

Novo Nordisk Invest 4 A/S

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

CVR number 31 85 39 23

Annual Report 2018

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



Chairman of the meeting

Novo Nordisk Invest 4 A/S
Contents

	<u>Page</u>
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
Management Review	7
Financial Statements 1 January – 31 December 2018	
Income statement	8
Balance sheet	9
Statement of changes in equity	10
Accounting policies	11
Notes	12

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 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.

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 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 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 Invest 4 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:

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 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	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 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

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.

Principal activities

As of 1 January 2017 the company transferred its main activities to the Capital Region of Denmark. The transfer included the operation of a hospital and research and educational activities primarily within the field of diabetes treatment. After the transfer the company continues as a dormant company, in which the activities for 2019 only consists of remaining activities related to the transfer to the Capital Region of Denmark.

Development during the financial year

Net profit for Novo Nordisk Invest 4 A/S ended at DKK 189 thousand for the year 2018 compared with a net loss of DKK 775 thousand for the year 2017. The development in net profit is mainly driven by the discontinued operation.

The subsidiary in Malaysia is under liquidation and expected to be fully liquidated during 2019.

Novo Nordisk Invest 4 A/S
Income statement

	Note	2018 DKK '000	2017 DKK '000
Administrative expenses		59	100
Operating profit/(loss) before income taxes from ongoing operation		(59)	(100)
Income taxes from ongoing operation	1	(13)	(22)
Profit/(loss) from ongoing operation		(46)	(78)
Profit/(loss) from discontinued operation	2	235	(697)
NET PROFIT/(LOSS) FOR THE YEAR	3	189	(775)

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

	Note	2018 DKK '000	2017 DKK '000
ASSETS			
Amounts owed by affiliated companies		9,506	9,189
Assets from discontinued operation	4	682	2,365
TOTAL CURRENT ASSETS		10,188	11,554
TOTAL ASSETS		10,188	11,554
EQUITY AND LIABILITIES			
Share capital	5	1,000	1,000
Retained earnings		1,315	8,120
Proposed dividends		7,000	-
TOTAL EQUITY		9,315	9,120
Amounts owed to affiliated companies		166	-
Liabilities from discontinued operation	4	682	2,365
Other liabilities		25	69
TOTAL CURRENT LIABILITIES		873	2,434
TOTAL LIABILITIES		873	2,434
TOTAL EQUITY AND LIABILITIES		10,188	11,554

Statement of changes in equity at 31 December

	Share capital DKK '000	Retained earnings DKK '000	Proposed dividends DKK '000	Total DKK '000
2018				
Balance at the beginning of the year	1,000	8,120	-	9,120
Net profit/(loss) for the year		189		189
Proposed dividends		(7,000)	7,000	-
Exchange rate adjustments of investments in subsidiaries		6		6
Balance at the end of the year	1,000	1,315	7,000	9,315
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

Novo Nordisk Invest 4 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.

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.

Income Statement

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.

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

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

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.

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.

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.

Discontinued operations

Discontinued operations comprise those activities that were disposed of 1 January 2017, and represent a separate major line of business that can be clearly distinguished for operational and financial reporting purposes.

Novo Nordisk Invest 4 A/S
Notes

1 - Income taxes

	2018	2017
	DKK '000	DKK '000
Tax on the profit/(loss) for the year	63	340
Deferred tax on the profit/(loss) for the year	-	(624)
Adjustments recognised for current tax of prior periods	-	(158)
Adjustments recognised for deferred tax of prior periods	-	(112)
Income taxes	63	(554)

2 - Profit/(loss) from discontinued operation

	2018	2017
	DKK '000	DKK '000
Research costs	(396)	700
Administrative expenses	66	472
Operating profit/(loss)	330	(1,172)
Profit/(loss) in subsidiary	6	(19)
Financial expenses	7	39
Profit before income taxes	311	(1,229)
Income taxes	1	76
Net profit/(loss) from discontinued operation	235	(697)

3 - Proposed appropriation of net profit

	2018	2017
	DKK '000	DKK '000
Proposed dividends	7,000	-
Retained earnings	(6,811)	(775)
Distribution of net profit	189	(775)

4 - Balance sheet from discontinued operation

	2018	2017
	DKK '000	DKK '000
Assets		
Financial assets	6	224
Tax receivables	-	458
Amounts owed by affiliated companies	-	2,128
Assets from discontinued operation	682	2,365
Liabilities		
Amounts owed to affiliated companies	682	-
Tax payables	-	314
Other liabilities	-	2,051
Liabilities from discontinued operation	682	2,365

5 - Share capital

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

Novo Nordisk Invest 4 A/S
Notes

6 - Financial assets	2018	2017
	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	(683)	(637)
Profit/(loss) before tax	44	(18)
Income taxes on profit for the year	(63)	-
Effect of exchange rate adjustment	6	(28)
Value adjustments at the end of the year	(696)	(683)
Carrying amount at the end of the year	224	237

Financial asset is a subsidiary in Malaysia. The subsidiary is expected to be liquidated during 2019.

7 - Financial expenses	2018	2017
	DKK '000	DKK '000
Foreign exchange loss (net)	-	15
Interest paid and other financial expenses	-	24
Total financial expenses	-	39

8 - Contingencies

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.

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 - 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