

AMO DENMARK ApS

c/o Biofarma A/S
Naverland 22
2600 Glostrup

Annual report 2021

Central Business Registration No 26 54 36 73

Approved at the annual general meeting of shareholders on 18 May 2022

Thomas Roat Jørgensen Chairman of General Meeting

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Statement by the Management on the annual report

We have today presented the annual report of AMO DENMARK ApS for the financial year 1 January to 31 December 2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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 18 May 2022.

Executive Board:

Walter Petrus Jacobus Arnoldina van de Ven

Thomas Roat Jørgensen

Independent Auditor's Report

To the Shareholders of AMO Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of B-Company for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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.

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 Danish Financial Statements Act.

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 the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 judgment and maintain professional skepticism 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.
- 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.

Hellerup, 18 May 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden

State Authorised Public Accountant

mne32209

Christopher Thor Kowalczyk

State Authorised Public Accountant

mne47863

Company information

Company

AMO DENMARK ApS
c/o Biofarma A/S
Naverland 22
2600 Glostrup

CVR-no: 26 54 36 73
Established: 27 March 2002
Registered office: Albertslund
Financial year: 1 January - 31 December 2021
Bankers: Bank of America, and
Handelsbanken Copenhagen

Executive Board

Walter Petrus Jacobus Arnoldina van de Ven
Thomas Roat Jørgensen

Company auditors

PricewaterhouseCoopers Statsautoriseret
Revisionspartnerselskab
Strandvejen 44
2900 Hellerup,
Denmark

Management commentary***Primary activities***

The Company operates in the field of ophthalmic surgery and the market for contact lenses and related maintenance products. The Company operates as Limited Risk Distributor for AMO Ireland. The risk borne by AMO Denmark ApS is limited as the contract with AMO Ireland stipulates a minimum operating profit margin in favor of AMO Denmark ApS.

Developments in activities and finances

There has been strong recovery in Sales in 2021 after a Sales decline in 2020. The 2020 Sales decline was primarily driven by the impacts of COVID-19 on the market. Sales in the markets in which the Company operates have proceeded in line with expectations with Sales in Q1 2022 outperforming the comparable Quarter (Pre COVID-19) in 2019.

Two significant new Tenders have been negotiated in Q4 2021 and Q1 2022 and it is expected that the positive Sales impact of these will be seen in the later Quarters of 2022.

Profit of the year amounts to DKK 928,685 and is considered satisfactory.

Events after the balance sheet date

No post balance sheet events have occurred that would have a significant influence on the evaluation of the annual accounts.

Accounting policies

The annual report of AMO DENMARK ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The financial statements have been prepared based on the same accounting policies as last year.

The annual report is presented in DKK.

Recognition and measurement

Income is recognized in the income statement as earned. Equally, all costs are recognised in the income statement, including depreciation and impairment.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that materially affect conditions at the balance sheet date are taken into account.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose is recognized in the income statement as interest income or expense and similar items.

Income statement***Revenue - Sales***

Revenue comprises sales to Customers of Consumer Eye Health (CEH) products mainly for contact lens maintenance; Refractive Surgery which manages vision defects and corrects them with the aid of diagnostic tools and specific lasers and Cataract Surgery which is aimed at patients suffering from Cataracts. Income from sales to Customers is recognized in the Income Statement as earned.

Cost of Sales

Cost of Sales are recognized in the Income Statement at the same time as the corresponding Customer Sale is recognized in the Income Statement.

Periodically an adjustment is reflected in Cost of Sales to reflect the minimum operating profit margin stipulated in the Limited Risk Distribution Agreement.

Distribution costs

Distribution costs comprise distribution costs, selling costs, advertising costs, payroll etc.

Administration expenses

Administration expenses comprise costs for administration and management fee.

Financial income and expense

Interest income and expense and similar items comprise interest income and expense and realized and unrealized exchange gains and losses on receivables and payables denominated in foreign currencies.

Tax on the profit for the year

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

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet**Property, Plant and Equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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:

Tools and equipment	3 years
Fixtures and fittings	5 years

Receivables

Receivables are measured at amortized cost. Provision is made for anticipated losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income in prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in the tax rate are recognized in the income statement.

Cash

Cash and cash equivalents comprise cash which are subject to an insignificant risk of changes in value.

Liabilities other than provisions

Other payables are measured at amortized cost, equaling nominal value.

Income statement for financial year 2021

DKK	Note	2021	2020
Revenue		24,073,416	20,314,982
<i>Cost of Sales</i>		-18,605,618	-14,152,246
<i>Distributions costs</i>		-3,126,534	-3,757,055
<i>Administrative expenses</i>		-1,004,426	-1,282,812
Profit from primary activities		1,336,838	1,122,869
<i>Other financial income</i>	1	13,196	128,333
<i>Other financial expenses</i>	2	-139,728	-142,288
Profit before tax		1,210,306	1,108,914
<i>Tax on profit for the year</i>	3	-281,621	-244,846
Profit for the year		<u>928.685</u>	<u>864.068</u>
Distribution of profit			
<i>Proposed distribution of profit</i>		9,000,000	
<i>Transferred from/to Retained earnings</i>		-8,071,315	864,068
		<u>928.685</u>	<u>864.068</u>

Balance sheet at 31 December 2021

DKK	Note	2021	2020
<i>Other fixtures and fittings, tools and equipment</i>	4	643,357	1,216,242
<i>Property, plant and equipment</i>		<u>643,357</u>	<u>1,216,242</u>
 <i>Fixed assets</i>		 <u>643,357</u>	 <u>1,216,242</u>
 <i>Trade Receivables</i>		 3,465,258	 3,678,255
<i>Receivables from group enterprises</i>		10,607,419	18,455,769
<i>Deferred tax</i>		65,188	46,447
<i>Receivables</i>		<u>14,137,865</u>	<u>22,180,471</u>
 <i>Cash</i>		 <u>610,565</u>	 <u>492,688</u>
 <i>Current assets</i>		 <u>14,748,430</u>	 <u>22,673,159</u>
 <i>ASSETS</i>		 <u>15,391,787</u>	 <u>23,889,401</u>

Balance sheet at 31 December 2021

DKK	Note	2021	2020
<i>Share capital</i>		500,000	500,000
<i>Proposed Dividend</i>		9,000,000	
<i>Retained earnings</i>		3,348,467	11,419,782
Equity	5	12,848,467	11,919,782
<i>Amount owed to group enterprises</i>		1,192,974	10,544,610
<i>Accounts payable</i>		13,465	95,953
<i>Income tax</i>		300,363	233,542
<i>Other payables</i>	6	1,036,518	1,095,514
Short-term liabilities other than provisions		2,543,320	11,969,619
Liabilities other than provisions		2,543,320	11,969,619
EQUITY AND LIABILITIES		15,391,787	23,889,401
<i>Contingent liabilities etc.</i>	7		
<i>Related parties</i>	8		

Statement of Changes in Equity for financial year 2021

DKK	Share Capital	Retained Earnings	Proposed Dividend	Total
Equity at 1 January 2021	500,000	11,419,782		11,919,782
<i>Transfer through appropriation of profit</i>	-	928,685		928,685
<i>Proposed Dividend</i>		-9,000,000	9,000,000	-
Equity at 31 December 2021	500,000	3,348,467	9,000,000	12,848,467

Statement of Changes in Equity for financial year 2020

DKK	Share Capital	Retained Earnings	Total
Equity at 1 January 2020	500,000	10,555,714	11,055,714
<i>Transfer through appropriation of profit</i>	-	864,068	864,068
Equity at 31 December 2020	500,000	11,419,782	11,919,782

Notes to the Financial Statement

Staff costs

From 1st January 2012 no employees are hired directly by AMO Denmark ApS.

1 Other Financial income	1/1-31/12 2021	1/1-31/12 2020
<i>Financial income from group enterprises</i>	6,635	113,313
<i>Interest Income</i>	967	3,727
<i>Exchange gains</i>	5,594	11,294
	13,196	128,333
2 Other Financial expenses	1/1-31/12 2021	1/1-31/12 2020
<i>Financial costs from group enterprises</i>	68,505	66,527
<i>Exchange Losses</i>	23,989	27,770
<i>Interest expenses</i>	47,234	47,991
	139,728	142,288
3 Tax of the profit for the year	1/1-31/12 2021	1/1-31/12 2020
DKK		
<i>Income tax</i>	300,363	233,542
<i>Adjustment of deferred tax asset</i>	-18,741	10,419
<i>Adjustment regarding previous year</i>	-1	885
	281,621	244,846

Notes to the Financial Statement

4 Property, plant and equipment

	1/1-31/12 2021	1/1-31/12 2020
<i>Cost at the beginning</i>	4,064,907	4,147,017
<i>Additions for the year</i>	-	-351,511
<i>Disposals for the year</i>	-174,477	-433,621
<i>Cost at the end</i>	3,890,430	4,064,907
<i>Impairment losses and depreciation at the beginning</i>	2,848,665	2,853,860
<i>Depreciation for the year</i>	468,200	428,426
<i>Reversal of depreciation and impairment losses of sold assets</i>	-69,792	-433,621
<i>Depreciations and impairment losses at the end</i>	3,247,073	2,848,665
<i>Carried amount at the end</i>	643,357	1,216,242

Annual Depreciation Cost is recognized through Distribution Costs in the Income Statement

5 Capital and reserves

The share capital is distributed on shares of DKK 1.

The share capital is unchanged in the past 5 years.

Notes to the Financial Statement

6 Other payables

DKK	31/12 2021	31/12 2020
VAT payable	243,367	176,986
Other Payable costs	793,151	918,528
	1,036,518	1,095,514

7 Contingent liabilities etc.

The Company is part of a Danish joint taxation with Janssen-Cilag A/S for 2022. Consequently, referring to the Danish Corporation Tax Act regulations, the Company is, with effect from the financial year 2013, liable for any income taxes etc. for the jointly taxed companies and with effect from 1 July 2012, the Company is liable for any obligations to withhold tax at source on interests, royalties and returns for the jointly taxed companies.

8 Related Parties

AMO DENMARK ApS related parties comprise:

Control

AMO DENMARK ApS is a wholly owned subsidiary of:
 AMO International Holdings Unlimited Company, Block B, Liffey Valley Office Campus, Quarryvale, Co Dublin, Ireland
 Johnson & Johnson, New Jersey, USA, ultimate parent company.

Consolidated Financial Statements:

The Company is included in the group annual report of Johnson & Johnson, New Jersey, US. The group Annual Report of Johnson & Johnson, New Jersey, US may be obtained at the following address: <https://www.jnj.com/about-jnj/annual-reports>

Other related parties the Company had transactions with:

AMO Ireland, affiliated company
 JJSV Norden AB, affiliated company
 AMO Norway AS, affiliated company
 JANSSEN-CILAG A/S Denmark
 JOHNSON & JOHNSON VISION CARE (IRELAND)
 JANSSEN PHARMACEUTICA NV, Belgium

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

Thomas Roat

Direktør

On behalf of: AMO Denmark ApS

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Walter Petrus Jacobus Arnoldina van de Ven

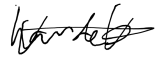
Direktør

On behalf of: AMO Denmark ApS

Serial number: wvandev1@its.jnj.com

IP: 77.249.xxx.xxx

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Martin Lunden

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret...

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Thomas Roat

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On behalf of: AMO Denmark ApS

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