

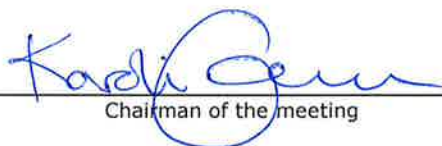
Novo Nordisk Region Europe A/S

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

CVR number 26 23 62 66

Annual Report 2018

**The Annual Report has been presented and adopted at the Annual
General Meeting on 14 May 2019.**

A handwritten signature in blue ink, appearing to read "Kadi Genn", is written over a horizontal line. Below the line, the text "Chairman of the meeting" is printed.

Chairman of the meeting

Novo Nordisk Region Europe 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 Region Europe A/S for the year 2018.

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 2018 and of the results of the company's operations for 2018 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, 14 May 2019

Executive Management:



Peter Bøggild

Board of Directors:



Karsten Munk Knudsen
Chairman



Lene Bang



Tomas Haagen

Novo Nordisk Region Europe A/S

Independent Auditor's Report

To the Shareholder of Novo Nordisk Region Europe 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 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.

We have audited the Financial Statements of Novo Nordisk Region Europe 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 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 Region Europe 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, 14 May 2019

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 Region Europe A/S
Company information

Company	Novo Nordisk Region Europe A/S c/o Novo Nordisk A/S Novo Allé 2880 Bagsværd Denmark
	CVR no.: 26 23 62 66 Founded: 14 September 2001 Municipality of domicile: Gladsaxe Financial year: 1 January – 31 December
Board of Directors	Karsten Munk Knudsen, chairman Lene Bang Tomas Haagen
Executive Management	Peter Bøggild
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup Denmark
General meeting	The Annual General Meeting will be held on 14 May 2019 at the company's address.
Consolidated financial statements	In accordance with section 112 of the Danish Financial Statements Act, consolidated financial statements have not been prepared. The consolidated financial statements of the parent company, Novo Nordisk A/S, and the ultimate parent company, Novo Nordisk Foundation, in which Novo Nordisk Region Europe A/S is fully consolidated, can be ordered from Novo Nordisk A/S (CVR nr. 24 25 67 90), Novo Allé, 2880 Bagsværd, Denmark, and from the Novo Nordisk Foundation (CVR nr. 10 58 29 89), Tuborg Havnevej 19, 2900 Hellerup, Denmark.

Novo Nordisk Region Europe A/S
Financial key figures

	2018	2017	2016	2015	2014
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement:					
Operating profit/(loss)	613	(215)	(279)	(328)	(416)
Net financials & profit/(loss) in subsidiaries	(61,400)	279,439	13,100	208,268	(1,858)
Net profit/(loss) for the year	(58,109)	283,264	19,257	217,031	8,703
Balance sheet:					
Financial assets	2,934,591	3,151,114	3,096,078	3,518,846	3,757,157
Total assets	2,957,021	3,394,572	3,302,158	4,384,196	4,463,300
Equity	1,703,511	1,725,166	1,397,248	1,523,106	1,300,784

Novo Nordisk Region Europe 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.

Development during the financial year

Net profit for Novo Nordisk Region Europe A/S ended at a loss of DKK 58,109 thousand for the year 2018 compared with a net profit of DKK 283,264 thousand for the year 2017. The decrease in net profit is related to a decrease in net profit in subsidiaries.

Outlook for the company, including specific assumptions and elements of uncertainty

The company's most important activity, also in 2019, is expected to comprise the holding of equity investments in a portfolio of subsidiaries.

The company's financial performance reflects the development in the underlying subsidiaries. Management expects to record a positive return in 2019.

The company has in 2018 purchased the company Ziylo Ltd in United Kingdom. Further the company has acquired one share in the company Aldaph SpA in Algeria. The share is classified as 'Other financial assets'.

Specific risks

For other specific risks and presentation of capital resources please see management review included in the annual report of Novo Nordisk A/S.

Reporting on social responsibility and underrepresented gender

In accordance with the Danish Financial Statements Act §99 a par. 6 information regarding social responsibility is included in the annual report of Novo Nordisk.

Novo Nordisk Region Europe A/S has equal gender representation on its Board of Directors.

Novo Nordisk Region Europe A/S has less than 50 employees and are thereby not required to report on gender diversity for other management levels.

Novo Nordisk Region Europe A/S
Income statement

		2018	2017
	Note	DKK '000	DKK '000
Administrative costs		256	198
Other operating income/(expenses)		869	(17)
Operating profit/(loss)		613	(215)
Profit/(loss) in subsidiaries	1	(48,546)	298,234
Financial income	2	2	19
Financial expenses	3	12,856	18,814
Profit/(loss) before income taxes		(60,787)	279,224
Income taxes	4	(2,678)	(4,040)
NET PROFIT/(LOSS) FOR THE YEAR	5	(58,109)	283,264

For proposed appropriation of net profit see note 5.

Novo Nordisk Region Europe A/S
Balance sheet at 31 December

	Note	2018 DKK '000	2017 DKK '000
ASSETS			
Financial assets	1	2,934,589	3,151,114
Other financial assets	2	-	-
TOTAL NON-CURRENT ASSETS		2,934,591	3,151,114
Amounts owed by affiliated companies		11,806	214,104
Tax receivables		2,743	4,183
Other receivables		193	192
Cash at bank		7,688	24,979
TOTAL CURRENT ASSETS		22,430	243,458
TOTAL ASSETS		2,957,021	3,394,572
EQUITY AND LIABILITIES			
Share capital	6	108,371	108,371
Retained earnings		1,595,140	1,616,795
TOTAL EQUITY		1,703,511	1,725,166
Long-term loan from affiliated company	7	1,007,500	1,425,000
TOTAL NON-CURRENT LIABILITIES		1,007,500	1,425,000
Amounts owed to affiliated companies		245,771	244,406
Other liabilities		239	-
TOTAL CURRENT LIABILITIES		246,010	244,406
TOTAL LIABILITIES		1,253,510	1,669,406
TOTAL EQUITY AND LIABILITIES		2,957,021	3,394,572

Statement of changes in equity at 31 December

	Share capital DKK '000	Retained earnings DKK '000	Total DKK '000
2018			
Balance at the beginning of the year	108,371	1,616,795	1,725,166
Net profit/(loss) for the year		(58,109)	(58,109)
Remeasurements of defined benefit plans in subsidiaries		36,120	36,120
Exchange rate adjustments of investments in subsidiaries		333	333
Balance at the end of the year	108,371	1,595,140	1,703,511

2017

Balance at the beginning of the year	108,371	1,288,877	1,397,248
Net profit/(loss) for the year		283,264	283,264
Remeasurements of defined benefit plans in subsidiaries		47,044	47,044
Exchange rate adjustments of investments in subsidiaries		(2,390)	(2,390)
Balance at the end of the year	108,371	1,616,795	1,725,166

Novo Nordisk Region Europe A/S

Accounting policies

Accounting basis

The Annual Report of the company is prepared in accordance with the Danish Financial Statements Act for a large class C enterprise.

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 except exchange rate adjustments arising from:

- translation of subsidiaries' net assets at the beginning of the year at the exchange rates at the balance sheet date
- translation of subsidiaries' income statements at average exchange rates and translation of their balance sheet items at the exchange rates at the balance sheet date
- translation of non-current intra-Group receivables that are considered a supplement to the net assets of the subsidiaries.

The above currency translation differences are recognised directly in equity.

Administrative costs

Administrative costs comprise of audit fee and administrative costs.

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

Other operating income/(expense)

Income/expense in connection with re-invoicing for services.

Share-based payment

The parent company offers incentive schemes to a group of managerial employees in the company's subsidiaries. The fair value of the employee services received in exchange for the grant of shares is recognised as an expense.

Retirement benefit obligations

A few of the company's subsidiaries operate defined benefit plans. The cost for the year for defined benefit plans are determined using the projected unit credit method based on actuarial assumptions. Gains and losses arising from changes in actuarial assumptions are charged directly to Equity.

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, as well as surcharges and allowances under the tax prepayment scheme etc. Financial income and expenses are recognised by the amounts pertaining to the financial year.

Financial assets

Equity investments in subsidiaries are initially recognised at cost and subsequently measured at equity value, i.e. at the proportional share of the carrying amount of the equity value of the subsidiary.

The share of profit or loss in subsidiaries is recognised in the income statement of the parent company.

For business combinations in connection with the foundation of the company the acquisition method is used, resulting in a revaluation of the acquired companies' assets and liabilities and recognition of goodwill. This goodwill is amortised over a maximum period of 20 years, based on life expectancy, and an impairment test is conducted annually.

Novo Nordisk Region Europe A/S

Accounting policies

Subsequent internal business combinations are recognised using the pooling of interests method, meaning that assets and liabilities are recognised at the carrying amounts that would have applied if the Group relationship had been established at the beginning of the comparative period, without any subsequent revaluation.

When using the pooling of interests method, there is no recognition of goodwill. The difference between the amount paid as capital and the equity in the acquired company is recognised directly in equity.

Net revaluation of equity investments in subsidiaries exceeding the declared dividend of the subsidiaries is transferred to equity as net revaluation reserve according to the equity method.

Receivables

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, including an evaluation of payment risk associated with individual countries.

Tax

Deferred tax is provided for using the balance sheet liability method and comprises all temporary differences between the carrying amount and tax base of assets and liabilities, with the exception of goodwill in situations where goodwill is not deducted for tax purposes. The tax value of tax loss carry-forwards is included in the statement of deferred tax if the losses are likely to be utilised in the future. Deferred tax is provided for using the tax rate expected to apply when the temporary differences are expected to be eliminated.

Tax payable/receivable includes tax payable computed on the basis of the expected taxable income for the year and any adjustments of taxes payable for previous years.

Income tax in the income statement comprises current tax for the year and any change in the provision for deferred 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.

Dividends

Proposed dividends (not yet declared) for the accounting period are recognised in the equity as proposed dividends.

Long- and short-term debt

Long- and short-term debt are measured at amortised cost.

Audit fee

In accordance with section 3, paragraph 96, of the Danish Financial Statements Act, audit fees has not been presented for the parent company. Reference is made to the audit fees in the Consolidated Financial Statements for the Novo Nordisk Group.

Statement of cash flows

In accordance with section 4, paragraph 86, of the Danish Financial Statements Act, no separate cash flow statement has been prepared for the parent company. Reference is made to the cash flow statement in the Consolidated Financial Statements for the Novo Nordisk Group.

Segment information

The company only has one business segment and one geographical segment consisting of equity participation in a portfolio of European companies, as well as to service these operationally.

Novo Nordisk Region Europe A/S
Notes

1 - Financial assets

	2018	2017
	DKK '000	DKK '000
Cost at the beginning of the year	6,262,439	6,262,439
Investments during the year	409,344	-
Cost at the end of the year	6,671,783	6,262,439
Value adjustments at the beginning of the year	(3,111,325)	(3,166,361)
Profit/(loss) before tax	889,276	990,501
Income taxes on profit for the year	(677,754)	(432,199)
Amortisation and write-down of goodwill	(260,068)	(260,068)
Remeasurements of defined benefit plans	36,120	47,044
Dividends	(613,777)	(287,852)
Effect of exchange rate adjustment	333	(2,390)
Other adjustments	1	-
Value adjustments at the end of the year	(3,737,194)	(3,111,325)
Carrying amount at the end of the year	2,934,589	3,151,114

The carrying amount of equity investments in subsidiaries includes goodwill of DKK 854 million (2017: DKK 1,114 million), which occurred in connection with the acquisition of subsidiaries. Amortisation of goodwill amounts to DKK 260 million (2017: DKK 260 million).

A list of capital investments in subsidiaries is shown in note 12.

2 - Financial income

	2018	2017
	DKK '000	DKK '000
Other financial income	2	19
Total financial income	2	19

3 - Financial expenses

	2018	2017
	DKK '000	DKK '000
Interest expenses relating to affiliated companies	12,268	16,979
Foreign exchange rate loss (net)	68	1,608
Other financial expenses	520	227
Total financial expenses	12,856	18,814

4 - Income taxes

	2018	2017
	DKK '000	DKK '000
Tax on the profit/(loss) for the year	(2,674)	(4,040)
Adjustments recognised for current tax of prior periods	(4)	-
Income taxes	(2,678)	(4,040)

5 - Proposed appropriation of net profit

	2018	2017
	DKK '000	DKK '000
Retained earnings	(58,109)	283,264
Distribution of net profit	(58,109)	283,264

Novo Nordisk Region Europe A/S

Notes

6 - Share capital

The share capital consists of 1,083,705 shares of nominal value DKK 100. No shares carry any special rights.

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

7 - Long-term loan from affiliated company

The company's long-term loans from affiliated company fall due for payment within the following periods from the balance sheet date:

	2018 DKK '000	2017 DKK '000
Within 1 year	237,500	237,500
Between 2 and 5 years	950,000	950,000
After 5 years	57,500	475,000
Total loan from affiliated company	1,245,000	1,662,500
Long-term part of loan from affiliates company	1,007,500	1,425,000

8 - 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.

9 - 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.

10 - Related party transactions

For information on transactions with related parties, please refer to the annual report of Novo Nordisk A/S.

11 - 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

Novo Nordisk Region Europe A/S
Notes

12 - Subsidiaries

	Country	Percentage of shares owned	Activity			
			Production	Sales and marketing	Research and development	Services/investments
			▲	■	•	□
Subsidiaries						
Novo Nordisk Pharma GmbH	Austria	100		■		
S.A. Novo Nordisk Pharma N.V.	Belgium	100		■		
Novo Nordisk Pharma d.o.o.	Bosnia-Herzegovina	100		■		
Novo Nordisk Pharma EAD	Bulgaria	100		■		
Novo Nordisk Hrvatska d.o.o.	Croatia	100		■		
Novo Nordisk s.r.o.	Czech Republic	100		■		
Novo Nordisk Region Europe Pharmaceuticals A/S	Denmark	100				□
Novo Nordisk Farma OY	Finland	100		■		
Novo Nordisk	France	100		■		
Novo Nordisk Production SAS	France	100	▲			
Novo Nordisk Pharma GmbH	Germany	100		■		
Novo Nordisk Hellas Epe.	Greece	100		■		
Novo Nordisk Hungária Kft.	Hungary	100		■		
Novo Nordisk Limited	Ireland	100		■		
Novo Nordisk S.P.A.	Italy	100		■		
UAB Novo Nordisk Pharma	Lithuania	100		■		
Novo Nordisk Farma dooel	Macedonia	100		■		
Novo Nordisk B.V.	Netherlands	100		■		
Novo Nordisk Scandinavia AS	Norway	100		■		
Novo Nordisk Pharma Sp. z o.o.	Poland	100		■		
Novo Nordisk Pharmaceuticals Services Sp. z o.o	Poland	100		■		
Novo Nordisk Comércio Produtos Farmacêuticos Lda.	Portugal	99		■		
Novo Nordisk Farma S.R.L.	Romania	100		■		
Novo Nordisk Pharma d.o.o. Belgrade (Serbia)	Serbia	100		■		
Novo Nordisk Slovakia s.r.o.	Slovakia	100		■		
Novo Nordisk d.o.o.	Slovenia	100		■		
Novo Nordisk Pharma S.A.	Spain	100		■		
Novo Nordisk Scandinavia AB	Sweden	100		■		
Novo Nordisk Pharma AG	Switzerland	100		■		
Novo Nordisk Holding Limited	United Kingdom	100				□
Novo Nordisk Limited	United Kingdom	100		■		
Ziylo Limited	United Kingdom	100			•	