

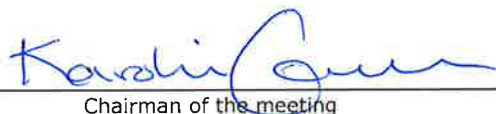
Novo Nordisk Pharmaceuticals A/S

c/o Novo Nordisk A/S
Novo Allé
2880 Bagsværd
Denmark

CVR number 24 25 79 24

Annual Report 2017

**The Annual Report has been presented and adopted at the Annual
General Meeting on 25 April 2018.**



Chairman of the meeting

Novo Nordisk Pharmaceuticals A/S
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Statement by the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management have approved the Annual Report of Novo Nordisk Pharmaceuticals A/S for the year 2017.

The Annual Report has been 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 2017 and of the results of the company's operations for 2017 in accordance with the Danish Financial Statements Act.

Further, in our opinion, the Management's review gives a fair review of the development in the company's operations and financial matters and the results of the company's operations and financial position.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Bagsværd, 25 April 2018

Executive Management:



Karsten Munk Knudsen

Board of Directors:



Jesper Brandgaard
Chairman



Lene Bang



Ole F. Ramsby

Novo Nordisk Pharmaceuticals A/S
Independent Auditor's report

To the Shareholder of Novo Nordisk Pharmaceuticals 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 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Novo Nordisk Pharmaceuticals A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Novo Nordisk Pharmaceuticals A/S
Independent Auditor's report

- 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.

Bagsværd, 25 April 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Torben Jensen

State Authorised Public Accountant

mpe18651

Novo Nordisk Pharmaceuticals A/S
Company information

Company Novo Nordisk Pharmaceuticals A/S
c/o Novo Nordisk A/S
Novo Allé
2880 Bagsværd
Denmark

CVR number 24 25 79 24
Founded: 4 April 1974
Municipality of domicile: Gladsaxe
Financial year: 1 January – 31 December

Board of Directors Jesper Brandgaard, chairman
Lene Bang
Ole F. Ramsby

Executive Management Karsten Munk Knudsen

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Denmark

General meeting The Annual General Meeting will be held on 25 April 2018 at the company's address.

Novo Nordisk Pharmaceuticals A/S Management Review

Main activities

The company's main activities are the holding of equity investments in domestic and foreign companies, and other investments, as well as financial activities, and – at the discretion of the Board of Directors – supporting the operations of such companies. Novo Nordisk Pharmaceuticals A/S owns 2.52% of the shares in Novo Nordisk Sağlık Ürünleri Ticaret Ltd., Turkey, 5% of the shares in Novo Nordisk Pharma Argentina SA, and also 1% or a smaller portion of shares in some other Novo Nordisk affiliated companies.

Development during the financial year

Novo Nordisk Pharmaceuticals A/S ended with a net loss of DKK 2,285 thousand for the year 2017 compared with net profit DKK 1,694 thousand for the year 2016.

The development is primarily due to development in value adjustment of other financial assets.

Events after the balance sheet date

No events have occurred after the end of the reporting period that materially affect the financial position of the company.

Novo Nordisk Pharmaceuticals A/S
Income statement

	Note	2017 DKK '000	2016 DKK '000
Administrative costs		34	28
Operating profit/(loss)		(34)	(28)
Financial income	1	2	1,719
Financial expenses	2	2,261	6
Profit/(loss) before income taxes		(2,293)	1,685
Income taxes		(8)	(9)
NET PROFIT/(LOSS) FOR THE YEAR	3	(2,285)	1,694

For proposed appropriation of net profit see note 3.

Novo Nordisk Pharmaceuticals A/S
Balance sheet at 31 December

	Note	2017 DKK '000	2016 DKK '000
ASSETS			
Other financial assets		13,153	15,561
TOTAL NON-CURRENT ASSETS		13,153	15,561
Tax receivables		8	9
Other receivables		8	-
Amounts owed by affiliated companies		690	568
TOTAL CURRENT ASSETS		706	577
TOTAL ASSETS		13,859	16,138
EQUITY AND LIABILITIES			
Share capital	4	1,001	1,001
Retained earnings		12,830	15,115
TOTAL EQUITY		13,831	16,116
Other liabilities		28	22
TOTAL CURRENT LIABILITIES		28	22
TOTAL LIABILITIES		28	22
TOTAL EQUITY AND LIABILITIES		13,859	16,138

Novo Nordisk Pharmaceuticals A/S

Statement of changes in equity at 31 December

	Share capital DKK '000	Retained earnings DKK '000	Total DKK '000
2017			
Balance at the beginning of the year	1,001	15,115	16,116
Net profit/(loss) for the year		(2,285)	(2,285)
Balance at the end of the year	1,001	12,830	13,831
2016			
Balance at the beginning of the year	1,001	13,421	14,422
Net profit/(loss) for the year		1,694	1,694
Balance at the end of the year	1,001	15,115	16,116

Accounting policies

Accounting basis

The Annual Report of the company is prepared in accordance with the Danish Financial Statements Act for a class B enterprise as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Annual Report is presented in DKK 1,000.

Translation of foreign currencies

Assets and debt in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Financial statements of foreign subsidiaries are translated into Danish kroner at the exchange rates at the balance sheet date for the balance sheet items and at average exchange rates for income statement items.

All exchange rate adjustments are recognised in the income statement.

Administrative costs

Administrative costs comprise expenses for the management and administration of the company, such as expenses for audit fee, administrative staff, management, office premises, office costs etc, as well as depreciation, amortisation and impairment losses.

According to the Danish Financial Statements Act §98b (3) executive management remuneration is not disclosed.

Financial items

Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses on securities, debt and transactions in foreign currencies, amortisation of financial assets and liabilities. Financial income and expenses are recognised by the amounts pertaining to the financial year.

Other financial assets

Shares in Novo Nordisk affiliated companies are recognised at fair value.

Amounts owed by affiliated companies

Receivables are stated at amortised cost less write-downs for potential losses on doubtful debts. The write-downs are based on an individual assessment of each debtor.

Dividend

Proposed dividends (not yet declared) for the accounting period are recognised in retained earnings.

Tax

The company is jointly taxed with the Danish companies in the Novo Holdings A/S Group. The tax effect of the joint taxation with the parent company and other subsidiaries is allocated to the companies in proportion to their taxable incomes (full allocation). The current tax in the joint taxation is paid by the ultimate parent company, Novo Holdings A/S, which functions as the tax administration company. The jointly taxed Danish enterprises have adopted the on-account taxation scheme.

Novo Nordisk Pharmaceuticals A/S
Notes

	2017	2016
	DKK '000	DKK '000
1 - Financial income		
Value adjustment of other financial assets	-	1,719
Interest income relating to affiliated companies	1	-
Foreign exchange rate gain	1	-
Total financial income	2	1,719

	2017	2016
	DKK '000	DKK '000
2 - Financial expenses		
Foreign exchange rate loss	-	2
Interest expense relating to affiliated companies	2	4
Value adjustment of other financial assets	2,259	-
Total financial expenses	2,261	6

	2017	2016
	DKK '000	DKK '000
3 - Proposed appropriation of net profit		
Retained earnings	(2,285)	1,694
Distribution of net profit	(2,285)	1,694

4 - Share capital

The share capital constitutes DKK 1,001,000 and consists of:

11 shares of nominal value per share:	1,000
9 shares of nominal value per share:	10,000
9 shares of nominal value per share:	100,000

The share capital has not changed during the last five years.

5 - Contingencies

The company is jointly taxed with the Danish companies in the Novo Holdings A/S Group. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and individually liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

The company has no other contingent liabilities.

6 - Related parties and ownership

Controlling interests

Novo Nordisk A/S, Novo Allé, 2880 Bagsværd, Denmark
 Novo Holdings A/S, Tuborg Havnevej 19, 2900 Hellerup, Denmark
 Novo Nordisk Foundation, Tuborg Havnevej 19, 2900 Hellerup, Denmark

Basis

Principal shareholder, owns 100%
 Controls Novo Nordisk A/S
 Ultimate parent of the Group