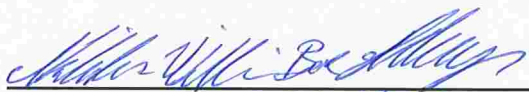


Pfizer ApS

Annual Report 2018/19

Chairman of the Annual General Meeting
12 August 2020



NICHOLAS WILLIAM BOE STENDERUP

Lautrupvang 8 , 2750 Ballerup
Registration no: 66 35 19 12

The Annual Report contains 27 pages

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Pfizer ApS for the financial year 1 December 2018 – 30 November 2019.

The annual report has been prepared in accordance with the Danish Financial Statements Act.


It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 November 2019 and of the results of the Company's operations for the financial year 1 December 2018 – 30 November 2019.

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 financial position.

We recommend that the annual report be approved at the annual general meeting.

Ballerup, 12 August 2020

Executive Board:

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Lars Møller

Board of Directors:


DocuSigned by:

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Adam Preben Guhle

Chairman

DocuSigned by:

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Anne Bloch Thomsen

DocuSigned by:

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Lars Møller

DocuSigned by:

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Stefano Podesta

Independent auditor's report

To the shareholders of Pfizer ApS

Opinion

We have audited the financial statements of Pfizer ApS for the financial year 1 December 2018 – 30 November 2019 comprising income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 November 2019 and of the results of the Company's operations for the financial year 1 December 2018 – 30 November 2019 in accordance with the Danish Financial Statements Act.

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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.


Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review

Copenhagen, 12 August 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

DocuSigned by:

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Lau Bent Baun

State Authorised Public Accountant

mne26708

Management's review

Company details

Telephone:	+45 44 20 11 00
Telefax:	+45 44 20 11 01
Web site:	www.pfizer.dk
Registration No.	66 35 19 12
Registered office:	Lautrupvang 8, 2750 Ballerup, Denmark

Board of Directors

Adam Preben Guhle
Lars Møller
Stefano Podesta
Anne Bloch Thomsen

Executive Board

Lars Møller

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Financial highlights

DKK'000	2018/19	2017/18	2016/17	2015/16	2014/15
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Key figures

Revenue	421,709	459,733	387,024	426,823	528,869
Operating profit	30,008	30,813	23,032	18,760	39,955
Net (loss)/gain from interest income and expense and similar items	-106	38	35	6	158
Profit for the year	18,996	21,841	17,982	11,789	27,705

Fixed assets	988	1,609	3,355	27,897	2,697
Current assets	687,360	619,438	528,579	488,117	571,676
Total assets	688,348	621,047	531,934	516,015	574,373
Capital and reserves	443,179	424,183	402,342	384,360	372,571
Provisions	3,074	10,144	10,061	5,567	4,287
Short-term liabilities other than provisions	242,095	186,720	119,531	126,088	197,515

Financial ratios

Operating profit ratio	7.1	6.7	6.0	4.4	7.6
Return on investment	7.1	7.6	6.0	5.1	11.3
Current ratio	283.9	331.7	442.2	387.1	289.4
Equity ratio	64.4	68.3	75.6	74.5	64.9
Return on equity	4.5	5.4	4.7	3.2	7.9

Average number of employees	136	137	145	131	138
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The financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios".

Financial highlights

The financial ratios stated in the survey of financial highlights have been calculated as follows:

$$\text{Operating profit ratio} = \frac{\text{Operating profit X 100}}{\text{Revenue}}$$

$$\text{Return on investment} = \frac{\text{Operating profit X 100}}{\text{Average invested capital}}$$

$$\text{Current ratio} = \frac{\text{Current assets X 100}}{\text{Total equity and liabilities at year end}}$$

$$\text{Equity ratio} = \frac{\text{Equity at year end X 100}}{\text{Total equity and liabilities at year end}}$$

$$\text{Return on equity} = \frac{\text{Profit for the year X 100}}{\text{Average equity}}$$

Financial statements 1 December - 30 November

Operating Review

Activities

Pfizer ApS is part of the American Pfizer Group, a multinational pharmaceutical group listed on the New York Stock Exchange.

Pfizer ApS is a fully owned subsidiary of Pfizer Inc. and its activities primarily consist of marketing, distribution and sale of the Pfizer Group's pharmaceutical and consumer products and, to a limited extent, the coordination of clinical studies performed by other parties in Denmark for the Pfizer Group's products. Pfizer ApS markets, distributes and sells pharmaceutical goods in Denmark, as well as to a third party distributor in Iceland.

Corporate Social Responsibility

The Company's ultimate parent company Pfizer Inc created the program *My Anti-Corruption Policy and Procedures* (MAPP) to serve as guide on how to conduct Pfizer's business while complying with anti-corruption laws. MAPP provides the tools Pfizer employees need to address bribery and corruption risks in their interactions with healthcare professionals, government regulators, and business partners.

To ensure compliance with country-specific restrictions on interactions with Government Officials and Healthcare Professionals (HCP) in Denmark, the MAPP policy contains a Country Annex which address the following: lists of categories of Government Officials, HCP's and Key Decision Making Entities, a list of circumstances that automatically make a Government Official, country-specific information on local restrictions in dealings with Government Officials and HCPs and, any locally customized versions of some appendices (e.g. Sample Invitation Letter, Funding Confirmation Letter, etc.) tailored to comply with the requirements in Denmark.

The Group's Corporate Internal Audit department performs periodic testing of activities under the MAPP program. No findings were identified for the Company during 2019.

The Company has not implemented local policies for social and labour matters, environment/ climate and human rights.

However, the Company's ultimate parent company Pfizer Inc. has corporate social responsibility and environmental strategies and programs. The Pfizer Group Pfizer fully supports the principles in United Nations Declaration on Human Rights and the International Labor Organization Declaration on Fundamental Principles and Rights at Work. More information can be found in the Pfizer's Group annual report 2019 at:
https://www.pfizer.com/files/investors/financial_reports/annual_reports/2019/assets/pfizer-2019-annual-review.pdf

The Company's management assessment is that no material risks have been identified within the Company's operations in the areas of anti-bribery, environment, social and labour matters and human rights.

Target figures regarding the under-represented gender in the Board of Directors

In accordance with section §99 b of the Danish Financial Statements Act, we have adopted a culture of diversity and inclusion. There is no disparity between the genders both at the Board and managerial levels. Our Board of Directors consists of 4 members, of which 1 female and 3 males. As this ratio is considered balanced in regards to 99b, no target has been set to increase the gender under-representation. In respect to other management levels, no gender is under represented with less than 40% for FY19, thus no specific policy has been adopted.

The development of the year

Turnover in Pfizer ApS decreased in 2018/19 from DKK 460 million to DKK 422 million. The decrease is driven by national guidelines in favour of competitors of the Haemophilia and Renal Cancer portfolios, competitive pressure on Ibrance and increased switch to the biosimilar alternative for Enbrel in Iceland. This decline is partly offset by the growth of Xeljanz- a new product in the inflammation portfolio and, sales growth of Eliquis in Iceland.

The increased price pressures in Denmark continue leading to increasing levels of parallel trade affecting several retail brands and, in certain cases also some hospital brands.

Financial statements 1 December - 30 November

Management's review

Operating Review

The operating profit remained at the same level as in 2017/18, with DKK 30 million. The result for the year is satisfactory, with a turnover and operating profit within the range of expectations set for 2018/19.

Marketing and Distribution costs decreased by DKK 105 thousand compared to prior year due to lower promotional investments in products launched in 2018 and lower headcount related expenses after the implementation of a restructuring initiative.

Development expenses decreased by DKK 4.5 million compared to prior year due to restructuring in the R&D Consumer unit.

The decrease of DKK 3 million in administrative expenses is mostly driven by the employee restructuring initiative "*Organizing for growth*" implemented in late 2018.

The result for the year is satisfactory.

Financial position

The Company's share capital and reserves amounted to DKK 443 million at year end 2018/19, which is 64% of the balance sheet total.

As part of a restructuring within the group to which the Company belongs (also referred to as "Project Organizing for Growth"), the Company will distribute an ordinary dividend in cash of DKK 170 million.

Research and development activities

Research and development activities within the Pharmaceutical division of Pfizer ApS comprise clinical trials, regulatory affairs, drug safety and medical affairs. The Pharmaceutical division of Pfizer ApS only performs research and development on behalf of other group enterprises.

Research and development for the Consumer division comprise product development including product design, nutritional science (medical affairs/clinical trials), project management and regulatory affairs.

Pfizer ApS does not acquire ownership to intellectual rights neither for the Pharmaceutical nor for the Consumer division.

Financial statements 1 December - 30 November

Management's review

Knowledge resources

It is the goal of Pfizer to attract the best people, enabling Pfizer to constantly develop and adapt the Company to an ever-changing world. Through training Pfizer constantly seeks to develop the employees, in terms of knowledge of the products, as well as developing competencies and training in core values.

Operating Review

Outlook

For 2020 the Company expects revenue to decrease. This will be largely driven by competitive pressure on several important brands. Profits are also expected to decline accordingly.

The prescription activity is expected to grow due to increased productivity in the secondary care and market growth as a result of ageing population. The industry as a whole in Denmark is exposed to competition from parallel importers, biosimilar entries and generic substitution. At the same time, public health costs are under supervision, a good example is the Medicine Council created two years ago.

Events after the balance sheet date

April 27th, the Consumer business unit was conveyed to the joint venture between Pfizer and GlaxoSmithKline. Pfizer ApS have carved out and transferred all assets, liabilities and employees related to the Consumer business to GlaxoSmithKline.

Based on information currently available, management's assessment is that the impact of COVID-19 does not lead to risks of going concern for Pfizer ApS.

Financial statements 1 December - 30 November**Income statement**

	Note	2018/19	2017/18
DKK'000			
Revenue	2	421,709	459,733
Cost of sales		-278,852	-315,094
Gross profit		142,857	144,639
Marketing and distribution costs	3	-116,605	-116,499
Development expenses	3	-72,832	-77,322
Administrative expenses	3,4,5	-60,075	-63,259
		-106,655	-112,441
Other operating income/expenses, net	6	136,663	143,254
Operating profit		30,008	30,813
Net interest income and expenses and similar items	7	-106	38
Profit before tax		29,902	30,851
Tax on profit for the year	8	-10,906	-9,010
Profit for the year		18,996	21,841

Note 1 - Accounting Policies

Note 9 - Proposed Profit Allocation

Financial statements 1 December - 30 November

Balance sheet as at 30 November

DKK'000	Note	2019	2018
ASSETS			
Non-current assets	10		
Fixtures and fittings, tools and equipment		988	1,609
Total non-current assets		988	1,609
Current assets			
Inventories		106,338	151,137
Receivables			
Trade receivables		47,758	71,540
Amounts owed by group enterprises		411,918	381,069
Other receivables		116,146	—
Prepayments	12	1,028	285
Deferred tax	13	3,330	14,778
		580,180	467,672
Cash and bank balances		842	629
Total current assets		687,360	619,438
TOTAL ASSETS		688,348	621,047

Financial statements 1 December - 30 November

Balance sheet as at 30 November

DKK'000	Note	2019	2018
EQUITY AND LIABILITIES			
Equity	14		
Share capital		250,771	250,771
Retained earnings		22,408	173,412
Proposed dividend		170,000	—
Total equity		443,179	424,183
Provisions			
Other provisions	15	3,074	10,144
Total provisions		3,074	10,144
Short-term liabilities other than provisions			
Trade payables		23,775	25,269
Amounts owed to group enterprises		55,632	102,274
Corporation tax	11	109,723	1,519
Other payables	16	52,965	57,658
Total liabilities		242,095	186,720
Total equity and liabilities		688,348	621,047

Note 17 - Contingent liabilities and other financial obligations

Note 18 - Related party disclosures

Financial statements 1 December - 30 November

Statement of Changes in Equity

DKK'000	Share Capital	Retained Earnings	Proposed dividend	Total
Equity at 1 December 2018	250,771	173,412	—	424,183
Transferred from profit for the year	—	-151,004	170,000	18,996
Equity at 30 November 2019	250,771	22,408	170,000	443,179

Financial statements 1 December - 30 November

Notes

1 Accounting Policies

The annual report for 2018/19 has been prepared in accordance with the provisions applying to class C (large) enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

Income statement

Revenue

Revenue from the sale of goods for resale is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured exclusive of VAT and taxes related to sales.

Segment information

Information is provided on business segments. Segment information is based on the Company's accounting policies, risks and internal financial management.

Cost of sales

Cost of sales comprises the cost of goods and services sold during the year.

Financial statements 1 December - 30 November

Marketing and distribution costs

Costs incurred in marketing and distributing goods sold during the year and in conducting sales campaigns etc. during the year are recognised as marketing and distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as marketing and distribution costs.

Development expenses

Development expenses of the Pharmaceutical division comprise costs related to clinical trials, regulatory affairs, drug safety and medical affairs. The Pharmaceutical division of Pfizer ApS only performs research and development on behalf of other group enterprises.

Development expenses of the Consumer division comprise product development including product design, nutritional science (medical affairs/clinical trials), project management and regulatory affairs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation.

Other operating income and expenses

Other operating income and expenses comprise items secondary to the principal activities of the enterprise. Other operating income mainly includes income from research and development, marketing and administrative services provided to other Pfizer entities.

Interest income and expense and similar items

Interest income and expense and similar items comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme etc.

Tax on profit for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

Financial statements 1 December - 30 November

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful life of the assets. The expected useful life is as follows:

Leasehold improvements, fixtures and fittings, tools and equipment	8-12 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment

Depreciation is recognised in the income statement as marketing and distribution costs, development costs and administrative expenses, respectively.

Impairment

The carrying amount of property, plant and equipment is subject to an annual impairment test besides depreciation.

When there is an indication that assets may be impaired, an impairment test is made of each asset or group of assets, respectively. Impairment is made to the lower of recoverable amount of the asset and the carrying amount.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost. Provisions are made for anticipated losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Financial statements 1 December - 30 November

Capital and reserves - dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under capital and reserves.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised under investments at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

The Company is jointly taxed with all Danish group entities in the Pfizer Group. The current Danish corporate tax is allocated among the jointly taxed Danish companies in proportion to their taxable income (full allocation with reimbursement for tax losses).

Other provisions

Provisions comprise anticipated costs relating to returned goods and restructuring provisions. Provisions for returns are measured and recognised based on Management's experiences of returned goods.

Financial liabilities

Financial liabilities, comprising trade payables and amounts owed to group enterprises are measured at amortised cost. Other liabilities are measured at net realisable value.

Cash flow statement

Pfizer ApS has not prepared a cash flow statement because the Company is included in the consolidated cash flow statement for the ultimate parent company Pfizer Inc. which can be found in the "for Investors" section under *2019 Financial Report* at https://s21.q4cdn.com/317678438/files/doc_financials/Annual/2019/2019-Financial-Report.pdf

Financial statements 1 December - 30 November**2. Segment information****Geographical breakdown**

DKK'000	Denmark Pharmaceutical Products	Denmark Consumer Products	Iceland	Total
2018/19				
Revenue	354,449	32,955	34,305	421,709
2017/18				
Revenue	386,524	34,652	38,557	459,733

All revenue is related to the sale of prescription medicine and consumer health.

DKK'000	<u>2018/19</u>	<u>2017/18</u>
3. Staff costs		
Wages & Salaries	129,726	126,429
Pensions	11,211	11,106
Other Social Security Costs	909	701
	<u>141,846</u>	<u>138,236</u>
Staff Costs are recognised as follows in the financial statements:		
Marketing and distribution costs	64,360	60,557
Research & Development Expenses	46,233	40,696
Administrative Expenses	31,253	36,983
	<u>141,846</u>	<u>138,236</u>
Average Number of Employees	<u>136</u>	<u>137</u>

Pursuant to Section 98b of the Danish Financial Statements Act, remuneration to Management is not disclosed. No emoluments have been paid to the Board of Directors.

Financial statements 1 December - 30 November

DKK'000	<u>2018/19</u>	<u>2017/18</u>
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4. Depreciation and impairment loss**Property, plant and equipment**

Depreciation for the year	<u>621</u>	<u>1,813</u>
	<u><u>621</u></u>	<u><u>1,813</u></u>

Depreciation & impairment losses are recognised as follows in the financial statements:

Development Expenses	621	1,813
Administrative Expenses	<u>—</u>	<u>—</u>
	<u><u>621</u></u>	<u><u>1,813</u></u>

5. Fees paid to auditors appointed at the annual general meeting

Statutory audit	<u>454</u>	<u>494</u>
	<u><u>454</u></u>	<u><u>494</u></u>

6. Other operating income/expenses, net

Sales & Marketing Service	22,951	21,518
Administrative Services	50,125	63,738
Development Services	<u>63,587</u>	<u>57,998</u>
	<u><u>136,663</u></u>	<u><u>143,254</u></u>

Financial statements 1 December - 30 November

DKK'000	<u>2018/19</u>	<u>2017/18</u>
7. Net interest income and expenses and similar items		
Foreign exchange adjustments	-20	111
Interest expenses	-20	-18
Bank charges	-66	-55
	<u>-106</u>	<u>38</u>

8. Tax on the profit for the year

Corporation tax on profit for the year	6,781	10,793
Adjustment for deferred tax	1,549	-7,364
Adjustments to taxes from prior years	2,576	5,581
	<u>10,906</u>	<u>9,010</u>

9. Proposed profit appropriation

Proposed dividends for the year	170,000	—
Retained earnings	-151,004	21,841
Profit for the year	18,996	21,841

Financial statements 1 December - 30 November

DKK'000

10. Property, plant and equipment

	Fixtures and fittings, tools and equipment
Costs at 30 November 2018	<u>9,650</u>
Costs at 30 November 2019	<u>9,650</u>
Depreciation at 30 November 2018	<u>-8,041</u>
Deprecation	<u>-621</u>
Depreciation at 30 November 2019	<u>-8,662</u>
Carrying amount at 30 November 2019	<u><u>988</u></u>

11. Corporation tax

	2018/19	2017/18
Tax on taxable income for the year	<u>-6,781</u>	-10,793
Joint taxation adjustments	<u>-442</u>	5,984
Tax payment on account	<u>3,000</u>	—
Payable interest, outstanding from prior years	<u>-19,353</u>	—
Payable tax, outstanding from prior years	<u>-86,147</u>	3,290
Payable corporation tax at 30 November	<u><u>-109,723</u></u>	<u><u>-1,519</u></u>

The company received a draft discretionary pre-tax assessment from Skattestyrelsen for the accounting year ended 30 November 2012. Based on discussions, the company and Skattestyrelsen have reached a mutual understanding on the issue, which has resulted in Skattestyrelsen's issuance of amended tax assessments for the accounting years ended 30 November 2013 through to 30 November 2018, to which the company agrees.

12. Prepayments

Other prepayments	<u>1,028</u>	<u>285</u>
	<u><u>1,028</u></u>	<u><u>285</u></u>

Financial statements 1 December - 30 November

DKK'000	<u>2018/19</u>	<u>2017/18</u>
13. Deferred tax		
Deferred tax 1 December	14,778	7,414
Adjustment of deferred tax	-11,448	7,364
	<u>3,330</u>	<u>14,778</u>

Deferred tax relates to plant and equipment, inventories, receivables, other provisions and other payables. The deferred tax asset is expected to be realisable within the foreseeable future.

14. Capital and reserves

The share capital comprises 250,771 thousand issued shares with a nominal value of 1 DKK each.

The changes in share capital for the last 5 years can be specified as follows:

	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>
Share capital at 1 December	250,771	250,771	250,771	250,771	250,771
Share capital at 30 November	<u>250,771</u>	<u>250,771</u>	<u>250,771</u>	<u>250,771</u>	<u>250,771</u>

15. Other provisions**Provision for returned goods**

Provision for returned goods 1 December	878	846
Used during the year	-4,093	-3,097
Provision for the year	4,023	3,129
Provision for returned goods 30 November	<u>807</u>	<u>878</u>

The provisions comprise of anticipated costs relating to returned goods. The Company expects to use the provision over the next year.

Financial statements 1 December - 30 November

DKK'000	<u>2018/19</u>	<u>2017/18</u>
Provision for restructuring		
Provision for restructuring 1 December	9,266	9,215
Used during the year	-40,891	-24,575
Provision for the year	<u>33,892</u>	<u>24,626</u>
Provision for restructuring 30 November	<u><u>2,267</u></u>	<u><u>9,266</u></u>

The accrued restructuring initiatives will be utilised by the end of the year 2019.

Total provisions 30 November	<u><u>3,074</u></u>	<u><u>10,144</u></u>
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16. Other payables

VAT and taxes	2,449	11,808
Payable wages and salaries inclusive holiday provision	34,823	30,518
Other payables	<u>15,693</u>	<u>15,332</u>
	<u><u>52,965</u></u>	<u><u>57,658</u></u>

17. Contingent liabilities and other financial obligations**Lease obligations**

The Company has entered into operating leases regarding cars and other operating equipment. The remaining payments for lease obligations amount to DKK 9,3 million (2017/18: DKK 9,1 million).

On December 14 2012, the Company entered into a commercial lease agreement with Wihlborgs A/S to rent 39.11% of the total gross surface area (4,544 of 11,620 m²) of the building located in Lautrupvang 8, Ballerup, previously owned by the Company. The cost of the annual rent excluding VAT is DKK 3,432,770. This amount is payable in four quarterly installments due 1st January, 1st April, 1st June and 1st October. Both parties may terminate the lease including roof terrace area and parking places by giving six months' prior written notice to expire on the last day of a month.

The Company, may terminate the lease including roof terrace area and parking places to expire no earlier than 1 September 2020 and the company. The landlord may terminate the lease including roof terrace area and parking places – except in the event of breach – to expire no earlier than 1 September 2032.

Financial statements 1 December - 30 November**Joint liability Pfizer ApS and Pfizer PFE ApS**

On 1 December 2013 the GEP activities of Pfizer ApS were transferred to Pfizer PFE ApS in a demerger. Pfizer ApS and Pfizer PFE ApS are joint and several liable for liabilities that consisted at the date the demerger plan was published. However the joint and several liability cannot exceed the net assets transferred to each company in the demerger which for Pfizer ApS amounted to DKK 339 million.

Share options & restricted stock units

The group parent company Pfizer Inc. has established a share option and restricted stock unit scheme for employees within the Pfizer Group, including employees in Pfizer ApS. The options can be exercised from 2010 within a period from three to ten years after they are granted to the employee.

Financial obligations

The company is jointly taxed /VAT registered with other Danish companies in the Pfizer group. As a wholly owned subsidiary of Pfizer Inc., the company is unlimited and solidarity liable with the other companies in the joint taxation regarding Danish income tax, withholding taxes on dividends, interest and royalties in the joint taxation.

18. Related party disclosures**Pfizer ApS' related parties comprise the following:**

Description	2018/19	2017/18
Provision of Above Market services by Pfizer ApS to Pfizer Worldwide Services	61,611	63,594
Provision of clinical trial support services by Pfizer ApS to Pfizer Inc.	11,712	3,158
Provision of co- promote services by Pfizer ApS to Pfizer Worldwide Services	17,193	15,343
Provision of services by Pfizer ApS to Ferrosan A/S - domestic transaction	36,698	44,439
Receipt of services by Pfizer ApS from Pfizer PFE ApS - domestic transaction	1,075	1193
Provision of services by Pfizer ApS to - Pfizer PFE ApS - domestic transaction	8,501	10,708
Purchase of finished goods by Pfizer ApS from various Pfizer suppliers	232,586	335,513
Sales of finished goods by Pfizer PFE ApS to Pfizer affiliates	309	580
Net of receipt/provision of management services by Pfizer ApS to/from Pfizer Norge AS and Pfizer AS in Norway	1,798	—

Control

Pfizer ApS is owned 100% by Wyeth AB, Vetenskapsvägen 10, 191 90 Sollentuna, Sverige.

Furthermore, the Company is included in the consolidated financial statements of the ultimate parent company Pfizer Inc., 219-8-6A East 42nd Street, New York, N.Y. 10017, USA.

The consolidated financial statements of Pfizer Inc are available at the Company's address or on the Company's website at: https://s21.q4cdn.com/317678438/files/doc_financials/Annual/2019/2019-Financial-Report.pdf