

Novo Nordisk GSC Holding A/S

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

CVR number 27 46 99 65

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 GSC Holding A/S
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Novo Nordisk GSC Holding 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 GSC Holding 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 GSC Holding A/S
Independent Auditor's report

To the Shareholder of Novo Nordisk GSC Holding 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 GSC Holding 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 GSC Holding 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

mnr18651

Novo Nordisk GSC Holding A/S
Company information

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

CVR number 27 46 99 65
Founded: 4 December 2003
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 GSC Holding A/S Management Review

Main activities

The company's main activities are the holding of equity investments in 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.

Development during the financial year

Net profit for Novo Nordisk GSC Holding A/S ended at DKK 16,080 thousand for the year 2017 compared with a net profit of DKK 2,773 thousand for the year 2016. The development is primarily due to development in subsidiary.

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 GSC Holding A/S
Income statement

	Note	2017 DKK '000	2016 DKK '000
Administrative costs		34	26
Operating profit/(loss)		(34)	(26)
Profit/(loss) in subsidiaries	1	16,129	2,817
Financial expenses	2	2	1
Profit/(loss) before income taxes		16,093	2,790
Income taxes		13	17
NET PROFIT/(LOSS) FOR THE YEAR	3	16,080	2,773

For proposed appropriation of net profit see note 3.

Novo Nordisk GSC Holding A/S
Balance sheet at 31 December

	Note	2017 DKK '000	2016 DKK '000
ASSETS			
Financial assets	1	45,288	38,749
TOTAL NON-CURRENT ASSETS		45,288	38,749
Tax receivables		10	1
Amounts owed by affiliated companies		5,366	8,074
TOTAL CURRENT ASSETS		5,376	8,075
TOTAL ASSETS		50,664	46,824
EQUITY AND LIABILITIES			
Share capital	4	501	501
Proposed dividends		5,000	7,500
Net revaluation reserve according to the equity method		40,674	34,135
Retained earnings		4,078	4,305
TOTAL EQUITY		50,253	46,441
Tax payables		-	-
Amounts owed to affiliated companies		385	363
Other liabilities		26	20
TOTAL CURRENT LIABILITIES		411	383
TOTAL LIABILITIES		411	383
TOTAL EQUITY AND LIABILITIES		50,664	46,824

Statement of changes in equity at 31 December

	Share capital DKK '000	Net revaluation reserve DKK '000	Retained earnings DKK '000	Proposed dividends DKK '000	Total DKK '000
2017					
Balance at the beginning of the year	501	34,135	4,305	7,500	46,441
Net profit/(loss) for the year			16,080		16,080
Transfer of net profit for the year to net revaluation reserve		6,539	(6,539)		-
Exchange rate adjustments of investments in subsidiaries			(4,768)		(4,768)
Dividends paid				(7,500)	(7,500)
Proposed dividends			(5,000)	5,000	-
Balance at the end of the year	501	40,674	4,078	5,000	50,253
2016					
Balance at the beginning of the year	501	37,558	4,349	-	42,408
Net profit/(loss) for the year			2,773		2,773
Transfer of net profit for the year to net revaluation reserve		(3,423)	3,423		-
Exchange rate adjustments of investments in subsidiaries			1,260		1,260
Proposed dividends			(7,500)	7,500	-
Balance at the end of the year	501	34,135	4,305	7,500	46,441

Novo Nordisk GSC Holding A/S

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 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 expenses for the management and administration of the company, such as expenses for 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.

Financial assets

Equity investments in subsidiaries are recognised at equity value, ie at the proportional share of the carrying amount of the equity value of the subsidiary.

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

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.

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.

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.

Short-term debt

Short-term debt are measured at amortised cost.

Novo Nordisk GSC Holding A/S
Notes

1 - Financial assets

	2017 DKK '000	2016 DKK '000
Cost at the beginning of the year	4,614	4,614
Cost at the end of the year	4,614	4,614
Value adjustments at the beginning of the year	34,135	37,558
Profit/(loss) before tax	27,752	24,113
Income taxes on profit for the year	(11,623)	(21,296)
Effect of exchange rate adjustment	(4,768)	1,260
Dividends	(4,822)	(7,500)
Value adjustments at the end of the year	40,674	34,135
Carrying amount at the end of the year	45,288	38,749

2 - Financial expenses

	2017 DKK '000	2016 DKK '000
Interest expenses relating to affiliated companies	1	-
Other financial expenses	1	1
Total financial expenses	2	1

3 - Proposed appropriation of net profit

	2017 DKK '000	2016 DKK '000
Proposed dividends	5,000	7,500
Retained earnings	4,541	(1,304)
Net revaluation reserve according to the equity method	6,539	(3,423)
Distribution of net profit	16,080	2,773

4 - Share capital

The share capital consists of 501,100 shares of nominal value DKK 1.

	2017 DKK	2016 DKK	2015 DKK	2014 DKK	2013 DKK
Share capital at 1 January	501,100	501,100	501,100	501,100	500,100
Capital increase	-	-	-	-	1,000
At the end of the year	501,100	501,100	501,100	501,100	501,100

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

Novo Nordisk GSC Holding A/S
Notes

7 - Subsidiaries

			Activity
	Country	Percentage of shares owned	▲ Production ■ Sales and marketing • Research and development □ Service/investments
Subsidiaries			
Novo Nordisk Service Centre (India) Pvt. Ltd.	India	100	□