

Novo Nordisk Invest 4 A/S

(Former Steno Diabetes Center A/S)

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

CVR number 31 85 39 23

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 Invest 4 A/S
Contents

	Page
Management statement and Auditor's report	
Statement by the Board of Directors and Executive Management	3
Independent Auditor's report	4
Management Report	
Company information	6
Financial key figures	7
Management Review	8
Financial Statements 1 January – 31 December 2017	
Income statement	9
Balance sheet	10
Statement of changes in equity	11
Accounting policies	12
Notes	14

Novo Nordisk Invest 4 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 Invest 4 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.

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 Invest 4 A/S

Independent Auditor's report

To the Shareholder of Novo Nordisk Invest 4 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 Invest 4 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:

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

mne18651

Novo Nordisk Invest 4 A/S
Company information

Company Novo Nordisk Invest 4 A/S
c/o Novo Nordisk A/S
Novo Allé
2880 Bagsværd
Denmark

CVR no.: 31 85 39 23
Founded: 17 November 2008
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.

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 Invest 4 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 Invest 4 A/S
Financial key figures

	2017	2016	2015	2014	2013
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement:					
Income	-	240,405	219,295	177,147	181,767
Operating profit/(loss)	(1,272)	(9)	(222)	3,934	(183)
Net financials & profit/(loss) in subsidiary	(57)	(26)	47	31	18
Net profit/(loss) for the year	(775)	(407)	803	4,039	(214)
Balance sheet:					
Total assets	11,554	85,549	86,723	79,148	66,781
Equity	9,120	9,923	10,336	9,687	5,681
Investments in property, plant and equipment	-	1,718	1,152	4,104	2,038

Novo Nordisk Invest 4 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.

Principal activities

Until the transfer as of 1 January 2017, the main activities of the company included the operation of a hospital and research and educational activities primarily within the field of diabetes treatment.

Development during the financial year

Net loss for Novo Nordisk Invest 4 A/S ended at DKK 775 thousand for the year 2017 compared with a net loss of DKK 407 thousand for the year 2016. The increase in net loss is mainly driven by the terminable activity.

The subsidiary in Malaysia is expected to be liquidated during 2018.

Outlook for the Company

With the transfer of the company's activities to the Capital Region per 1 January 2017, the company continues as a dormant company, in which the activities for 2018 only consists of remaining activities related to the transfer to the Capital Region of Denmark. Management expect that the company will realise a minor loss in 2018.

Novo Nordisk Invest 4 A/S
Income statement

	Note	2017 DKK '000	2016 DKK '000
Administrative expenses		100	-
Operating profit/(loss) before income taxes from ongoing activity		(100)	-
Income taxes from ongoing activity	6	(22)	
Profit/(loss) from ongoing activity		(78)	-
Profit/(loss) from terminable activity	1	(697)	(407)
NET PROFIT/(LOSS) FOR THE YEAR	13	(775)	(407)

Novo Nordisk Invest 4 A/S
Balance sheet at 31 December

	Note	2017 DKK '000	2016 DKK '000
ASSETS			
Amounts owed by affiliated companies		9,189	9,923
Assets from terminable activity	7	2,365	75,626
TOTAL CURRENT ASSETS		11,554	85,549
TOTAL ASSETS		11,554	85,549
EQUITY AND LIABILITIES			
Share capital	10	1,000	1,000
Retained earnings		8,120	8,923
TOTAL EQUITY		9,120	9,923
Liabilities from terminable activity	7	2,365	75,626
Other liabilities		69	-
TOTAL CURRENT LIABILITIES		2,434	75,626
TOTAL LIABILITIES		2,434	75,626
TOTAL EQUITY AND LIABILITIES		11,554	85,549

Statement of changes in equity at 31 December

	Share capital DKK '000	Net revaluation reserve DKK '000	Retained earnings DKK '000	Total DKK '000
2017				
Balance at the beginning of the year	1,000	-	8,923	9,923
Net profit/(loss) for the year			(775)	(775)
Exchange rate adjustments of investments in subsidiaries			(28)	(28)
Balance at the end of the year	1,000	-	8,120	9,120
2016				
Balance at the beginning of the year	1,000	591	8,745	10,336
Net profit/(loss) for the year			(407)	(407)
Transfer of net profit for the year to net revaluation reserve		(591)	591	-
Exchange rate adjustments of investments in subsidiaries			(6)	(6)
Balance at the end of the year	1,000	-	8,923	9,923

Novo Nordisk Invest 4 A/S

Accounting policies

Accounting basis

The Annual Report of the Company is presented in accordance with the provisions of the Danish Financial Statements Act on medium sized class C enterprises.

In accordance with the Danish Financial Statements Act § 86 a separate statement of cash flow has not been prepared. Reference is made to the statement of cash flow presented for the parent company.

As of 1 January 2017 the activity in the company was transferred to the Capital Region of Denmark. The discontinuation of the activities are shown separately both in the income statement and the balance sheet. Discontinued operations are presented in accordance with DFSA §§ 55 and 80.

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.

Income Statement

Income

Income comprise turnover from framework agreement with Capital Region of Denmark for diabetes treatments, donations from the Novo Nordisk Foundation and the research agreement with Novo Nordisk A/S as well as other grants to research and treatment projects.

Revenue is recognised when it is realised or realisable and earned. Revenues from treatments etc are recognised in the income statement in line with the carrying out of the treatments.

Revenue from services is recognised when the general criteria are fulfilled, ie when delivery and transfer of risk have taken place before the end of the accounting year and the amount can be reliably calculated and is likely to be received.

Research costs

Research expenses comprise expenses to research activities as well as expenses to materials, equipment and personnel etc, which have been allocated to the Company's research unit.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, hospital and educational activities, office expenses, depreciation etc.

Financial items

Financial income and expenses include interests income and expenses, realised and unrealised gains and losses on transactions denominated in foreign currencies. Financial income and expenses are recognised at the amounts that concern the reporting period.

Balance Sheet

Property, Plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment loss. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Novo Nordisk Invest 4 A/S

Accounting policies

Depreciation based on cost reduced by any residual value calculated on a straight-line bases over the expected useful lives of the assets, which are:

Other equipment 3-10 years

Impairment of fixed assets

If there is a indication of impairment other than that expressed by depreciation an impairment test is carried out. If the test determines that the recoverable amount is lower than the carrying amount, the asset is written down to the lower amount.

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.

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.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowances for doubtful trade receivables.

The allowances are deducted from the carrying amount of trade receivables and the amount of the loss is recognised in the Income statement under sales and distribution costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against sales and distribution costs in the income statement.

Amounts owed by affiliated companies

Amounts owned by affiliated companies mainly consists of payments made to the cash pool for the Novo Nordisk group and other receivables from affiliated companies.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest and prepayments from performed but not yet invoiced research.

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 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.

Provisions

Other provisions include obligations in respect of jubilee payments to employees. Provisions are measured and recognised based on experience with historically paid jubilee fee.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Novo Nordisk Invest 4 A/S
Notes

1 - Profit/(loss) from terminable activity		2017	2016
		DKK '000	DKK '000
Income		-	240,405
Research costs	2,3	700	84,606
Administrative expenses	2,3	472	155,808
Operating profit/(loss)		(1,172)	(9)
Profit/(loss) in subsidiary	9	(18)	(1,222)
Financial income	4	-	7
Financial expenses	5	39	33
Profit before income taxes		(1,229)	(1,257)
Income taxes	6	(532)	(850)
Net profit/(loss) from terminable activity		(697)	(407)

2 - Employee costs		2017	2016
		DKK '000	DKK '000
Wages and salaries		-	142,982
Pensions		-	11,272
Other contributions to social security		-	2,528
Other employee costs		-	2,248
Total employee costs		-	159,030

During the year, the Company's Board of Directors have received TDKK 0 in remuneration (2016: TDKK 180). Going forward the Board of Directors will not receive any remuneration.

In accordance with the Danish Financial statements act § 98b the remuneration for the Executive management is not disclosed.

	2017	2016
	DKK '000	DKK '000
Average number of full-time employees	-	209

3 - Depreciation		2017	2016
		DKK '000	DKK '000
Included in the income statement under the following functions:			
Research costs		-	1,140
Administrative expenses		-	742
Total depreciations		-	1,882

4 - Financial income		2017	2016
		DKK '000	DKK '000
Foreign exchange gain (net)		-	7
Total financial income		-	7

5 - Financial expenses		2017	2016
		DKK '000	DKK '000
Foreign exchange loss (net)		15	-
Interest paid and other financial expenses		24	33
Total financial expenses		39	33

Novo Nordisk Invest 4 A/S
Notes

6 - Income taxes	2017	2016
	DKK '000	DKK '000
Tax on the profit/(loss) for the year	340	(255)
Deferred tax on the profit/(loss) for the year	(624)	365
Adjustments recognised for current tax of prior periods	(158)	(960)
Adjustments recognised for deferred tax of prior periods	(112)	-
Income taxes	(554)	(850)

7 - Balance sheet from terminable activity	2017	2016
	DKK '000	DKK '000
Assets		
Other equipment	8	-
Financial assets	9	237
Trade receivables	-	8,089
Tax receivables	-	663
Amounts owed by affiliated companies	2,128	58,245
Prepayments	-	1,610
Other receivables	-	784
Assets from terminable activity	2,365	75,626

Liabilities		
Deferred tax liability	11	-
Trade payables	-	82
Amounts owed to affiliated companies	-	4,975
Tax payables	314	-
Deferred income	-	41,727
Other liabilities	12	2,051
Liabilities from terminable activity	2,365	75,626

8 - Other equipment	2017	2016
	DKK '000	DKK '000
Cost at the beginning of the year	10,405	12,217
Additions during the year	-	1,718
Disposals during the year	(10,405)	(3,530)
Cost at the end of year	-	10,405
Depreciation and impairment losses at the beginning of the year	4,453	4,378
Depreciation for the year	-	1,882
Depreciation and impairment losses reversed on disposal during the year	(4,453)	(1,807)
Depreciation and impairment losses at the end of the year	-	4,453
Carrying amount at the end of the year	-	5,952

Novo Nordisk Invest 4 A/S
Notes

9 - Financial assets	2017	2016
	DKK '000	DKK '000
Cost at the beginning of the year	920	920
Cost at the beginning of the year	920	920
Value adjustments at the beginning of the year	(637)	591
Profit/(loss) before tax	(18)	(1.152)
Income taxes on profit for the year	-	(70)
Effect of exchange rate adjustment	(28)	(6)
Value adjustments at the end of the year	(683)	(637)
Carrying amount at the end of the year	237	283

Financial asset is a subsidiary in Malaysia. The subsidiary is expected to be liquidated during 2018.

10 - Share capital

The share capital consists of 10,000 shares of nominal DKK 100. No shares confer any special rights.

11 - Deferred tax liability

	2017	2016
	DKK '000	DKK '000
Net deferred tax asset/(liability) at the beginning of the year	737	372
Income/(charge) to the Income statement	(737)	365
Net deferred tax asset/(liability) at the end of the year	-	737

12 - Other liabilities

	2017	2016
	DKK '000	DKK '000
Employee costs payable	-	27.072
Other liabilities	2.051	1.033
Total other liabilities	2.051	28.105

13 - Proposed appropriation of net profit

	2017	2016
	DKK '000	DKK '000
Retained earnings	(775)	184
Net revaluation reserve according to the equity method	-	(591)
Distribution of net profit	(775)	(407)

14 - Contingencies

The Company is released from all Inter Company Agreements, rental and operational lease contracts.

Novo Nordisk A/S and its Danish subsidiaries are 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.

15 - 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 Invest 4 A/S
Notes

16 - Ownership

Controlling interests

Novo Nordisk A/S, Novo Allé, 2880 Bagsværd, Danmark
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