

# **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 2019**

**The Annual Report has been presented and adopted at the Annual  
General Meeting on 20 May 2020.**

A handwritten signature in blue ink, appearing to read 'Karl Oen', is written over a horizontal line. The signature is stylized and cursive.

Chairman of the meeting

**Novo Nordisk Invest 4 A/S**  
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**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 2019.

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 2019 and of the results of the company's operations for 2019 in accordance with the Danish Financial Statements Act.

We recommend that the Annual Report be adopted at the Annual General Meeting.


Bagsværd, 20 May 2020


**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 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 2019, which comprise income statement, balance sheet, statement of changes in equity, summary of significant accounting policies and notes ("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 Invest 4 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, 20 May 2020

**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**

<b>Company</b>	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

<b>Board of Directors</b>	Karsten Munk Knudsen, chairman Lene Bang Tomas Haagen
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<b>Executive Management</b>	Peter Bøggild
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<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup Denmark
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<b>General meeting</b>	The Annual General Meeting will be held on 20 May 2020 at the company's address.
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## **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 loss for Novo Nordisk Invest 4 A/S ended at DKK 398 thousand for the year 2019 compared with a net profit of DKK 189 thousand for the year 2018.

The subsidiary in Malaysia has been fully liquidated in 2019.

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

Governments across the world have decided to initiate measures as a response to the COVID-19 outbreak. The measures were initiated after the balance sheet date (31 December 2019). The Management therefore considers the implications of COVID-19 a non-adjusting subsequent event to the Company. The implications of COVID-19 is not expected to have a material impact on the company's revenue and earnings for 2020.

## Income statement

	Note	2019 DKK '000	2018 DKK '000
Administrative expenses		62	59
Operating profit/(loss) before income taxes from ongoing operation		(62)	(59)
Income taxes from ongoing operation		255	(13)
<b>Profit/(loss) from ongoing operation</b>		<b>(317)</b>	<b>(46)</b>
Profit/(loss) from discontinued operation	1	(81)	235
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	2	<b>(398)</b>	<b>189</b>



## Balance sheet at 31 December

	Note	2019 DKK '000	2018 DKK '000
<b>ASSETS</b>			
Amounts owed by affiliated companies		9,160	9,506
Assets from discontinued operation	3	-	682
<b>TOTAL CURRENT ASSETS</b>		<b>9,160</b>	<b>10,188</b>
<b>TOTAL ASSETS</b>		<b>9,160</b>	<b>10,188</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	4	1,000	1,000
Retained earnings		924	1,315
Proposed dividends		7,000	7,000
<b>TOTAL EQUITY</b>		<b>8,924</b>	<b>9,315</b>
Amounts owed to affiliated companies		-	166
Tax payables		193	-
Liabilities from discontinued operation	3	-	682
Other liabilities		43	25
<b>TOTAL CURRENT LIABILITIES</b>		<b>236</b>	<b>873</b>
<b>TOTAL LIABILITIES</b>		<b>236</b>	<b>873</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,160</b>	<b>10,188</b>

**Novo Nordisk Invest 4 A/S**

**Statement of changes in equity at 31 December**

	Share capital DKK '000	Retained earnings DKK '000	Proposed dividends DKK '000	Total DKK '000
<b>2019</b>				
Balance at the beginning of the year	1,000	1,315	7,000	9,315
Net profit/(loss) for the year		(398)		(398)
Exchange rate adjustments of investments in subsidiaries		7		7
<b>Balance at the end of the year</b>	<b>1,000</b>	<b>924</b>	<b>7,000</b>	<b>8,924</b>
<b>2018</b>				
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
<b>Balance at the end of the year</b>	<b>1,000</b>	<b>1,315</b>	<b>7,000</b>	<b>9,315</b>

## **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 costs comprise of audit fee and administrative costs.

##### **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**

<b>1 - Profit/(loss) from discontinued operation</b>	<b>2019</b>	2018
	DKK '000	DKK '000
Research costs	-	(396)
Administrative expenses	10	66
<b>Operating profit/(loss)</b>	<b>(10)</b>	<b>330</b>
Profit/(loss) in subsidiary	5 (73)	(19)
<b>Profit before income taxes</b>	<b>(83)</b>	<b>311</b>
Income taxes	(2)	76
<b>Net profit/(loss) from discontinued operation</b>	<b>(81)</b>	<b>235</b>

<b>2 - Proposed appropriation of net profit</b>	<b>2019</b>	2018
	DKK '000	DKK '000
Proposed dividends	-	7,000
Retained earnings	(398)	(6,811)
<b>Distribution of net profit</b>	<b>(398)</b>	<b>189</b>

<b>3 - Balance sheet from discontinued operation</b>	<b>2019</b>	2018
	DKK '000	DKK '000
<b>Assets</b>		
Financial assets	5 -	224
Tax receivables	-	458
<b>Assets from discontinued operation</b>	<b>-</b>	<b>682</b>
<b>Liabilities</b>		
Amounts owed to affiliated companies	-	682
<b>Liabilities from discontinued operation</b>	<b>-</b>	<b>682</b>

**4 - Share capital**

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

<b>5 - Financial assets</b>	<b>2019</b>	2018
	DKK '000	DKK '000
Cost at the beginning of the year	920	920
Divestments during the year	(920)	-
<b>Cost at the beginning of the year</b>	<b>-</b>	<b>920</b>
Value adjustments at the beginning of the year	(696)	(683)
Profit/(loss) before tax	(73)	44
Income taxes on profit for the year	-	(63)
Divestments during the year	762	-
Effect of exchange rate adjustment	7	6
<b>Value adjustments at the end of the year</b>	<b>-</b>	<b>(696)</b>
<b>Carrying amount at the end of the year</b>	<b>-</b>	<b>224</b>

Financial asset consisted of a subsidiary in Malaysia. The subsidiary has been liquidated in 2019

## **Novo Nordisk Invest 4 A/S**

### **Notes**

#### **6 - 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.

#### **7 - 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

The company is included in the consolidated financial statements of Novo Nordisk A/S.