

Allergan ApS

Naverland 22, 2600 Glostrup

CVR no. 66 67 53 19

Annual report 2020

Approved at the Company's annual general meeting on 28 June 2021
Chairman:

Paul Roger Johnson

A handwritten signature in black ink, appearing to read 'Paul Roger Johnson', with a long horizontal stroke extending to the right.

Contents

Statement by the Board of Directors and the Executive Board	1
Independent auditor's report	2-3
Management's review	4
Company Details	4
Business Review	5
Financial statements 1 January - 31 December	6
Income statement	6
Balance sheet	7-8
Statement of changes in equity	9
Notes to the financial statements	10-15

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Allergan ApS for the financial year 1 January - 31 December 2020.

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

The annual report is prepared in English only.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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.

Copenhagen, 28 June 2021

Executive Board:



Paul Roger Johnson
Chairman

Board of Directors:



Paul Roger Johnson
Chairman

Anna Lovisa Sondefors

Ana Kostova

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Allergan ApS for the financial year 1 January - 31 December 2020.

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

The annual report is prepared in English only.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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.

Copenhagen, 28 June 2021

Executive Board:


Paul Roger Johnson
Chairman

Board of Directors:

Paul Roger Johnson
Chairman

Anna Lovisa Sondéfors

Ana Kostova



Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Allergan ApS for the financial year 1 January - 31 December 2020.

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

The annual report is prepared in English only.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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.

Copenhagen, 28 June 2021

Executive Board:

Paul Roger Johnson
Chairman

Board of Directors:

Paul Roger Johnson
Chairman



Anna Lovisa Sondefors

Ana Kostova

Independent auditor's report

To the shareholders of Allergan ApS

Opinion

We have audited the financial statements of Allergan ApS for the financial year 1 January – 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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.

Independent auditor's report

- 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 28 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Birgit Morville Schrøder
State Authorised
Public Accountant
mne21337



Anders Roe Eriksen
State Authorised
Public Accountant
mne46667

Management's Review

Company Details

Name	Allergan ApS
Address	Naverland 22, 2600 Glostrup
CVR no.	66 67 53 19
Established	2 February 1981
Registered	Albertslund
Financial Year	1 January - 31 December
Website	www.abbvie.com
Telephone	+45 80 88 45 60
Board of Directors	Paul Roger Johnson Anna Lovisa Sondefors Ana Kostova
Executive Board	Paul Roger Johnson
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, 2000 Fredariksberg

Management's Review

Business review

The company act on the Danish Market, as a low Risk Distributor (LRD) with Allergan Pharmaceuticals Ireland (API) as master distributor.

Allergan ApS operates under a Low-Risk Distributor (LRD) structure in Denmark, with Allergan Pharmaceuticals Ireland (API) as the Master Distributor. Following the agreement between Allergan ApS and API, the majority of the risks are borne by API. Based on a Transfer Price Study in which Allergan ApS sets a margin of 4.5 % of net sales, a fixed transfer price has been agreed on to cover costs, procurement and risks.

Allergan ApS is a part of the Abbvie Inc., which is a NYSE listed US specialty pharmaceutical company. Abbvie is producing, distributing and selling worldwide ophthalmic, dermatological and neuromuscular/neurotoxin pharmaceuticals as well as medical devices.

Unusual matters having affected the financial statements

The Company's financial position at 31 December 2020 and the results of its operations for the financial year ended 31 December 2020 are not affected by any unusual matters.

Financial review

The income statement for 2020 shows a profit of DKK 3,015,918 against a profit of DKK 2,241,470 last year, and the balance sheet at 31 December 2020 shows equity of DKK 16,163,780 (2019: 13,147,862),

Abbvie closed its acquisition of Allergan on May 8, 2020. The acquisition diversifies AbbVie's therapeutic portfolio and complements existing leadership positions in immunology and hematologic oncology with opportunities in neuroscience, eye care and Allergan Aesthetics. Legal entity merger in Denmark is planned to take place in Q2 2022.

The management considers the company's financial performance in the year satisfactory.

Outlook

The Company expect to remain stable in terms of gross profit, pre-tax profit and employees for 2021.

The novel coronavirus (COVID-19) pandemic continues to spread throughout the United States and around the world. From an overall perspective the company has not been substantially impacted by COVID-19, and the subsequent restrictions that have followed.

Financial statements 1 January - 31 December

Income statement

Notes	2020 DKK	2019 DKK
Gross profit	17,695,652	17,209,678
3 Staff costs	(13,677,473)	(14,090,555)
Profit before net financials	4,018,180	3,119,123
Financial income	116,656	50,562
Financial expenses	(289,706)	(241,331)
Profit before tax	3,845,130	2,928,354
4 Tax for the year	(841,645)	(686,884)
Profit for the year	3,003,485	2,241,470
Recommended appropriation of profit for the year	3,003,485	2,241,470
Retained Earnings	3,003,485	2,241,470

Financial statements 1 January - 31 December

Balance sheet

	2020	2019
Notes	DKK	DKK
ASSETS		
Non-fixed assets		
Receivables		
Trade receivables	16,555,134	12,548,360
Receivables from group enterprises	-	3,133,354
Deferred tax assets	15,855	-
Corporation tax receivable	-	35,618
Prepayments	104,748	159,933
Total Receivables	<u>16,675,736</u>	<u>15,877,265</u>
Cash	22,535,563	15,416,502
Total non-fixed assets	<u>39,211,300</u>	<u>31,293,767</u>
TOTAL ASSETS	39,211,300	31,293,767

Financial statements 1 January - 31 December
Balance Sheet

	2020 DKK	2019 DKK
EQUITY AND LIABILITIES		
Equity		
Share capital	500,000	500,000
Retained earnings	15,651,347	12,647,862
Total equity	16,151,347	13,147,862
Liabilities other than provisions		
Non-current liabilities other than provisions		
Other payables	-	386,719
	-	386,719
Current liabilities other than provisions		
Trade payables	2,177,335	221,414
Payables to group enterprises	11,985,113	12,309,371
Corporation Tax Payable	674,500	
Other payables	8,223,005	5,228,401
	23,059,953	17,759,186
Total liabilities other than provisions	23,059,953	18,145,905
TOTAL EQUITY AND LIABILITIES	39,211,300	31,293,767

- 1 Accounting policies
- 2 Events after the balance sheet date
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral
- 9 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 st January 2019	500,000	10,406,392	10,906,392
Transfer through appropriation of profit	0	2,241,470	2,241,470
Equity at 31 December 2019	500,000	12,647,862	13,147,862
Transfer through appropriation of profit	0	3,003,485	3,003,485
Equity at 31 December 2020	<u>500,000</u>	<u>15 651 347</u>	<u>16,151,347</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting Policies

The annual report of Allergan ApS for 2020 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.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Reporting Language

The financial statements to be prepared and reported in English.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for recognition of Revenue. Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product.

The Company considers whether there are other promises in the revenue contracts that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., discounts

and rebates). In determining the transaction price for the sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Financial statements 1 January - 31 December

Notes to the financial statements

Accounting Policies (Continued)

Other external expenses

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

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

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 recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Receivables

The Company has chosen IAS 39 as interpretation for impairment of financial receivables. Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise bank balances which are subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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 crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

2 Events after the balance sheet date

The novel coronavirus (COVID-19) pandemic continues to spread throughout the United States and around the world. From an overall perspective the company has not been substantially impacted by COVID-19, and the subsequent restrictions that have followed.

3 Staff Costs

	2020 DKK	2019 DKK
Wages/Salaries	12,589,844	12,732,123
Pension	949,826	1,164,118
Other Social Security Costs	77,331	79,083
Other Staff costs	60,472	115,231
	<u>13,677,473</u>	<u>14,090,555</u>
Average number of full time employees	10	12

4 Tax for the Year

Estimated tax charge for the year	857,500	686,884
Deferred tax adjustments in the year	-15,855	0
	<u>841,645</u>	<u>686,884</u>

5 Share capital

The share capital consists of 500 shares of a nominal value of kr. 1,000. No shares carry any special rights.

There has been no change in the share capital during the last 5 years.

6 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

7 Contractual obligations and contingencies, etc.

Joint taxation

The Company is jointly taxed with its sister company, Abbvie A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2020 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment.

Other Financial Obligations

Other rent and lease liabilities:

	2020 DKK	2019 DKK
Rent and Lease liabilities	913,757	855,664

Rent and lease liabilities include operating leases for cars with remaining contract terms of 1-3 years, DKK ('000) 914.

8 Collateral

The Company has not provided any security or other collateral in assets as at 31 December 2020.

9 Related parties

Allergan ApS related parties comprise the following:

Parties exercising control

Related Party	Domicile	Basis for control
Allergan Holdings Limited	Ground Floor Marlow International, Parkway Marlow, England, SL71YL	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Abbvie Inc	1 North Waukegan Road, North Chicago, IL, 60064, United States	www.abbvie.com

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Allergan Holdings Limited	Ground Floor Marlow International, Parkway Marlow, England, SL71YL