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# *Alcon Nordic A/S*

Edvard Thomsens Vej 14, DK-2300 Copenhagen

## Annual Report for 2024

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CVR No. 15 88 74 78

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 27/6 2025

Julien Rosentraub  
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 Alcon Nordic 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 Annual Report be adopted at the Annual General Meeting.

Copenhagen, 27 June 2025

## Executive Board

Annette Koch Jensen  
CEO

## Board of Directors

Julien Rosentraub  
Chairman

Annette Koch Jensen

Petr Kotelnikov

# Independent Auditor's report

To the shareholder of Alcon Nordic A/S

## Opinion

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.

We have audited the Financial Statements of Alcon Nordic 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").

## 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.

# Independent Auditor's report

## 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.
- 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, 27 June 2025

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Martin Lunden  
State Authorised Public Accountant  
mne32209

Gösta Gauffin  
State Authorised Public Accountant  
mne45821

## Company information

<b>The Company</b>	Alcon Nordic A/S Edvard Thomsens Vej 14 DK-2300 Copenhagen  Telephone: + 45 36363434 Website: <a href="http://www.alcon.dk">www.alcon.dk</a>  CVR No: 15 88 74 78 Financial period: 1 January - 31 December Incorporated: 8 January 1992 Municipality of reg. office: Copenhagen
<b>Board of Directors</b>	Julien Rosentraub, chairman Annette Koch Jensen Petr Kotelnikov
<b>Executive Board</b>	Annette Koch Jensen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

# Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	1,012,519	975,336	972,043	916,706	905,912
Gross profit	164,699	170,766	142,793	164,183	198,050
Profit/loss of primary operations	48,210	32,223	17,024	35,011	48,853
Profit/loss of financial income and expenses	-4,074	-322	-180	-3,341	-5,751
Net profit/loss for the year	34,391	25,471	11,871	21,343	35,450
<b>Balance sheet</b>					
Balance sheet total	324,757	324,502	285,429	248,734	306,797
Investment in property, plant and equipment	10,147	9,726	3,794	10,871	1,347
Equity	129,094	94,703	69,232	57,361	111,018
Number of employees	125	131	139	144	151
<b>Ratios</b>					
Gross margin	16.3%	17.5%	14.7%	17.9%	21.9%
Profit margin	4.8%	3.3%	1.8%	3.8%	5.4%
Return on assets	14.8%	9.9%	6.0%	14.1%	15.9%
Solvency ratio	39.8%	29.2%	24.3%	23.1%	36.2%
Return on equity	30.7%	31.1%	18.8%	25.4%	38.0%

# Management's review

## Management's Review

### Key activities

Alcon develops, manufactures, and markets surgical devices and instruments, pharmaceuticals, and vision care products across more than 140 countries. The production and sales of the Group's products are managed by the parent company and its subsidiaries. While the products are sold globally, in Denmark, they are distributed by Alcon Nordic A/S.

In 2024, as in previous years, the activities included the sale of products and technical equipment for the treatment and diagnosis of eye diseases, contact lens care products, and pharmaceutical products.

Alcon's mission is to provide innovative products that enhance quality of life by improving people's vision.

### Development in the year

The income statement of the Company for 2024 shows a profit of TDKK 34,391 and at 31 December 2024 the balance sheet of the Company shows equity of TDKK 129,094.

### The past year and expectations for the year ahead

The company has reached a level of sales comparable to previous years, with the good performance:

The Vision Care business performance in 2024 was positive and driven by our innovative products in our key accounts

The Surgical business performance in 2024 has been satisfactory with an increased demand for premium procedures, partially offset by a lower demand of surgical equipment.

Alcon Nordic A/S exceeded the 2023 expectations, mainly driven by a continued high single digit growth of consumables sales and IOLs. The largest contribution of the positive result was generated by the strategic accounts during 2024.

The expectation for 2025 is that our sales remain at a similar level and earnings to be at the same level in 2025 as 2024.

### Capital resources

The Company's balance sheet and capital structure are subject to continuous assessment together with the majority shareholder to ensure that the Company has adequate capital and funding.

## Special risks - operating risks and financial risks

### Foreign exchange risks

The Group's activities outside Denmark imply that results, cash flows and equity are affected by the exchange and interest rate movements for several currencies.

The most significant effect is derived from exchange rate movements. The Company's sales are invoiced primarily in DKK, EUR, SEK and NOK. The net exposure relating to the above primary currencies is not hedged as the currencies are not considered highly fluctuating.

# Management's review

## Interest rate risks

Interest risk primarily relates to interest earning net payables to group enterprises. The debt earns interest at a floating rate. Interest risks are not hedged.

## Credit risks

Credit risk related to cash is handled by continuously assessing existing and new costumers' default risk.

## Research and development

The Company does not conduct any local research and development activities. All development efforts are managed by other entities within the Alcon Group.

## External environment

Alcon is committed to enhancing environmental sustainability. We accomplish this by following stringent internal guidelines and meeting the standards set by external regulatory authorities

## Intellectual capital resources

Alcon Nordic A/S is a sales company and does not engage in independent research and development. The Company lacks knowledge resources that are crucial for its future earnings. However, Alcon Nordic A/S' employees do participate to some extent in the Group's knowledge-promoting activities

## Branches abroad

The company has branches respectively in Norway, Sweden and Finland. The branches are as follows:

Alcon Nordic Norway Filial  
Philip Pedersensvei 20, 1366 Oslo, Norway

Alcon Nordic Sweden Filial  
Eugeniavägen 12 5TR, 171 64 Solna, Sweden

Alcon Nordic A/S, Suomen Sivuliike  
Metsänneidonkuja 10, 02130 Espoo, Finland

## Statutory statement of corporate social responsibility

This statement of corporate social responsibility for Alcon Nordic A/S is a component of the management's report in the annual report for 2024 and covers the financial period 1 January – 31 December 2024.

Alcon is one of the leading eye care companies in the world, dedicated to helping people see brilliantly in more than 140 countries.

Alcon caters to a diverse range of customers, including ophthalmologists, optometrists, other healthcare practitioners, patients, consumers, retailers, distributors, and medical institutions.

# Management's review

People are central to everything we do. Alcon understands that a motivated and valued workforce is key to our success. Our values and behaviors shape our actions and daily business decisions, forming the foundation of our company culture

## Company overview

Alcon is the global leader in eye care, dedicated to helping people see brilliantly. With an over 75-year heritage, we are the largest eye care device company in the world, with complementary businesses in Surgical and Vision Care. Being a truly global company, we work in 60 countries and serve patients in more than 140 countries. We have a long history of industry firsts, and each year we commit a substantial amount in Research and Development to meet customer needs and patient demands.

Alcon is the largest eye care device company in the world. We operate in the ophthalmic surgical and vision care markets, which are large, dynamic and growing. We are dedicated to helping people see brilliantly. We have a strong foundation based on our trusted brand, a legacy of industry firsts and advancements, leading positions in the markets in which we operate and a continued commitment to substantial investment in innovation

We have the widest array of eye care offerings in the industry with products organized into two business Surgical and Vision Care.

### Surgical business

We offer the industry's most complete line of ophthalmic surgical products, enabling surgeons to achieve the best results for their patients. Our surgical portfolio includes technologies and devices for cataract, retinal, refractive surgery, as well as advanced technology intraocular lenses (ATIOLs) to treat cataracts and refractive errors, like presbyopia and astigmatism. We also provide advanced viscoelastic, surgical solutions, surgical packs, and other disposable products for cataract and vitreoretinal surgery.

### Vision Care business:

We are one of the largest manufacturers of contact lenses and lens care products. Our Vision Care portfolio offers a broad range of daily disposable, reusable and color-enhancing contact lenses and a comprehensive portfolio of ocular health products. These include products for dry eye, contact lens care and ocular allergies, as well as ocular vitamins and redness reliever.

## Social Impact and Sustainability

The policies of Alcon A/S on social responsibility apply to the Company. The following sections are developed in accordance with section 99a of the Danish Financial Statement Act

### Environmental Strategy

At Alcon, we are committed to doing our part to protect the health of our planet. We strive to minimize our environmental footprint by focusing on efficiency and optimization to reduce emissions, water, waste and chemicals of concern. Two ambitious goals drive our efforts to reduce our operational environmental impact: achieving carbon neutrality across global operations for Scope 1 and Scope 2 emissions and achieving 100% landfill diversion of non-hazardous waste at our manufacturing sites and internal distribution centers, both by 2030

To reach carbon neutrality for Scope 1 and Scope 2 emissions by 2030, we are reducing energy consumption through energy efficiency projects, transitioning to renewable energy sources and implementing responsible business policies and practices. We maintain an internal Energy

## Management's review

Management Standard that describes our sustainable management principles for energy and related GHG emissions throughout our company's activities.

At Alcon, we are committed to advancing our environmental sustainability goals through practices that benefit the planet while reflecting our core values of integrity, collaboration and innovation. We stay attuned to the evolving landscape of environmental sustainability regulations, ensuring our strategies and actions remain compliant with current standards. This steadfast commitment to sustainability and regulatory adherence drives us to continuously improve and foster a culture of environmental sustainability throughout Alcon.

Our Global Environmental Sustainability Committee brings together leaders from across Alcon's global operations to establish and implement our environmental goals and ensure our global sustainability strategy is on target.

### Climate Change Impact and Risk Management

Climate change presents a global challenge with potential impacts on the health and resilience of the communities we serve. While we do not operate in an emissions-intensive industry, we acknowledge our responsibility to reduce our carbon footprint. Currently, our focus is on reducing Scope 1 and Scope 2 GHG emissions, where we have direct operational control. Our approach prioritizes energy efficiency, emission reduction initiatives and an increased reliance on renewable energy sources.

Alcon does not currently utilize carbon offsets.

The nature of the environmental risks we face is multifaceted, encompassing both the physical aspects of climate change as well as regulatory market shifts. Our ability to understand and adapt to these evolving developments is critical. Natural disasters and extreme climatic events could disrupt our operations and supply chains, leading to both financial and reputational risks.

This commitment to proactive risk management is further supported by regular evaluations conducted by Alcon's senior management and the Board of Directors. These reviews assess financial performance risks, including environmental risks, to identify strategies for managing and mitigating these challenges. These evaluations are crucial in guiding our operational and investment decisions. We have also implemented annual internal conformance reviews to evaluate performance and require all manufacturing sites to conduct legal compliance assessments covering environmental management, including waste management and permits.

Sites must report, investigate the root cause and implement corrective actions needed for identified deviations from compliance with regulations or Alcon's established procedures.

Alcon does not currently utilize carbon offsets, as we focus on reducing emissions directly through operational efficiencies and other impactful measures. For example, implementing energy efficiency projects and strategically procuring renewable energy are central to achieving our Carbon Neutral Goal.

### Waste and Chemicals

Product-related waste is challenging for all companies in the healthcare industry because regulatory bodies often require disposable medical devices and products to protect patient safety and minimize the risk of infection. Addressing this impact starts with the research and development process. We are subject to numerous national and local laws and regulations related to the discharge of regulated materials into the environment, human health and safety, laboratory procedures and hazardous materials and wastes. Our operations involve using and producing hazardous and flammable materials, including chemicals and biological materials. We generally contract with third parties to dispose of hazardous materials and waste and thus cannot eliminate the risk of contamination or injury from these materials. We prohibit sending hazardous waste to landfill and aim to divert all non-hazardous waste generated at manufacturing sites and distribution centers from landfills by 2030.

Alcon is committed to reducing packaging waste and addressing chemicals of concern associated with our products and services wherever feasible. We partnered with external consultants in 2024 to conduct LCAs on specific products, setting a baseline for future product development. We have begun the journey toward capacity building to perform in-house LCAs in the future. Finding more efficient packaging practices for our products is a core aspect of our strategy to reduce product-related waste.

## Management's review

Alcon's Waste Management Standard prohibits sending hazardous waste to landfills unless mandated by the jurisdiction in which a site operates. Waste is handled, stored, labeled and managed within our locations to reduce the risk of contamination. The standard establishes minimum requirements for safe and sustainable waste management programs at our sites and helps ensure that waste is properly stored, treated and disposed of in compliance with federal and local regulations

We identify and eliminate chemicals of concern from our products when possible and comply with chemical regulations, including the EU Registration, Evaluation, Authorization and Restriction of Chemicals regulation, the EU Medical Devices Regulation. Alcon also leverages our position as a purchaser of extensive raw materials to help our suppliers evaluate their own footprint

## Social relationship and employee relationship

### Inclusive Culture and Engagement

Alcon's Blueprint conveys our purpose, foundational principles and the behaviors that guide how we attract, develop and retain talent across the business. It features seven values that unite us globally in a shared commitment to our integrity-based culture.

All associates are expected to comply with our Code of Business Conduct and Global Policy on Human Rights, which outline expectations for acting respectfully and professionally. We do not tolerate improper conduct toward others in any form.

By equipping business and Human Resources (HR) leaders with an associate-focused mindset, we enabled them to navigate the evolving employment landscape and prioritize associate-centric thinking. This initiative emphasized leveraging Alcon's unique strengths to enhance the overall associate experience, supporting our vision of being an Employer of Choice.

In 2024, we made significant strides in advancing our Associate Experience strategy, a holistic approach to designing and optimizing key touchpoints of the associate journey—from recruitment to offboarding—to enhance engagement, productivity and well-being. It aligns our culture, technology and workplace environment to create a seamless, motivating and fulfilling work experience that drives success both for our associates and the business. The focus of our culture and employee engagement priorities was further embedding practices into everyday work.

Biannually, we conduct an engagement survey called the Associate Experience Dashboard (AED) to collect associate feedback and improve their workplace and career experience. The survey asks about empowerment to make decisions, inclusion, connection to our purpose, collaboration, opportunities to learn and grow and more

### Compensation, Wellness and Benefits

Alcon is committed to maintaining competitive compensation policies and practices that reflect our company culture and meet the diverse needs of our associates within applicable laws and regulations. Our Benefits programs include a variety of offerings, including wellness initiatives, such as annual health checks, vaccinations, on-site medical clinics and mental health awareness training. We provide death, accidental death and paid short-term and long-term disability coverage. Additionally, the Alcon Global Employee Assistance Program helps associates access a wide range of medical and social services. We offer competitive pension and retirement benefits in many markets.

Alcon's Total Rewards philosophy and program documents detail our approach to making competitive and equitable pay decisions and administering benefits aligned with locally competitive standards. This philosophy is revised and updated as needed to remain attractive and market-competitive. We also benchmark our fixed and variable compensation targets and plan designs to compete effectively for talent in the markets where we operate.

All global compensation and benefits processes and their results and impacts are managed by the Vice President of Total Rewards and the Chief Human Resources Officer. Under the oversight of Total Rewards, the Global Compensation and Benefits departments have daily oversight of Alcon's

## Management's review

compensation and benefits plans. We also partner with internal and external legal experts and vendors who specialize in supporting these programs from a compliance and market prevalence perspective. The Global Compensation and Benefits departments partner with our Employee Relations and Legal teams to ensure we comply with internal governance practices and applicable regulations

Our Benefits program includes wellness initiatives that focus on physical, financial and mental wellness. The program includes annual health checks, vaccinations, virtual fitness programs and subsidies for a gym. Through Alcon's local Employee Assistance Program, associates access confidential personal, workplace, health, legal and financial counseling services. To support and empower our associates, HR provides education about our compensation and benefits for both people leaders and associates, and the topic is covered in manager-associate conversations.

We have implemented a wide range of programs to grow all our talent at various career stages and levels. When hiring, we leverage Alcon's employer branding strategy and many accolades as an employer of choice in our social media campaigns, and we source highly qualified talent from a myriad of networks and organizations. We continually focus on internal talent development to ready our associates for their next promotional opportunity. We have built a broad network of talent and provide our existing talent with leadership and development opportunities.

### Diversity and Inclusion

Diversity and inclusion (D&I) is fundamental to Alcon's vision to help people See Brilliantly. With breadth, depth and diversity in our experiences, we are better positioned to meet the needs of customers and employees and drive innovation. Our efforts help to increase our associates' awareness of the value of different perspectives and their connection to innovation and collaboration, improve inclusive behaviors and leadership capabilities, and embed fair treatment and equal opportunity in all our talent practices. Our multi-year strategy consists of three pillars

#### 1. Foster a culture of inclusion

Different perspectives fuel innovation, helping deliver better outcomes for our customers and their patients. Our efforts to increase our associates' awareness of the value of different perspectives and their connection to innovation and collaboration improve inclusive behaviors and leadership capabilities and embed fair treatment and equal opportunity in all talent practices.

#### 2. Grow our talent

We have implemented a wide range of programs to grow all our talent at various career stages and levels. When hiring, we leverage Alcon's employer branding strategy and many accolades as an employer of choice in our social media campaigns, and we source highly qualified talent from a myriad of networks and organizations. We continually focus on internal talent development to ready our associates for their next promotional opportunity. We have built a broad network of talent and provide our existing talent with leadership and development opportunities.

#### 3. Strengthen impactful connections

We believe that strong relationships and connections lead to better results, and Alcon offers multiple forums and opportunities to build and strengthen connections.

### Training and Development

At Alcon, we believe that investing in our associates' growth is essential for driving organizational success and fostering a culture of continuous learning. Our approach to training and development is guided by the 70/20/10 model, which emphasizes 70% experiential learning, 20% learning from others and 10% formal training and development programs. This framework empowers associates and leaders to co-create personalized development plans that leverage diverse learning methods to maximize impact. We continue to evolve our approach to focus on aligning leadership development with other HR functions, systems and practices. Our integrated approach promotes a cohesive framework for cultivating talent and driving organizational success

One of our 2024 Training and Development priorities focused on equipping leaders with the tools to succeed in their roles and pursue their professional goals. Reflecting this commitment to growth, we

## Management's review

expanded Alcon's 2024 Development in Action (DIA) week under the theme “Learn. Grow. Repeat.,” which focused on making personal and professional growth a natural part of associates’ daily routines. This initiative built on our core values while meeting associates in the flow of work and sharing resources at the right time to create impactful development outcomes.

### Talent Attraction and Retention

Our commitment to building a high-performance and inclusive workplace is driven by leadership at the highest levels of Alcon.

Our associates drive Alcon’s success, dedicating significant time and personal investment to their jobs and Alcon as a whole. The opportunities, compensation and benefits we offer and the culture we create at Alcon directly impact each of their daily lives and well-being.

Failing to create an inclusive culture that fosters creativity, dedication and performance could result in the loss of top talent, hinder innovation and affect our ability to hire. The loss of key members of our organization— including senior members of our scientific and management teams, could delay or prevent the achievement of major business objectives.

To manage talent-related impacts and risks, Alcon invests heavily in recruiting, training and retaining qualified individuals. We regularly assess quantitative performance metrics and qualitative associate feedback. We strive for continual improvement, regularly evaluating our internal practices, reviewing associate survey results and monitoring the market to identify potential changes that could impact our strategy.

To ensure we continue our trend of top-quartile retention, we have a systematic approach of monitoring quarterly attrition insights and partnering with the business to address hot spots as needed.

### Business Ethics

We consider trust to be a vital form of capital and are committed to upholding the highest standards of ethics and integrity. Every member of Alcon—including full-time and part-time associates, contractors, executives and members of the Board of Directors—is required to adhere to our Code of Business Conduct.

Alcon’s framework for ethical governance covers behavioral expectations, associate training, monitoring, auditing, risk assessment, reporting and remedial action. We consistently reinforce policy expectations with associates through newsletters and communications from leadership. Our comprehensive training and awareness program ensures that all associates—including executives, new hires, part-time workers and contractors—understand our expectations for ethical business practices. Each year, our Code of Business Conduct training focuses on rotating topics covered by the Code, such as data protection, anti-bribery, anti-trust and fair competition. Associates also participate in additional targeted training sessions tailored to their specific roles and responsibilities.

The Ethics and Compliance team is responsible for implementing Alcon’s ethical governance framework. This framework encompasses behavioral expectations, associate training, monitoring, auditing, risk assessment, reporting and remedial action. During our annual mandatory training and certification process, we reiterate the importance of adhering to the Code and encourage associates to report any instances of non-compliance. The Lens, Alcon’s global policy featuring award-winning interactive compliance training video modules on professional practices, defines how we engage with healthcare professionals and other key influencers in healthcare purchasing decisions.

At Alcon, we build our business success on the strength of our products and services, exceptional customer service and competitive prices.

# Management's review

## Anti-corruption and bribery

Alcon's Code of Business Conduct, Third Party Code of Conduct and Global Policy on Anti-Bribery strictly prohibit all forms of bribery and corruption, mandating adherence to anti-corruption and anti-bribery laws, including the US Foreign Corrupt Practices Act, the UK Bribery Act and other laws. Our internal Global Policy on Fair Competition describes our expectations for fair business dealings consistent with applicable competition laws. We expect that third-party product distributors operate with integrity and require them to implement their own compliance programs. To support their compliance, we provide a Distributor Compliance Program Toolkit. This toolkit, available in 18 languages, offers resources to help distributors design, communicate and train their employees on their compliance programs. These resources cover multiple risk areas, including:

- Bribery and corruption
  - Conflicts of interest
  - Interactions with healthcare professionals & government officials
  - Keeping good books & records
  - Speaking up
  - Sanctions, boycotts and money laundering

Alcon's extensive international operations and sales distribution include countries that are perceived to have heightened levels of public sector corruption. Operating in such areas subjects us to increased scrutiny and has inherent risks. We proactively assess ethics and compliance risks, including bribery and corruption risks, at each of our commercial operating locations. Through an annual assessment, we consider internal and external inputs, such as recent regulatory changes, enforcement actions, audit and monitoring findings, Ethics Helpline reports and market-level data.

We use the results to select sites and topics for internal audit and monitoring activities for the upcoming year; inform the need for policy, training and other program updates; and make legal and compliance staffing decisions. Additionally, we conduct risk-based screening and due diligence before engaging third parties. Our third-party compliance strategy includes implementing required mitigation measures for identified risks, as well as delivering targeted, risk-based training, monitoring and auditing activities.

We expect that third-party product distributors operate with integrity and require them to implement their own compliance programs. To support their compliance, we provide a Distributor Compliance Program Toolkit. This toolkit, offers resources which cover multiple risk areas, including:

- Bribery and corruption
- Conflicts of interest
- Interactions with healthcare professionals and government officials
- Keeping good books & records
- Speaking up
- Sanctions, boycotts and money laundering

## Reporting Concerns

At Alcon, fostering a speak-up culture is integral to our commitment to integrity. We encourage and expect associates to raise questions and report ethical concerns by reaching out to management, HR or Legal. Additionally, concerns may be reported through the Alcon Ethics Helpline, a confidential online service managed by an independent third-party. Where permitted by law, reports can be made anonymously via the Helpline. We thoroughly investigate all alleged violations of our Code of Business Conduct and policies, taking prompt action to address and remediate any misconduct. If misconduct is found, appropriate corrective or disciplinary actions are implemented, up to and including termination of employment. In alignment with our Code, we strictly prohibit retaliation against individuals who report concerns in good faith or participate in investigations.

# Management's review

## Human Rights

Alcon is committed to respecting worker rights; complying with employment and human rights laws; and preventing child labor, modern slavery or human trafficking from occurring in any part of our business operations or supply chain. We also respect the rights of employees to associate freely and to choose collective bargaining.

Our Third Party Code of Conduct and Global Policy on Human Rights outline our policies on labor rights— including expectations around freely chosen labor, child labor and young workers, nondiscrimination, fair treatment, wages, benefits, working hours and freedom of association—and health and safety expectations. Alcon requires all suppliers to commit to this Code, meaning they agree not to use child labor or forced labor of any kind, including bonded, indentured or involuntary prison labor. Suppliers also agree to not engage in any other form of slavery and human trafficking. We will not engage in business with any supplier that fails to meet our human rights standards. Our Supply Chain and Modern Slavery and Human Trafficking Statement also describes our business practices and efforts regarding eliminating slavery and human trafficking, including an overview of our integrity and compliance program, which is designed to support legal and ethical conduct and prevent and detect violations of the law and our company policies. Human rights are a key part of our risk-based due diligence before contracting suppliers.

During vendor onboarding, factors like commodity code, supplier location and anticipated spending determine the necessary risk assessments. The labor rights risk assessment includes a series of questions for the vendor to answer. This comprehensive review covers policies and practices on labor rights, including child labor, modern slavery and non-discrimination. New vendors undergo this review based on the services or products they supply. It can also be triggered by new contracts, scope extensions or specific labor rights concerns. Alcon is willing to engage with our partners to ensure compliance with our Third Party Code of Conduct. This collaboration may involve conducting audits, monitoring progress on remediation action plans, connecting suppliers with external experts and taking other reasonable steps to support ongoing improvements.

To reinforce our commitment to human rights across the business, all Alcon associates receive information on our expectations as a part of our annual Code of Business Conduct training. This training covers how inclusivity relates to and furthers our mission and improves business outcomes. We have also established leadership guidelines to encourage effective teamwork and the voicing of concerns and discussion on how to address inclusion issues professionally.

In 2024, we revised our labor rights questionnaire to offer clearer guidance, streamlining the compliance process and reducing the time required for assessments. Our enhanced tracking system now more effectively flags suppliers who submit inaccurate data and automatically blocks those who fail to complete or engage with the assessment within 90 days. Suppliers identified for labor risk reviews will now be reassessed every three years. These improvements strengthen our ability to understand supplier practices and proactively address potential human rights risks.

## Human Rights Impact and Risk Management

Our supply chain includes purchasing component parts for manufacturing intricate surgical equipment, contact lenses and related medicinal products. The materials that carry the highest fair labor standards risks in Alcon's supply chain include electronics, electronic components and circuit boards, IT and telecoms hardware and surgical instruments or equipment, when sourced (whether directly or indirectly) from certain countries in Asia.

Alcon has implemented robust HR policies and controls, such as an annual audit of our associate roster, to mitigate the risk of human rights violations within our operations. We continue to screen and monitor new suppliers for risks by collecting information to determine the need for further risk assessments on specific areas, such as labor rights and health and safety. This process has deepened our supplier engagement and understanding of human rights risks within our supply chain.

# Management's review

## Cybersecurity and Data Ethics

### Cybersecurity Governance

Our customers and stakeholders rely on us to protect and secure their personal information and data. To uphold this responsibility, we have implemented a globally centralized, layered cybersecurity organization security framework and risk management program aligned with industry cybersecurity standards, including the National Institute of Standards and Technology (NIST) and ISO 27001.

Our Chief Information Security Officer, reporting to the Chief Information and Transformation Officer, leads Alcon's IT security and reports annually to the Audit and Risk Committee of the Board of Directors on cybersecurity. Alcon operates a global Security Operations Center that addresses response and recovery associated with cybersecurity-related events. The Security Operations Center is run by a staff of security professionals who are dedicated to addressing security threats and incidents in the Alcon environment. Alcon employs a third-party security architecture and consulting provider to continually mature processes and technology related to the Security Operations Center, targeting risk reduction and streamlining our incident response and recovery processes. In 2024, we continued to mature in the areas related to automated incident response to improve the resolution time of potential security-related events, focused on the maturity of our Operational Technology program and expanded our Security program to include Alcon's digital initiatives and increased customer protections. The Security team also expanded our coverage on third-party security monitoring to ensure we understand and continually monitor the security posture of our partner environment, including business continuity risks related to third-party cyber incidents.

Our Global IT Security Incident Management Plan establishes procedures to address identified cybersecurity events with appropriate business-level involvement and customer communications. Twice per year, we conduct cross-functional security tabletop exercises in which our teams practice responding to incident scenarios facilitated by external experts. These exercises garner significant participation from the Manufacturing, Commercial and R&D teams. These exercises test different risk scenarios related to the availability, confidentiality and integrity of Alcon information assets. As a result, we have identified and implemented several key improvements, including:

- Establishing playbooks and third-party relationships to assist in the event of a ransomware or extortion attack
- Creating communications templates to support timely and appropriate communications for Alcon's Corporate Affairs teams' public and social media inquiries
- Implementing threat detection capabilities to enhance security monitoring and threat hunting
- Ensuring incident response plans are comprehensive of all Alcon business functions

We engage a third-party every year to conduct a cybersecurity assessment that reviews our IT security programs against industry standards and peers. These assessments are based on NIST's Cybersecurity Framework and measure the maturity of our program based on industry standard maturity models. The results are reported to the Audit and Risk Committee of the Alcon Board of Directors. We have reduced security vulnerabilities and increased our cybersecurity program to advanced levels of maturity. Alcon also monitors our security posture through third-party security rating services, achieving advanced rating scores. Additionally, we have maintained cybersecurity insurance for the organization.

### Privacy Governance

The Alcon Global Privacy Office (GPO) manages privacy compliance through our Global Privacy Compliance Program (the Program), including overseeing privacy policies, procedures and training. The GPO is part of the Legal and Compliance function and works closely with IT Security and other functions across the company. Alcon's Global Head of Privacy, who is also Alcon's Data Protection Officer, leads the GPO, alongside regional privacy officers and local privacy contacts. The Global Head of Privacy provides annual updates to the Audit and Risk Committee of the Board of Directors.

## Management's review

The Program is implemented globally, regionally and nationally. It takes a uniform global approach to ensure consistency in application, whilst also addressing the legal and regulatory privacy requirements of different countries. The Program is the key driver in maintaining requisite levels of privacy compliance. The Program consists of ten core components drawn from the essential requirements of key privacy regulations globally, the delivery of which is automated through leading privacy compliance software. These components include managing consent, maintaining data inventory, conducting privacy assessments, implementing and overseeing cross-border transfer requirements, global privacy training and educational communications. We regularly assess these components against various internal and external metrics to continually update the Program.

## Income statement 1 January - 31 December

	Note	2024	2023
		TDKK	TDKK
Revenue	1	1,012,519	975,336
Other operating income		30,674	35,771
Expenses for raw materials and consumables		-740,217	-714,686
Other external expenses		-138,277	-125,655
<b>Gross profit</b>		<b>164,699</b>	<b>170,766</b>
Staff expenses	2	-113,161	-131,715
Depreciation and impairment losses of property, plant and equipment	3	-3,328	-6,828
<b>Profit/loss before financial income and expenses</b>		<b>48,210</b>	<b>32,223</b>
Financial income	4	7,048	29,051
Financial expenses		-11,122	-29,373
<b>Profit/loss before tax</b>		<b>44,136</b>	<b>31,901</b>
Tax on profit/loss for the year	5	-9,745	-6,430
<b>Net profit/loss for the year</b>	6	<b>34,391</b>	<b>25,471</b>

## Balance sheet 31 December

### Assets

	Note	2024	2023
		TDKK	TDKK
Other fixtures and fittings, tools and equipment		8,120	9,343
Leasehold improvements		1,691	2,198
Property, plant and equipment in progress		506	0
<b>Property, plant and equipment</b>	7	<b>10,317</b>	<b>11,541</b>
Other receivables	8	2,360	2,351
<b>Fixed asset investments</b>		<b>2,360</b>	<b>2,351</b>
<b>Fixed assets</b>		<b>12,677</b>	<b>13,892</b>
Finished goods and goods for resale		89,444	84,765
<b>Inventories</b>		<b>89,444</b>	<b>84,765</b>
Trade receivables		148,160	153,455
Other receivables	9	31,428	28,067
Deferred tax asset	10	11,447	7,454
Prepayments	11	335	2,597
<b>Receivables</b>		<b>191,370</b>	<b>191,573</b>
<b>Cash at bank and in hand</b>		<b>31,266</b>	<b>34,272</b>
<b>Current assets</b>		<b>312,080</b>	<b>310,610</b>
<b>Assets</b>		<b>324,757</b>	<b>324,502</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2024	2023
		TDKK	TDKK
Share capital	12	501	501
Retained earnings		128,593	94,202
<b>Equity</b>		<b>129,094</b>	<b>94,703</b>
Trade payables		13,888	26,774
Payables to group enterprises		90,451	119,560
Corporation tax		9,694	4,228
Other payables	13	67,582	67,809
Deferred income	14	14,048	11,428
<b>Short-term debt</b>		<b>195,663</b>	<b>229,799</b>
<b>Debt</b>		<b>195,663</b>	<b>229,799</b>
<b>Liabilities and equity</b>		<b>324,757</b>	<b>324,502</b>
Contingent assets, liabilities and other financial obligations	15		
Related parties	16		
Fee to auditors appointed at the general meeting	17		
Accounting Policies	18		

## Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	501	94,202	94,703
Net profit/loss for the year	0	34,391	34,391
<b>Equity at 31 December</b>	<b>501</b>	<b>128,593</b>	<b>129,094</b>

# Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
<b>1. Revenue</b>		
<b>Geographical segments</b>		
Revenue, Denmark	220,622	200,784
Revenue, exports	791,897	774,552
	<u>1,012,519</u>	<u>975,336</u>
<b>Business segments</b>		
Surgical	479,477	460,875
Vision Care	533,042	514,461
	<u>1,012,519</u>	<u>975,336</u>
	2024	2023
	TDKK	TDKK
<b>2. Staff expenses</b>		
Wages and salaries	94,043	106,025
Pensions	7,290	7,365
Other social security expenses	11,828	13,395
Other staff expenses	0	4,930
	<u>113,161</u>	<u>131,715</u>
Renumeration to the Executive Board has not been disclosed for 2023 in accordance with section 98 B(3) of the Danish Financial Statements Act.		
Renumeration to the Executive Board in 2024 was TDKK 1,983.		
The Board of Directors do not receive renumeration.		
Average number of employees	<u>125</u>	<u>131</u>
	2024	2023
	TDKK	TDKK
<b>3. Depreciation and impairment losses of property, plant and equipment</b>		
Depreciation of property, plant and equipment	3,328	6,828
	<u>3,328</u>	<u>6,828</u>

## Notes to the Financial Statements

	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
<b>4. Financial income</b>		
Interest from group enterprises	1,488	0
Other financial income	1,160	675
Exchange gains	4,400	28,376
	<u>7,048</u>	<u>29,051</u>
	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
<b>5. Income tax expense</b>		
Current tax for the year	13,096	9,117
Deferred tax for the year	-3,993	-2,687
Adjustment of tax concerning previous years	642	0
	<u>9,745</u>	<u>6,430</u>
	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
<b>6. Profit allocation</b>		
Retained earnings	34,391	25,471
	<u>34,391</u>	<u>25,471</u>

## 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
	TDKK	TDKK	TDKK
Cost at 1 January	45,282	4,157	0
Additions for the year	9,642	0	506
Disposals for the year	-15,001	0	0
Cost at 31 December	<u>39,923</u>	<u>4,157</u>	<u>506</u>
Impairment losses and depreciation at 1 January	35,939	1,959	0
Depreciation for the year	6,797	507	0
Reversal for the year of previous years impairment losses	-10,933	0	0
Impairment losses and depreciation at 31 December	<u>31,803</u>	<u>2,466</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>8,120</u></b>	<b><u>1,691</u></b>	<b><u>506</u></b>
Amortised over	<u>3-5 years</u>	<u>5 years</u>	

### 8. Other fixed asset investments

	Other receivables
	TDKK
Cost at 1 January	2,351
Additions for the year	9
Cost at 31 December	<u>2,360</u>
<b>Carrying amount at 31 December</b>	<b><u>2,360</u></b>

### 9. Receivables

Of the total other receivables, 25,563 TDKK are due for payment more than 1 year after the end of the financial year.

## Notes to the Financial Statements

	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
<b>10. Deferred tax asset</b>		
Deferred tax asset at 1 January	7,454	4,095
Amounts recognised in the income statement for the year	<u>3,993</u>	<u>3,359</u>
Deferred tax asset at 31 December	<u>11,447</u>	<u>7,454</u>

### 11. Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### 12. Share capital

The share capital consists of 501 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
<b>13. Other payables</b>		
Other debt	<u>67,582</u>	<u>67,809</u>
	<u>67,582</u>	<u>67,809</u>

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. Other payables comprise VAT, payroll liabilities and other accruals.

### 14. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

# Notes to the Financial Statements

	2024	2023
	TDKK	TDKK
<b>15. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	13,723	9,783
Between 1 and 5 years	11,487	21,150
	<b>25,210</b>	<b>30,933</b>

## 16. Related parties and disclosure of consolidated financial statements

### Transactions

Alcon Nordic A/S discloses all transactions with related parties during the year. In 2024 the following transaction have occurred:

Purchase of goods from group companies TDKK 789,464  
 Recharge of costs (expense) from group companies TDKK 3,860  
 Recharge of costs (income) from group companies TDKK 17,344  
 Interest received from group companies TDKK 1,488  
 Purchase of fixed assets from group companies TDKK 363  
 Payables to group companies TDKK 90,451

In addition, transactions with the management have been carried out in the form of management remuneration, cf. note 2.

### Consolidated Financial Statements

The company's ultimate parent company, which prepares consolidated financial statements, in which the company is included as a subsidiary

Name	Place of registered office
Alcon AG	Rue Louis-d'Affry 6, Fribourg, FR 1701, Switzerland

The Group Annual Report of Alcon AG may be obtained at the following address:

Alcon AG  
 Rue Louis-d 'Affry 6  
 Fribourg, FR 1701  
 Switzerland

## Notes to the Financial Statements

	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
<b>17. Fee to auditors appointed at the general meeting</b>		
PriceWaterhouseCoopers		
Audit fee	508	610
Non-audit services	64	61
	<u>572</u>	<u>671</u>

# Notes to the Financial Statements

## 18. Accounting policies

The Annual Report of Alcon Nordic A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in TDKK.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

### 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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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. 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; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

# Notes to the Financial Statements

## 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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

### Staff expenses

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

### Amortisation, depreciation and impairment losses

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

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including services sold to group enterprises, contributions received from group enterprises and gains on the sale 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.

The Company is jointly taxed with danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance sheet

# Notes to the Financial Statements

## 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	3-5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

## Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

## Other fixed asset investments

Fixed asset investments consist of deposits.

## 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 and costs of completion. 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.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

## 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 rent, insurance premiums, subscriptions and interest.

## 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.

# Notes to the Financial Statements

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 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

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

## Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$