

**Pfizer PFE ApS**

## Annual Report 2016/17

Chairman of the Annual General Meeting

26/04/2018.



NICHOLAS WILLIAM BOE STENDERUP

Lautrupvang 8, 2750 Ballerup  
Registration no: 25 46 27 77

The Annual Report contains 24 pages

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Pfizer PFE ApS for the financial year 1 December 2016 – 30 November 2017.

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 November 2017 and of the results of the Company's operations for the financial year 1 December 2016 – 30 November 2017.

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 financial position.

We recommend that the annual report be approved at the annual general meeting.

Ballerup, 24 April 2018

Executive Board:



Henriette Dræbye Rosenquist

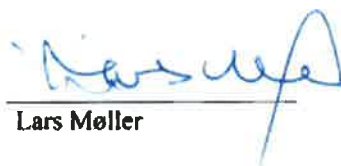
Board of Directors:



Nanna Jannov  
Chairman



Kamila K. Kozikowska



Lars Møller



Anne Birgitte Hein



Henriette Rosenquist



Stefano Podesta

## **Independent auditor's report**

### **To the shareholders of Pfizer PFE ApS**

#### ***Opinion***

We have audited the financial statements of Pfizer PFE ApS for the financial year 1 December 2016 – 30 November 2017 comprising income statement, balance sheet, statement of changes in equity and notes. 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 Company's assets, liabilities and financial position at 30 November 2017 and of the results of the Company's operations for the financial year 1 December 2016 – 30 November 2017 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Independent auditor's report

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company 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 under-lying transactions and events in a manner that gives a true and fair view.

### **Independent auditor's report**

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, 24 April 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Lau Bent Baun  
State Authorised Public Accountant  
mne 26708

Joakim Juul Larsen  
State Authorised Public Accountant  
mnc 32803

## **Management's review**

### **Company details**

Telephone: +45 44 20 11 00  
Telefax: +45 44 20 11 01  
Web site: [www.pfizer.dk](http://www.pfizer.dk)  
Registration No. 25 46 27 77  
Registered office: Lautrupvang 8, 2750 Ballerup, Denmark

### **Board of Directors**

Nanna Jannov  
Kamila K. Kozikowska  
Lars Møller  
Anne Birgitte Hein  
Henriette Rosenquist  
Stefano Podesta

### **Executive Board**

Henriette Rosenquist

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

## Financial highlights

DKK'000	2016/17	2015/16	2014/15	2013/14	2012/13*
<b>Key figures</b>					
Revenue	204,594	184,054	246,526	296,308	314,860
Operating profit	12,036	4,719	14,012	15,158	12,890
Net (loss)/profit from interest income and expense and similar items	-21	224	27	-67	-294
Profit for the year	9,143	3,696	10,697	9,947	9,619
<b>Balance sheet</b>					
Current assets	223,835	193,514	205,339	173,133	265,386
Total assets	223,835	193,514	205,339	173,133	265,386
Capital and reserves	146,599	137,456	151,632	140,935	130,967
Provisions	2,883	3,926	2,114	3,318	3,005
Short-term liabilities other than provisions	74,353	52,132	51,593	28,880	131,414
<b>Financial ratios</b>					
Operating profit ratio	5.9	2.6	5.7	5.1	4.1
Return on investment	8.1	3.3	9.9	11.6	10.7
Current ratio	301.0	371.2	398.0	599.5	201.9
Equity ratio	65.5	71.0	73.8	81.4	49.3
Return on equity	6.3	2.6	7.6	7.3	7.6
<b>Other</b>					
Average number of employees	19	20	20	17	14

\* Financial highlights for the period 2012/2013 have been restated with the transferring of GEP activities, assets and liabilities from Pfizer Aps to Pfizer PFE Aps on 1 December 2013.

The financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".



## *Financial statements 1 December - 30 November*

### **Financial highlights**

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating profit ratio

$$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

Return on investment

$$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$$

Current ratio

$$\frac{\text{Current assets} \times 100}{\text{Short-term liabilities}}$$

Equity ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Return on equity

$$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$

## ***Financial statements 1 December - 30 November***

### **Management's review**

#### **Activities**

Pfizer PFE ApS is part of the American Pfizer Group, a multinational pharmaceutical group listed on the New York Stock Exchange.

Pfizer PFE ApS is a fully owned subsidiary of Pfizer Inc. and its activities primarily consist of marketing, distribution and sale of the Pfizer Group's pharmaceutical products. Pfizer PFE ApS markets, distributes and sells pharmaceutical goods in Denmark, as well as to a third party distributor in Iceland.

Pfizer PFE ApS, hosts the Pfizer Essential Health (PEH) business unit. The PEH business unit primarily focuses on brands that have lost market exclusivity and generally the mature patent protected products that were expected to lose exclusivity through 2015 in most major countries. In addition, the PEH business unit also has a Biosimilars portfolio.

#### **The development of the year**

Turnover in Pfizer PFE ApS increased from DKK 184 million in 2015/16 to DKK 205 million in 2016/2017. This increase is driven by the biosimilar product Inflectra that won the tender in October 2017 resulting into additional DKK 33 million in revenues. Fragmin, one of the key products for the Pfizer Essential Health business unit, also grew compared to 2015/16. The products with recent loss of exclusivity (LOE) continue driving the revenue decline for the rest of the portfolio. Lyrica lost the exclusivity on its second indication in mid- 2017 while, the LOE impact for the brands Vfend and Zyvox started around mid-2016 and continued throughout 2016/17.

## ***Financial statements 1 December - 30 November***

### **Management's review**

#### **Operating Review**

The operating profit increased from DKK 4.7 million in 2015/16 to DKK 12 million in 2016/17 due to the revenue increase.

In 2016/17, the operating costs of the PEH (Pfizer Essential Health) business decreased by DKK 5.3 million compared to 2015/16. Field selling expenses were reduced due to the field force restructuring execution in 2016/17. Travel and conventions costs were also lower compared to 2016/15. Medical costs related to projects were reduced compared to prior year. These savings are partly offset by costs related to the Hospira integration activities.

The result for the year is satisfactory, with a turnover and operating profit within the range of expectations set for 2016/17.

#### **Financial position**

The Company's share capital and reserves amounted to DKK 147 million at year end 2016/17, which is 66% of the balance sheet total.

#### **Research and development activities**

Research and development activities within Pfizer PFE ApS comprise medical affairs. Pfizer PFE ApS only performs research and development on behalf of other group enterprises. Pfizer PFE ApS does not acquire ownership to intellectual rights.

#### **Knowledge resources**

It is the goal of Pfizer to attract the best people, enabling Pfizer to constantly develop and adapt the Company to an ever-changing world. Through training Pfizer constantly seeks to develop the employees, in terms of knowledge of the products, as well as developing competencies and training in core values.

## ***Financial statements 1 December - 30 November***

### **Operating Review**

#### **Outlook**

For 2017/18, the Company expects total revenue to increase compared with the total revenue in 2016/2017. The revenue increase will come from Inflectra with twelve months of sales vs. only two months in 2016/17. The revenue from brands with recent loss of exclusivity such as Lyrica and Ecalta are expected to decline. Operating profit is expected to be above 2016/17. The prescription activity is expected to grow due to increased productivity in the secondary care and market growth as a result of ageing population. The industry as a whole in Denmark is exposed to competition from parallel importers, biosimilar entries and generic substitution. At the same time, public health costs are under supervision, and this combination influences the expectations for the years to come.

#### **Events after the balance sheet date**

No material events have occurred subsequent to 30 November 2017 which that significantly affect the assessment of the annual report.

## Financial statements 1 December - 30 November

### Income Statement

DKK'000	Note	2016/17	2015/16
<b>Revenue</b>		<b>204,594</b>	184,054
Cost of sales		-162,543	-141,393
<b>Gross margin</b>		<b>42,051</b>	42,661
Marketing and distribution costs	2	-30,664	-36,399
Development expenses	2	-5,952	-6,704
Administrative expenses	2	-11,398	-10,181
		-5,963	-10,623
Other operating income/expenses, net	3	17,999	15,341
<b>Operating profit</b>		<b>12,036</b>	4,718
Net interest income and expenses and similar items	4	-21	224
<b>Profit before tax</b>		<b>12,015</b>	4,942
Tax on profit for the year	5	-2,872	-1,246
<b>Profit for the year</b>		<b>9,143</b>	3,696

Note 1 - Accounting Policies

Note 6 - Proposed Profit Allocation

*Financial statements 1 December - 30 November*

**Balance sheet as at 30 November**

DKK'000	Note	2017	2016
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Inventories</b>		<b>91,385</b>	58,501
<b>Receivables</b>			
Trade receivables		36,995	21,806
Amounts owed by group enterprises		93,171	111,181
Other Receivables		18	-
Prepayments	7	1,106	954
Deferred tax	8	661	864
		<b>131,951</b>	134,805
<b>Cash and bank balances</b>		<b>499</b>	208
<b>Total current assets</b>		<b>223,835</b>	193,514
<b>TOTAL ASSETS</b>		<b>223,835</b>	193,514

*Financial statements 1 December - 30 November*

**Balance sheet as at 30 November**

DKK'000	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	9		
Share capital		100	100
Retained earnings		146,499	137,356
<b>Total equity</b>		<b>146,599</b>	<b>137,456</b>
<b>Provisions</b>			
Other provisions	10	2,883	3,926
<b>Total provisions</b>		<b>2,883</b>	<b>3,926</b>
<b>Short-term liabilities other than provisions</b>			
Trade payables		5,628	7,351
Amounts owed to group enterprises		51,622	33,748
Other payables	11	17,103	11,033
		<b>74,353</b>	<b>52,132</b>
<b>Total liabilities</b>		<b>74,353</b>	<b>52,132</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>223,835</b>	<b>193,514</b>

Note 12 – Contingent liabilities and other financial obligations

Note 13 – Related parties

## *Financial statements 1 December - 30 November*

### **Statement of Changes in Equity**

DKK'000	Share Capital	Retained Earnings	Total
Equity at 1 December 2016	100	137,356	137,456
Transferred from profit for the year	-	9,143	9,143
<b>Equity at 30 November 2017</b>	<b>100</b>	<b>146,499</b>	<b>146,599</b>



## *Financial statements 1 December - 30 November*

### *Notes*

#### **1 Accounting Policies**

The annual report for 2016/2017 has been prepared in accordance with the provisions applying to class C (medium sized) enterprises under the Danish Financial Statements Act.

As from 1 December 2016, the Company has implemented Act no. 738 of 1 June 2015. The change has no monetary effect on the income statement or the balance sheet for 2016/17 or for the comparative figures.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### **Foreign currency translation**

Transactions in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

#### **Business combinations**

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered to have been completed at the date of the acquisition without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

## ***Financial statements 1 December - 30 November***

### **Income Statement**

#### **Revenue**

Revenue from the sale of goods for resale is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured exclusive of VAT and taxes related to sale.

#### **Cost of sales**

Cost of sales comprise the cost of goods and services sold during the year.

#### **Marketing and distribution costs**

Costs incurred in marketing and distributing goods sold during the year and in conducting sales campaigns etc. during the year are recognised as marketing and distribution costs. Also, costs relating to sales staff, advertising, and exhibitions are recognised as marketing and distribution costs.

#### **Development expenses**

Development expenses comprise costs related to regulatory affairs, drug safety and medical affairs. The Pharmaceutical division of Pfizer PFE ApS only performs research and development on behalf of other group enterprises.

#### **Administrative expenses**

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses.

#### **Other operating income and expenses**

Other operating income and expenses comprise items secondary to the principal activities of the enterprise. Other operating income mainly includes income from research and development, marketing and administrative services provided to other Pfizer entities.

#### **Interest income and expense and similar items**

Interest income and expense and similar items comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme etc.

## ***Financial statements 1 December - 30 November***

### **Tax on profit for the year**

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

### **Balance sheet**

#### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

#### **Receivables**

Receivables are measured at amortised cost. Provisions are made for anticipated losses.

#### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

#### **Capital and reserves - dividends**

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under capital and reserves.

#### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet 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 the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised under investments 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 and jurisdiction.

## ***Financial statements 1 December - 30 November***

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.

The Company is jointly taxed with all Danish group entities in the Pfizer Group. The current Danish corporate tax is allocated among the jointly taxed Danish companies in proportion to their taxable income (full allocation with reimbursement for tax losses).

### **Other provisions**

Provisions comprise anticipated costs relating to returned goods and restructuring provisions. Provisions for returned goods are measured and recognised based on Management's experiences of returned goods.

### **Financial liabilities**

Financial liabilities, comprising trade payables and amounts owed to group enterprises are measured at amortised cost. Other payables are measured at net realisable value.

### **Cash flow statement**

Pfizer PFE ApS has not prepared a cash flow statement because the Company is included in the consolidated cash flow statement for the ultimate parent company Pfizer Inc. which can be found in the "for Investors" section under *2017 Financial Report* at [www.pfizer.com](http://www.pfizer.com)

## Financial statements 1 December - 30 November

DKK'000	2016/17	2015/16
<b>2 Staff costs</b>		
Wages and salaries	19,866	23,419
Pensions	1,882	1,951
Other social security costs	93	99
	<u>21,841</u>	<u>25,469</u>
Staff costs are recognized as follows in the financial statements:		
Marketing and distribution costs	15,997	18,686
Development expenses	5,300	5,357
Administrative expenses	544	1,426
	<u>21,841</u>	<u>25,469</u>
Average number of employees	<u>19</u>	<u>20</u>
Pursuant to Section 98b of the Danish Financial Statements Act, remuneration to Management is not disclosed. No emoluments have been paid to the Board of Directors.		
<b>3 Other operating income, net</b>		
Sales & Marketing services	11,355	8,087
Administrative services	239	-37
Development services	6,405	7,291
	<u>17,999</u>	<u>15,341</u>
<b>4 Net interest expenses and income and similar items</b>		
Foreign exchange adjustments	24	275
Interest expenses, DKK 3 thousand (2015/16: DKK 14 thousand) of which is intra-group	-3	-14
Bank charges	-42	-37
	<u>-21</u>	<u>224</u>

## Financial statements 1 December - 30 November

DKK'000	2016/17	2015/16
<b>5 Tax on the profit for the year</b>		
Corporation tax on profit for the year	2,534	73
Adjustment for deferred tax	203	1,126
Adjustment to taxes from previous years	135	47
	<u>2,872</u>	<u>1,246</u>
<b>6 Proposed Profit Appropriation</b>		
Allocation to retained earnings	9,143	3,696
	<u>9,143</u>	<u>3,696</u>
<b>7 Prepayments</b>		
Other prepayments	1,106	954
	<u>1,106</u>	<u>954</u>
<b>8 Deferred tax</b>		
Deferred tax 1 December	864	1,990
Adjustment of deferred tax	-203	-1,126
Deferred tax 30 November	<u>661</u>	<u>864</u>

Deferred tax relates to plant and equipment, inventories, receivables, other provisions and other payables. The deferred tax asset is expected to be realisable within the foreseeable future.

## 9 Capital and reserves

The share capital comprises 100,000 issued shares with a nominal value of 1 DKK each.

The changes in share capital for the last 4 years can be specified as follows:

DKK'000	2016/17	2015/16	2014/15	2013/14
Share Capital at 1 December	100	100	100	80
Increase in share capital				20
<b>Share capital at 30 November</b>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**Financial statements 1 December - 30 November**

DKK'000	<u>2016/17</u>	<u>2015/16</u>
<b>10 Other provisions</b>		
Provision for returned goods 1 December	2,940	2,114
Used during the year	-12,278	-4,604
Provision for the year	<u>12,221</u>	<u>5,430</u>
Provision for returned goods 30 November	<u>2,883</u>	<u>2,940</u>
<p>The provision comprises of anticipated costs relating to returned goods. The Company expects to use the provision over the next year.</p> <p>Provision for Restructuring</p>		
Provision for Restructuring 1 December	986	986
Used During the Year	-986	-
Provision for restructuring 30 November	<u>-</u>	<u>986</u>
<b>Total provisions 30 November</b>	<u>2,883</u>	<u>3,926</u>
<b>11 Other payables</b>		
VAT and taxes	6,278	55
Payable wages and salaries inclusive of holiday provision	5,755	7,385
Other payables	<u>5,070</u>	<u>3,593</u>
	<u>17,103</u>	<u>11,033</u>

Payable wages and salaries include amounts for employees dismissed at 30 November 2017.

## ***Financial statements 1 December - 30 November***

### **12 Contingent liabilities and other financial obligations**

#### **Lease obligations**

The Company has entered into operating leases regarding cars and other operating equipment. The remaining payments for lease obligations amount to DKK 1,3 million (2015/16 DKK 1,0 million).

#### **Joint liability Pfizer ApS and Pfizer PFE ApS**

On 1 December 2013 the GEP activities of Pfizer ApS were transferred to Pfizer PFE ApS in a demerger. Pfizer ApS and Pfizer PFE ApS are joint and several liable for liabilities that consisted at the date the demerger plan was published. However the joint and several liability cannot exceed the net assets transferred to each company in the demerger which for Pfizer PFE ApS amounted to DKK 131 million.

#### **Share options & restricted stock units**

The group parent company Pfizer Inc. has established a share option and restricted stock unit scheme for employees within the Pfizer Group, including employees in Pfizer PFE ApS. The options can be exercised from 2010 within a period from three to ten years after they are granted to the employee.

#### **Financial obligations**

The company is jointly taxed /VAT registered with other Danish companies in the Pfizer group. As a wholly owned subsidiary of Pfizer Inc., the company is unlimited and solidarity liable with the other companies in the joint taxation regarding Danish income tax, withholding taxes on dividends, interest and royalties in the joint taxation. Payable withholding taxes in the joint taxation are as of 30<sup>th</sup> November 2017 DKK 0. Any subsequent corrections of the taxable income in the joint taxation or withholding taxes could lead to the company's liability being higher.



## ***Financial statements 1 December - 30 November***

### **13 Related party Disclosures**

Pfizer PFE ApS' related parties comprise:

#### **Control**

Pfizer PFE ApS is a wholly owned subsidiary of Wyeth AB, Vetenskapsvägen 10, 191 90 Sollentuna, Sverige.

Furthermore, the Company is included in the consolidated financial statements of the ultimate parent company Pfizer Inc., 219-8-6A East 42nd Street, New York, N.Y. 10017, USA.

The consolidated financial statements of Pfizer Inc are available at the Company's address or on the Company's website at [www.pfizer.com](http://www.pfizer.com).

#### **Related party transactions**

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act. There are no such transactions.