

# **Novo Nordisk Pharmaceuticals A/S**

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

CVR number 24 25 79 24

## **Annual Report 2019**

**The Annual Report has been presented and adopted at the Annual  
General Meeting on 20 May 2020.**



Chairman of the meeting

**Novo Nordisk Pharmaceuticals A/S**  
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**Novo Nordisk Pharmaceuticals A/S**

**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 2019.

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 2019 and of the results of the company's operations for 2019 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, 20 May 2020

**Executive Management:**



Peter Bøggild

**Board of Directors:**



Karsten Munk Knudsen  
Chairman



Lene Bang



Tomas Haagen

## **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 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, which comprise income statement, balance sheet, statement of changes in equity, summary of significant accounting policies and notes ("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.

Hellerup, 20 May 2020

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31



Mads Melgaard

State Authorised Public Accountant  
mne34354



Elife Savas

State Authorised Public Accountant  
mne34453

**Novo Nordisk Pharmaceuticals A/S**  
**Company information**

<b>Company</b>	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
<b>Board of Directors</b>	Karsten Munk Knudsen, chairman Lene Bang Tomas Haagen
<b>Executive Management</b>	Peter Bøggild
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup Denmark
<b>General meeting</b>	The Annual General Meeting will be held on 20 May 2020 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 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 5% of the shares in Novo Nordisk Pharma Argentina SA, 2.52% of the shares in Novo Nordisk Saglik Ürünleri Ticaret Ltd., Turkey, 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 profit of DKK 3,722 thousand for the year 2019 compared with net loss DKK 1,984 thousand for the year 2018.

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.

Governments across the world have decided to initiate measures as a response to the COVID-19 outbreak. The measures were initiated after the balance sheet date (31 December 2019). The Management therefore considers the implications of COVID-19 a non-adjusting subsequent event to the Company. The main activity of the Company is the holding of shares in affiliated companies. The impact on the earnings in 2020 is therefore dependent on the impact from COVID-19 in the affiliated companies. To date, all Novo Nordisk manufacturing sites continue to operate and products are still distributed across the globe. It is however, too early to give an opinion as to whether and, if so, to what extent COVID-19 will impact earnings from the affiliated companies.

**Novo Nordisk Pharmaceuticals A/S**  
**Income statement**

	Note	2019 DKK '000	2018 DKK '000
Administrative costs		39	33
<b>Operating profit/(loss)</b>		<b>(39)</b>	<b>(33)</b>
Financial income	1	3,761	-
Financial expenses	2	1	1,958
<b>Profit/(loss) before income taxes</b>		<b>3,721</b>	<b>(1,991)</b>
Income taxes		(1)	(7)
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	3	<b>3,722</b>	<b>(1,984)</b>

For proposed appropriation of net profit see note 3.



**Novo Nordisk Pharmaceuticals A/S**  
**Balance sheet at 31 December**

	Note	2019 DKK '000	2018 DKK '000
<b>ASSETS</b>			
Other financial assets		14,545	11,050
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,545</b>	<b>11,050</b>
Tax receivables		9	7
Other receivables		-	8
Amounts owed by affiliated companies		-	815
Cash at bank and in hand		1,048	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,057</b>	<b>830</b>
<b>TOTAL ASSETS</b>		<b>15,602</b>	<b>11,880</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	4	1,001	1,001
Retained earnings		14,568	10,846
<b>TOTAL EQUITY</b>		<b>15,569</b>	<b>11,847</b>
Other liabilities		33	33
<b>TOTAL CURRENT LIABILITIES</b>		<b>33</b>	<b>33</b>
<b>TOTAL LIABILITIES</b>		<b>33</b>	<b>33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,602</b>	<b>11,880</b>

**Novo Nordisk Pharmaceuticals A/S**

**Statement of changes in equity at 31 December**

	Share capital DKK '000	Retained earnings DKK '000	Total DKK '000
<b>2019</b>			
Balance at the beginning of the year	1,001	10,846	11,847
Net profit/(loss) for the year		3,722	3,722
<b>Balance at the end of the year</b>	<b>1,001</b>	<b>14,568</b>	<b>15,569</b>
<b>2018</b>			
Balance at the beginning of the year	1,001	12,830	13,831
Net profit/(loss) for the year		(1,984)	(1,984)
<b>Balance at the end of the year</b>	<b>1,001</b>	<b>10,846</b>	<b>11,847</b>

## 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.

### **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 the equity as proposed dividends.

### **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**

	<b>2019</b>	2018
	DKK '000	DKK '000
<b>1 - Financial income</b>		
Value adjustment of other financial assets	3,761	-
<b>Total financial income</b>	<b>3,761</b>	<b>-</b>

	<b>2019</b>	2018
	DKK '000	DKK '000
<b>2 - Financial expenses</b>		
Interest expense relating to affiliated companies	1	-
Value adjustment of other financial assets	-	1,958
<b>Total financial expenses</b>	<b>1</b>	<b>1,958</b>

	<b>2019</b>	2018
	DKK '000	DKK '000
<b>3 - Proposed appropriation of net profit</b>		
Retained earnings	3,722	(1,984)
<b>Distribution of net profit</b>	<b>3,722</b>	<b>(1,984)</b>

**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

**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

The company is included in the consolidated financial statements of Novo Nordisk A/S.