Sanofi A/S

Lyngbyvej 2, 2100 Copenhagen

Company reg. no. 19 06 43 01

Annual report

1 January - 31 December 2018

The annual report have been submitted and approved by the general meeting on the 19 June 2019.

Kirstin Jagd
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

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Management's report

The board of directors and the managing director have today presented the annual report of Sanofi A/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 19 June 2019

Managing Director

Rasmus Villemoes

Board of directors

Kirstin Jagd   Peter Wester Oldenziel   Rasmus Villemoes

Independent auditor's report

To the shareholder of Sanofi A/S

Opinion

We have audited the financial statements of Sanofi A/S for the financial year 1 January - 31 December 2018, 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Statement on the management's review

The 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, 19 June 2019

ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB
State Authorised Accounting Company
Company reg. no. 30 70 02 28

Alex Petersen
State Authorised Public Accountant
mne28604

Company data

The company	Sanofi A/S Lyngbyvej 2 2100 Copenhagen	
	Company reg. no.	19 06 43 01
	Established:	15 January 1996
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Kirstin Jagd Peter Wester Oldenziel Rasmus Villemoes	
Managing Director	Rasmus Villemoes	
Auditors	ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB Osvald Helmuths Vej 4 2000 Copenhagen	
Parent company	Sanofi-Aventis Participations SAS	

Financial highlights

DKK in thousands.	2018	2017	2016	2015	2014
Profit and loss account:					
Net turnover	433.862	421.220	435.538	393.188	304.314
Results from operating activities	-2.108	16.884	12.337	36.442	21.108
Net financials	-317	-296	-819	-444	-598
Results for the year	-3.056	11.630	7.689	26.123	25.013
Balance sheet:					
Balance sheet sum	176.845	160.424	191.286	192.046	160.017
Investments in tangible fixed assets represent	3.317	0	0	0	0
Equity	16.120	19.176	32.546	59.857	68.734
Short-term liabilities	160.725	141.248	158.740	132.189	91.283
Employees:					
Average number of full time employees	97	95	78	79	87
Key figures in %:					
Gross margin	22,7	26,9	21,1	29,0	30,2
Profit margin	-0,5	4,0	2,8	9,3	6,9
Acid test ratio	106,3	112,3	119,3	143,5	172,2
Solvency ratio	9,1	12,0	17,0	31,2	43,0
Return on equity	-17,3	45,0	16,6	40,6	33,9

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

The principal activities of the company

Sanofi A/S is engaged in the launch, promotion and sale of originally produced prescription drugs and participates in extensive cooperation on clinical trials of present and future products. The Company's main activities are within diabetes, oncology, multiple sclerosis, rare diseases and cardio vascular illnesses.

Uncertainties as to recognition or measurement

Management evaluates that no certain risks are related to recognition and measurement in connection with the presentation of the annual report.

Development in activities and financial matters

The net turnover for the year is DKK 433.862.252 against DKK 421.219.651 last year. The results from ordinary activities after tax are DKK -3.056.222 against DKK 11.629.981 last year. The balance sheet at 31 December 2018 shows equity of DKK 16.120.199. In the annual report of 2017, management expected a revenue in range of DKK 450 million and profit around DKK 10 million for year 2018. Taking into account significant investments Company has done this year in the launch and promotion of several products that are expected to have bright future, the Management considers results acceptable and in line with Group strategy and local market situation.

The company's cash and cash equivalents have decreased by DKK 40.780, i.e. from DKK 6.725.508 to DKK 6.684.728.

New products:
As of January 2019 Sanofi vaccines products will be sold by Sanofi AS - main products PENTAVAC, VAXIGRIP, TETRAXIM, STAMARIL.

Special risks

Parallel imports and changes in the European reference prices might have an impact on the performance of the Company.

Environmental issues

Management does not consider the Company's impact on the external environment significant.

Know how resources

The Company's future economic viability is dependent on the research and development work undertaken by the group. As the Company's activities consist of marketing, sale and distribution, knowledge resources in these areas are of significant importance to the future success of the business.

Research and development activities

Future income from products is dependent on the success of research and development activities within the group.

The expected development

Sanofi will introduce new products within its strategic focus areas the coming years, which is anticipated to have a positive effect on the sales performance.
For the financial year of 2019 management expects the revenue to be around 480 million DKK and profit in the range of 3-5 million DKK.

Events subsequent to the financial year

No post balance sheet events have been identified, which could have a material impact on the financial statements for 2018.

As of January 2019 Sanofi A/S will benefit from selling vaccines products in Denmark.

Statement of corporate social responsibility

Sanofi A/S has not adopted local formal policies on CSR, including human rights, environmental and climate issues, social and employee conditions as well as anticorruption, because it has been assessed by management that the impact on the aforementioned areas are minimal.

Target figures and policies for the under-represented sex

The Company has a policy for the gender composition of Management. The Company's Management has equal gender representation, with the Board of Directors comprising of 1 woman and 2 men. In addition to this, the Company has an equal gender representation at the other executive levels, including the Company's heads of department and team leaders.

Accounting policies used

The annual report for Sanofi A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (large enterprises).

Changes to the accounting policy

In 2018, the Company adopted IFRS 15 as interpretation for recognition of revenue.
The implementation of IFRS 15 does not have a monetary impact on the income statement or the balance sheet for 2018 or for the comparison figures.
Apart from the above, the accounting policies used in the preparation on the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the Company is prepared, as the Company's cash flows are part of the consolidated cash flow statement for Sanofi aventis Participations SA, which can be required from the following homepage:

www.sanofi.com
https://www.sanofi.com/-/media/Project/One-Sanofi-Web/Websites/Global/Sanofi-COM/Home/common/docs/investors/Sanofi-20-F-2018-EN-PDF-e-accessible_02.pdf?la=en&hash=57AEAA7B68D1E3F50B28F8D79E6E4AE3F4DA0C78

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

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 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 include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprises accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs
Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs
Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown
Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials
Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Tax of the results for the year
The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible assets

Intangible assets comprise software licences.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.
Software amortisation is 3 years.
Gain and loss from the sale of intangible assets are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Goodwill
Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 7 years.

Tangible fixed assets
Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other plants, operating assets, fixtures and furniture	3-10 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exists. Writedown relating to goodwill is not reversed.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

Inventories

Inventories are measured at cost on the basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Trade debtors

Receivables

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Receivables are measured as amortised cost, which usually corresponds to the nominal value. The value is reduced by write-downs for bad debts.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired an impairment loss is recognised on an individual basis.

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 incurred costs concerning the next financial year.

Cash and equivalents

Cash and cash equivalents comprise cash which are readily convertible into cash and subject only to minor risks of changes in value.
Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

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.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2018	2017
1	Net turnover	433.862.252	421.219.650
	Other operating income	19.149.152	16.264.733
	Raw materials and consumables used	-292.716.781	-275.401.838
	Other external costs	-61.622.092	-48.758.189
	Gross results	**98.672.531**	**113.324.356**
3	Staff costs	-100.669.390	-96.058.574
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-111.459	-382.232
	Operating profit	**-2.108.318**	**16.883.550**
	Other financial income	37.545	7.929
4	Other financial costs	-354.884	-303.670
	Results before tax	**-2.425.657**	**16.587.809**
5	Tax on ordinary results	-630.565	-4.957.828
6	**Results for the year**	**-3.056.222**	**11.629.981**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2018	2017
	Fixed assets		
7	Acquired Intangible assets	0	67.742
8	Goodwill	218.586	262.303
	Intangible fixed assets in total	218.586	330.045
9	Other plants, operating assets, and fixtures and furniture	1.295.269	0
10	Leasehold improv. in progress	2.022.057	0
	Tangible fixed assets in total	3.317.326	0
11	Deposits	2.467.441	1.484.891
	Financial fixed assets in total	2.467.441	1.484.891
	Fixed assets in total	**6.003.353**	**1.814.936**
	Current assets		
	Inventories	85.497.257	76.024.225
	Inventories in total	85.497.257	76.024.225
12	Trade debtors	38.430.033	44.554.240
	Amounts owed by group enterprises	29.650.124	26.485.354
13	Deferred tax assets	2.288.382	1.392.720
	Receivable corporate tax	2.786.241	1.892.977
	Other debtors	1.648.676	283.327
14	Prepayments	3.856.133	1.250.736
		78.659.589	75.859.354
	Cash	6.684.728	6.725.507
	Current assets in total	**170.841.574**	**158.609.086**
	Assets in total	**176.844.927**	**160.424.022**

Balance sheet 31 December

All amounts in DKK.

Note	**Equity and liabilities**	2018	2017
	Equity		
15	Contributed capital	7.000.000	7.000.000
16	Results brought forward	9.120.199	12.176.421
	Equity in total	**16.120.199**	**19.176.421**
	Liabilities		
	Trade creditors	14.689.742	12.070.206
	Debt to group enterprises	101.684.020	87.965.338
	Other debts	44.350.966	41.212.057
	Short-term liabilities in total	160.724.728	141.247.601
	Liabilities in total	**160.724.728**	**141.247.601**
	Equity and liabilities in total	**176.844.927**	**160.424.022**

2 Fee, auditor

17 Contingencies

18 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Results brought forward	In total
Equity 1 January 2017	7.000.000	546.440	7.546.440
Profit or loss for the year brought forward	0	11.629.981	11.629.981
Equity 1 January 2018	7.000.000	12.176.421	19.176.421
Profit or loss for the year brought forward	0	-3.056.222	-3.056.222
	7.000.000	**9.120.199**	**16.120.199**

Notes

All amounts in DKK.

	2018	2017

1. Net turnover

Segmentinformations

	General Medicines	Speciality Care	Diabetes & CV	Consumer Healthcare	In total
Activities	49.246	307.884	57.388	19.344	433.862

	Export	Domestic	In total
Geographically	8.897	424.965	433.862

2. Fee, auditor

	2018	2017
Total fee for ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB, State Authorised Accounting Company	318.000	316.000
Statutory audit	236.000	236.000
Other assistance	82.000	80.000
	318.000	**316.000**

3. Staff costs

	2018	2017
Salaries and wages	92.401.201	88.456.737
Pension costs	7.574.669	7.107.875
Other costs for social security	693.520	493.962
	100.669.390	**96.058.574**
Average number of employees	97	95

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Notes

All amounts in DKK.

		2018	2017
4.	**Other financial costs**		
	Interest paid, group enterprises	23.843	29.634
	Other financial costs	331.041	274.036
		354.884	**303.670**

		2018	2017
5.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	1.526.228	4.080.164
	Adjustment for the year of deferred tax	-895.663	877.632
	Adjustment of tax for previous years	0	32
		630.565	**4.957.828**

		2018	2017
6.	**Proposed distribution of the results**		
	Allocated to results brought forward	-3.056.222	11.629.981
	Distribution in total	**-3.056.222**	**11.629.981**

		2018	2017
7.	**Acquired Intangible assets**		
	Cost 1 January 2018	1.632.853	1.632.853
	Cost 31 December 2018	**1.632.853**	**1.632.853**
	Amortisation and writedown 1 January 2018	-1.565.111	-1.296.000
	Amortisation for the year	-67.742	-269.111
	Amortisation and writedown 31 December 2018	**-1.632.853**	**-1.565.111**
	Book value 31 December 2018	**0**	**67.742**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
8.	**Goodwill**		
	Cost 1 January 2018	306.020	0
	Additions during the year	0	306.020
	Cost 31 December 2018	**306.020**	**306.020**
	Amortisation and writedown 1 January 2018	-43.717	0
	Amortisation for the year	-43.717	-43.717
	Amortisation and writedown 31 December 2018	**-87.434**	**-43.717**
	Book value 31 December 2018	**218.586**	**262.303**
9.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	1.776.000	1.776.000
	Additions during the year	1.295.269	0
	Cost 31 December 2018	**3.071.269**	**1.776.000**
	Amortisation and writedown 1 January 2018	-1.776.000	-1.707.000
	Depreciation for the year	0	-69.000
	Amortisation and writedown 31 December 2018	**-1.776.000**	**-1.776.000**
	Book value 31 December 2018	**1.295.269**	**0**
10.	**Leasehold improv. in progress**		
	Additions during the year	2.022.057	0
	Cost 31 December 2018	**2.022.057**	**0**
	Book value 31 December 2018	**2.022.057**	**0**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
11.	**Deposits**		
	Cost 1 January 2018	1.484.891	1.467.891
	Additions during the year	982.550	17.000
	Cost 31 December 2018	**2.467.441**	**1.484.891**
	Book value 31 December 2018	**2.467.441**	**1.484.891**
12.	**Trade debtors**		
	Trade debtors	38.430.033	44.554.240
		38.430.033	**44.554.240**
	From the total debtors, the following amounts are due for payment more than a year from the end of the financial year	0	0
13.	**Deferred tax assets**		
	Deferred tax assets 1 January 2018	1.392.720	2.270.351
	Deferred tax of the results for the year	895.662	-877.631
		2.288.382	**1.392.720**

Deferred tax asset related to timing differences on accounting and tax values of PPE, inventories and provisions.

		31/12 2018	31/12 2017
14.	**Prepayments**		
	Prepaid expenses	3.856.133	1.250.736
		3.856.133	**1.250.736**

All amounts in DKK.

		31/12 2018	31/12 2017
15.	**Contributed capital**		
	Contributed capital 1 January 2018	7.000.000	7.000.000
		7.000.000	**7.000.000**

The Company´s share capital has remained t.DKK 7.000 over the past 5 years, made up of 70.000 class A-shares of DKK 100 each

		31/12 2018	31/12 2017
16.	**Results brought forward**		
	Results brought forward 1 January 2018	12.176.421	546.440
	Profit or loss for the year brought forward	-3.056.222	11.629.981
		9.120.199	**12.176.421**

17. Contingencies

Contingent liabilities

Leasing liabilities

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of t.DKK 6.491. The leasing contracts have 26 months left to run, and the total outstanding leasing payment is t.DKK 14.736.

Notes

All amounts in DKK.

18. Related parties

Controlling interest

Sanofi-Aventis Participations SAS 54 rue la Boëtie Paris France	Majority shareholder
Sanofi SA	Ultimate parent company
Registered office	Paris, France

Related party transactions

Sanofi A/S was engaged in the below related party transactions:

DKK '000

	2018	2017
Income		
NOBA recharge	10.414	10.733
Employee related cross charges	8.914	12.689
R&D rebilling	13.206	10.609
Sales of goods	8.898	5.274
Recharge non related DK costs	11.482	8.133
Expense		
Purchase of goods	318.707	286.955
Meetings and conferences	84	1.146
Insurances	99	138
Shared services and IT charges	0	1.269
Study transactions	0	697
Receivables from sister companies	29.650	26.485
Payables to sister companies	101.684	87.965

Consolidated annual accounts

The company is included in the consolidated annual accounts of Sanofi SA, France

Requisitioning of the parent company's consolidated financial statements

https://www.sanofi.com/-/media/Project/One-Sanofi-Web/Websites/Global/Sanofi-COM/Home/common/docs/investors/Sanofi-20-F-2018-EN-PDF-e-accessible_02.pdf?la=en&hash=57AEAA7B68D1E3F50B28F8D79E6E4AE3F4DA0C78