://www.haleon.com/haleon-coc_engb..pdf).downloadasset.pdf

Financial statements 1 January - 31 December

Income statement

| Note | DKK'000 | 2023 | 2022 |
|------|---|----------|----------|
| 3 | Revenue | 543,117 | 498,650 |
| | Cost of sales | -378,781 | -337,726 |
| | Other operating income | 9,313 | 9,613 |
| 4 | Other external expenses | -103,581 | -97,202 |
| | Gross profit | 70,068 | 73,335 |
| 5 | Staff costs | -60,034 | -59,203 |
| 6 | Amortisation/depreciation of intangible assets and property, plant and equipment | -1,675 | -3,254 |
| | Profit before net financials | 8,359 | 10,878 |
| 7 | Financial income | 1,815 | 401 |
| 8 | Financial expenses | -454 | -293 |
| | Profit before tax | 9,720 | 10,986 |
| 9 | Tax for the year | -2,143 | -2,442 |
| | Profit for the year | 7,577 | 8,544 |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK'000 | 2023 | 2022 |
|------|--------------------------------------|-----------------------|-----------------------|
| | ASSETS | | |
| | Fixed assets | | |
| 11 | Intangible assets | | |
| | Computer Software | 92 | 1,411 |
| | Goodwill | 0 | 0 |
| | | <u>92</u> | <u>1,411</u> |
| 12 | Property, plant and equipment | | |
| | Equipment | 1,061 | 1,417 |
| | | <u>1,061</u> | <u>1,417</u> |
| | Total fixed assets | <u>1,153</u> | <u>2,828</u> |
| | Non-fixed assets | | |
| | Receivables | | |
| | Trade receivables | 67,675 | 74,924 |
| | Receivables from group enterprises | 107,167 | 114,101 |
| 15 | Deferred tax assets | 905 | 1,333 |
| | Corporation tax receivable | 1,045 | 1,384 |
| | Other receivables | 921 | 3,820 |
| 13 | Prepayments | 4,005 | 8,352 |
| | | <u>181,718</u> | <u>203,914</u> |
| | Cash | <u>14</u> | <u>12</u> |
| | Total non-fixed assets | <u>181,732</u> | <u>203,926</u> |
| | TOTAL ASSETS | <u><u>182,885</u></u> | <u><u>206,754</u></u> |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK'000 | 2023 | 2022 |
|------|--|----------------|----------------|
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| 14 | Share capital | 3,000 | 3,000 |
| | Retained earnings | 67,858 | 60,281 |
| | Dividend proposed | 0 | 0 |
| | Total equity | <u>70,858</u> | <u>63,281</u> |
| | Liabilities other than provisions | | |
| | Current liabilities other than provisions | | |
| | Trade payables | 31,794 | 36,567 |
| 16 | Payables to group enterprises | 30,144 | 54,790 |
| | Other payables | 50,089 | 52,116 |
| | | <u>112,027</u> | <u>143,473</u> |
| | Total liabilities other than provisions | <u>112,027</u> | <u>143,473</u> |
| | TOTAL EQUITY AND LIABILITIES | <u>182,885</u> | <u>206,754</u> |

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

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 2022 | 3,000 | 51,737 | 200,000 | 254,737 |
| 10 | Transfer, see | | | | |
| | "Appropriation of profit" | 0 | 8,544 | 0 | 8,544 |
| | Dividend distributed | 0 | 0 | -200,000 | -200,000 |
| | Equity at | | | | |
| | 1 January 2023 | 3,000 | 60,281 | 0 | 63,281 |
| 10 | Transfer, see | | | | |
| | "Appropriation of profit" | 0 | 7,577 | 0 | 7,577 |
| | Equity at | | | | |
| | 31 December 2023 | 3,000 | 67,858 | 0 | 70,858 |

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Haleon Denmark ApS for 2023 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.

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 Haleon 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.

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 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

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

Cash

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

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Payables to group entities".

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

The Company has chosen IAS 39 as interpretation for 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 2023 of the Company and the results of the activities of the Company for the financial year 2023 have not been affected by any subsequent events.

| DKK'000 | <u>2023</u> | <u>2022</u> |
|---|----------------|----------------|
| 3 Segment information | | |
| Breakdown of revenue by business segment: | | |
| Wellness | 461,220 | 430,300 |
| Oral Health | 51,642 | 39,791 |
| Skin Health | 11,382 | 10,209 |
| Nutrition | 18,873 | 18,350 |
| | <u>543,117</u> | <u>498,650</u> |
| Breakdown of revenue by geographical segment: | | |
| Denmark | 498,542 | 452,789 |
| Iceland | 44,575 | 45,861 |
| | <u>543,117</u> | <u>498,650</u> |
| 4 Fee to the auditors appointed in general meeting | | |
| Total fees to KPMG (Deloitte in 2022) | <u>512</u> | <u>430</u> |
| Statutory audit | <u>512</u> | <u>430</u> |
| | <u>512</u> | <u>430</u> |
| 5 Staff costs | | |
| Wages/salaries | 53,872 | 51,704 |
| Pensions | 4,025 | 3,677 |
| Other social security costs | 638 | 635 |
| Other staff costs | 1,499 | 3,187 |
| | <u>60,034</u> | <u>59,203</u> |
| Average number of full-time employees | <u>54</u> | <u>52</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.

6 Amortisation/ depreciation of intangible assets and property, plant and equipment

| | | |
|---|--------------|--------------|
| Amortisation of intangible assets | 1,319 | 2,898 |
| Depreciation of property, plant and equipment | 356 | 356 |
| | <u>1,675</u> | <u>3,254</u> |

Financial statements 1 January - 31 December

Notes to the financial statements

| DKK'000 | 2023 | 2022 | |
|--|--------------------------|-----------------|--------------|
| 7 Financial income | | | |
| Interest receivable, group entities | 1,759 | 245 | |
| Other financial income | 56 | 156 | |
| | <u>1,815</u> | <u>401</u> | |
| 8 Financial expenses | | | |
| Interest expenses, group entities | 128 | 3 | |
| Other financial expenses | 326 | 290 | |
| | <u>454</u> | <u>293</u> | |
| 9 Tax for the year | | | |
| Estimated tax charge for the year | 2,138 | 1,750 | |
| Deferred tax adjustments in the year | 18 | -34 | |
| Tax adjustments, prior years | -13 | 726 | |
| | <u>2,143</u> | <u>2,442</u> | |
| 10 Appropriation of profit | | | |
| Recommended appropriation of profit | | | |
| Retained earnings | 7,577 | 8,544 | |
| | <u>7,577</u> | <u>8,544</u> | |
| 11 Intangible assets | | | |
| DKK'000 | Computer Software | Goodwill | Total |
| Cost at 1 January 2023 | 18,822 | 7,263 | 26,085 |
| Cost at 31 December 2023 | 18,822 | 7,263 | 26,085 |
| Impairment losses and amortisation at 1 January 2023 | 17,411 | 7,263 | 24,674 |
| Amortisation for the year | 1,319 | 0 | 1,319 |
| Impairment losses and amortisation at 31 December 2023 | 18,730 | 7,263 | 25,993 |
| Carrying amount at 31 December 2023 | <u>92</u> | <u>0</u> | <u>92</u> |
| Amortised over | <u>10 years</u> | <u>5 years</u> | |

Financial statements 1 January - 31 December

Notes to the financial statements

12 Property, plant and equipment

| DKK'000 | <u>Equipment</u> |
|--|-------------------|
| Cost at 1 January 2023 | 19,631 |
| Cost at 31 December 2023 | 19,631 |
| Impairment losses and depreciation at 1 January 2023 | 18,214 |
| Depreciation | 356 |
| Impairment losses and depreciation at 31 December 2023 | 18,570 |
| Carrying amount at 31 December 2023 | 1,061 |
| Depreciated over | <u>3-10 years</u> |

13 Prepayments

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

| DKK'000 | <u>2023</u> | <u>2022</u> |
|---|--------------|--------------|
| 14 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> |

There is no difference in share voting rights

15 Deferred tax

| | | |
|--|-------------|---------------|
| Deferred tax at 1 January | -1,333 | -1,299 |
| Deferred tax adjustment, previous year | 410 | -726 |
| Deferred tax for the year | 18 | 692 |
| Deferred tax at 31 December | -905 | -1,333 |
| Deferred tax relates to: | | |
| Intangible assets | -926 | -1,268 |
| Property, plant and equipment | 21 | -65 |
| | <u>-905</u> | <u>-1,333</u> |

Financial statements 1 January - 31 December

Notes to the financial statements

16 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 0 thousand as of 31 December 2023.

17 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

| DKK'000 | 2023 | 2022 |
|----------------------------|-------|-------|
| Rent and lease liabilities | 3,852 | 9,203 |

Contractual obligations

The company has entered into lease agreements of company cars. Total commitments amount to DKK 2,359 thousand (2022: 1,612 thousand) at 31 December 2023 with a non-terminability period up to 45 months.

The company has entered into rent agreements with a non-terminable period of 17 months. Total commitments in the period of non-terminability amounts to DKK 1,493 thousand (2022: DKK 7,591 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.

18 Security and collateral

The company's bank have issued a bank guarantee regarding rent deposit amounting to DKK 640 thousand at 31 December 2023.

Financial statements 1 January - 31 December

Notes to the financial statements

19 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> |
|----------------------------|---|--------------------------|
| Haleon plc. | Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY | Ultimate parent company |
| Haleon UK Services Limited | Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY | 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> |
|---------------|---|---|
| Haleon plc. | Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY | www.haleon.com |

Related party transactions

Haleon Denmark ApS was engaged in the below related party transactions:

| DKK'000 | 2023 | 2022 |
|---|-------------|-------------|
| Purchase of goods from the Parent Company | 375,098 | 330,000 |

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"By my signature I confirm all dates and content in this document."

Sarah Bjerregaard Mangor

Board member

On behalf of: Haleon Denmark ApS

Serial number: 80abbd57-d993-48fb-910e-7c1ecfd235fa

IP: 165.225.xxx.xxx

2024-07-15 12:50:26 UTC



Birgitte Lohmann Rindom

Managing director

On behalf of: Haleon Denmark ApS

Serial number: 79d35cdc-636f-4179-8761-362c14854079

IP: 185.71.xxx.xxx

2024-07-15 12:54:42 UTC



Birgitte Lohmann Rindom

Board member

On behalf of: Haleon Denmark ApS

Serial number: 79d35cdc-636f-4179-8761-362c14854079

IP: 185.71.xxx.xxx

2024-07-15 12:54:42 UTC



Jonas Bille Rüdiger

Chairman of the board

On behalf of: Haleon Denmark ApS

Serial number: 07797a3b-289e-4f55-8f47-fc52d42619a1

IP: 165.225.xxx.xxx

2024-07-15 13:47:35 UTC



Sara Carstensen

State authorised public accountant

On behalf of: KPMG P/S

Serial number: 523306ef-c818-44dd-be70-237c96bf6c83

IP: 83.151.xxx.xxx

2024-07-15 14:00:57 UTC



Simon Falbe-Hansen

Chairman

On behalf of: Haleon Denmark ApS

Serial number: 703376a3-140f-4a41-87e0-c8c5a6df3b8e

IP: 92.241.xxx.xxx

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