
Merck A/S

Vandtårnsvej 62A,5. a., DK-2860 Søborg

Annual Report for 2024

CVR No. 32 93 22 74

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 24/6 2025

Montserrat Jansa
Rodriguez
Chairman of the
general meeting

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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Merck A/S for the financial year 1 January - 31 December 2024.

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 at 31 December 2024 of the Company and of the results of the Company operations for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Søborg, 24 June 2025

Executive Board

Montserrat Jansa Rodriguez

Board of Directors

Anders Gerner Petersen
Chairman

Tiina Marjatta Puhakka

Montserrat Jansa Rodriguez

Independent Auditor's report

To the shareholder of Merck A/S

Opinion

We have audited the Financial Statements of Merck A/S for the financial year 1 January - 31 December 2024, which comprise 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 financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 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 responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 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 Management's Review

Management is responsible for Management's Review.

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the relevant law and regulations.

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

Copenhagen, 24 June 2025

Deloitte Statsautoriseret Revisionspartnerselskab

Statsautoriseret Revisionspartnerselskab

CVR No 33963556

Flemming Larsen

State Authorised Public Accountant

mne27790

Irene Bendid Nørskov Jensen

State Authorised Public Accountant

mne51525

Company information

The Company

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Vandtårnsvej 62A, 5. a.
DK-2860 Søborg

Telephone: + 45 35 25 35 50
Email: kontakt@merckgroup.com
Website: www.merck.dk

CVR No: 32 93 22 74
Financial period: 1 January - 31 December
Municipality of reg. office: Gladsaxe

Board of Directors

Anders Gerner Petersen, chairman
Tiina Marjatta Puhakka
Montserrat Jansa Rodriguez

Executive Board

Montserrat Jansa Rodriguez

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 København S

Management's review

Key activities

The Company's primary activities are within fertility, neurology and oncology.

Development in the year

The income statement of the Company for 2024 shows a profit of DKK 2,802,969, and at 31 December 2024 the balance sheet of the Company shows a positive equity of DKK 34,860,401. Revenue and the result for the year is in line with management's expectations, and is considered satisfactory.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross profit		34,857,705	35,422,299
Staff expenses	1	-30,443,795	-30,314,024
Depreciation and impairment losses of property, plant and equipment	2	-8,322	0
Profit/loss before financial income and expenses		4,405,588	5,108,275
Financial income	3	198,643	244,425
Financial expenses	4	-42,423	-22,047
Profit/loss before tax		4,561,808	5,330,653
Tax on profit/loss for the year	5	-1,758,839	-302,563
Net profit/loss for the year		2,802,969	5,028,090
Distribution of profit			
		2024	2023
		DKK	DKK
Proposed distribution of profit			
Retained earnings		2,802,969	5,028,090
		2,802,969	5,028,090

Balance sheet 31 December

Assets

	Note	2024	2023
		DKK	DKK
Acquired licenses		452,807	0
Intangible assets	6	452,807	0
Other fixtures and fittings, tools and equipment		37,069	0
Leasehold improvements		0	0
Property, plant and equipment in progress		797,092	0
Property, plant and equipment	7	834,161	0
Fixed assets		1,286,968	0
Finished goods and goods for resale		13,521,519	13,651,001
Inventories		13,521,519	13,651,001
Trade receivables		6,189,654	10,514,023
Receivables from group enterprises	8	20,430,234	20,792,611
Other receivables		11,087	0
Deferred tax asset	9	325,962	1,665,548
Corporation tax		1,281,434	0
Prepayments		227,296	391,615
Receivables		28,465,667	33,363,797
Current assets		41,987,186	47,014,798
Assets		43,274,154	47,014,798

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		34,360,401	31,557,432
Equity		34,860,401	32,057,432
Credit institutions		8	4,625
Trade payables		882,301	2,245,905
Corporation tax		0	2,269,000
Other payables		7,531,444	10,437,836
Short-term debt		8,413,753	14,957,366
Debt		8,413,753	14,957,366
Liabilities and equity		43,274,154	47,014,798
Contingent assets, liabilities and other financial obligations	10		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500,000	31,557,432	32,057,432
Net profit/loss for the year	0	2,802,969	2,802,969
Equity at 31 December	500,000	34,360,401	34,860,401

Notes to the Financial Statements

	2024	2023
	DKK	DKK
1. Staff expenses		
Wages and salaries	28,149,041	27,961,868
Pensions	2,200,915	2,312,542
Other social security expenses	93,839	39,614
	30,443,795	30,314,024

Average number of employees	25	22
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Merck Long Term Incentive Plan (LTIP)

The plan entitles the plan participants to a cash payment after a period of three years depending on the achievement of external and internal KPI.

The fair value of the legal entity's liability resulting from the fair value has to be re-measured at each quarterly reporting date during the vesting period with any changes in the fair value to be recognized in profit or loss for the period.

Long Term Incentive plan (non-current) relates to our higher Management bonus payout for the three years obligation period.

For current period we consider one year obligation and for non-current two year obligation plan.

Current incentive plans amount to DKK 93,056 (2023: 162,044)

Non-current incentive plans amount to DKK 25,336 (2023: 7,009)

	2024	2023
	DKK	DKK
2. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	8,322	0
	8,322	0
Which is specified as follows:		
Other fixtures and fittings, tools and equipment	8,322	0
	8,322	0

Notes to the Financial Statements

	2024	2023
	DKK	DKK
3. Financial income		
Other financial income	185,633	222,723
Exchange adjustments	13,010	21,702
	198,643	244,425
	2024	2023
	DKK	DKK
4. Financial expenses		
Exchange adjustments, expenses	42,423	22,047
	42,423	22,047
	2024	2023
	DKK	DKK
5. Income tax expense		
Current tax for the year	218,566	2,783,000
Deferred tax for the year	1,339,586	-1,093,977
Adjustment of tax concerning previous years	200,687	-1,386,460
	1,758,839	302,563
6. Intangible fixed assets		
		Acquired licenses
		DKK
Cost at 1 January		813,323
Additions for the year		452,807
Cost at 31 December		1,266,130
Impairment losses and amortisation at 1 January		813,323
Impairment losses and amortisation at 31 December		813,323
Carrying amount at 31 December		452,807

Notes to the Financial Statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments	Property, plant and equipment in progress
	DKK	DKK	DKK
Cost at 1 January	1,315,040	1,250,053	0
Additions for the year	45,391	0	797,092
Cost at 31 December	1,360,431	1,250,053	797,092
Impairment losses and depreciation at 1 January	1,315,040	1,250,053	0
Depreciation for the year	8,322	0	0
Impairment losses and depreciation at 31 December	1,323,362	1,250,053	0
Carrying amount at 31 December	37,069	0	797,092

8. Receivables from group enterprises

Receivables from group enterprises comprises a group cash pool arrangement.

9. Deferred tax asset

	2024	2023
	DKK	DKK
Deferred tax asset at 1 January	1,665,548	571,571
Amounts recognised in the income statement for the year	-1,339,586	1,093,977
Deferred tax asset at 31 December	325,962	1,665,548

10. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

	2024	2023
	DKK	DKK
Within 1 year	1,900,739	2,217,208
Between 1 and 5 years	3,659,026	5,240,804
	5,559,765	7,458,012

Notes to the Financial Statements

	2024	2023
	DKK	DKK
10. Contingent assets, liabilities and other financial obligations		
Other contingent liabilities		
According to the Company's accounting policies, in some cases, the customer has the right of return until final resale and delivery to third parties. The amount cannot be determined precisely but is estimated to be insignificant.		

11. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Ultimate Parent Company:

Name	Place of registered office
Merck KGaA	Darmstadt, Germany <i>Ultimate Parent</i>
Merck B.V.	Schiphol-Rijk, Holland <i>Direct parent</i>

Notes to the Financial Statements

12. Accounting policies

The Annual Report of Merck A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

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 cost 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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

In some cases, the customer has the right of return until final resale and delivery to third party. In accordance with the accounting principle, Merck A/S also recognises this revenue at the time of the physical delivery, to the customer insofar as the part of the delivery which is not returned after the balance sheet date, can be reliably measured.

Notes to the Financial Statements

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Cost of goods sold comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, cost of goods sold and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in 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.

Balance sheet

Intangible fixed assets

Acquired licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Licences are amortised over the licence period; however not exceeding 3-6 year.

Property, plant and equipment

Property, plant and equipment 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 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:

Other fixtures and fittings, tools and equipment	5 years
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Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of 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, the asset is written down to its lower recoverable amount.

The carrying amounts of 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, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

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.

Prepayments

Prepayments comprise prepaid expenses concerning subscriptions and other prepaid expenses.

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 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.

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 or in equity if the deferred tax relates to items recognised in equity.

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.

Financial liabilities

Financial liabilities which include, trade payables and amounts owed to group entities, are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.