

**Pfizer ApS**

**Annual Report 2022/23**

01.12.2022 - 30.11.2023

Chairman of the Annual General Meeting  
14 May 2024

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Nicholas William Boe Stenderup  
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Nicholas William Boe Stenderup

Lautrupvang 8, 2750 Ballerup  
Registration no: 66351912

The Annual Report contains 30 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 2022 – 30 November 2023.

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 2023 and of the results of the Company's operations for the financial year 1 December 2022 – 30 November 2023.

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, 14 May 2024

Executive Board:

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Lars Møller

Board of Directors:

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Anne Bloch Thomsen  
Chairman

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Lars Møller

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Kjetil Hagen

## **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 2022 – 30 November 2023 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 2023 and of the results of the Company's operations for the financial year 1 December 2022 – 30 November 2023 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, 14 May 2024

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

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*Sara Carstensen*

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Sara Carstensen

State Authorised Public Accountant

mne34191

## **Management's review**

### **Company details**

Telephone:	+45 44 20 11 00
Telefax:	+45 44 20 11 01
Web site:	<a href="http://www.pfizer.dk">www.pfizer.dk</a>
Registration No.	66351912
Registered office:	Lautrupvang 8, 2750 Ballerup, Denmark

### **Board of Directors**

Lars Møller  
Kjetil Hagen  
Anne Bloch Thomsen

### **Executive Board**

Lars Møller

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

## Financial highlights

DKK'000	2022/23	2021/22	2020/21	2019/20	2018/19
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### Key figures

Revenue	<b>964,993</b>	2,299,853	1,580,587	319,940	421,709
Operating profit	<b>49,566</b>	119,498	139,675	24,343	30,008
Net (loss)/gain from interest income and expense and similar items	<b>7,807</b>	-309	-1488	-100	-106
Profit for the year	<b>43,535</b>	92,036	106,063	29,031	18,996

Current assets	<b>636,902</b>	1,330,355	783,324	434,247	687,360
Total assets	<b>637,161</b>	1,330,674	783,703	434,713	688,348
Equity	<b>344,615</b>	395,080	483,044	302,210	443,179
Provisions	<b>40,085</b>	5,551	3,423	142	3,074
Short-term liabilities other than provisions	<b>252,461</b>	930,042	297,236	130,289	242,095

### Financial ratios

Operating profit ratio	<b>5.1</b>	5.2	8.8	7.6	7.1
Return on invested capital	<b>12.2</b>	30.3	34.1	6.2	7.1
Current ratio	<b>252.3</b>	143.0	263.5	333.3	283.9
Equity ratio	<b>54.1</b>	29.7	61.6	69.5	64.4
Return on average equity	<b>11.8</b>	21.0	27.0	7.8	4.4

Average number of employees	<b>116</b>	119	119	107	136
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## Financial highlights

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

Operating profit ratio	$\frac{\text{Operating profit X 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit X 100}}{\text{Average invested capital}}$
Current ratio	$\frac{\text{Current assets X 100}}{\text{Short-term liabilities other than provisions}}$
Equity ratio	$\frac{\text{Equity at year end X 100}}{\text{Total equity and liabilities at year end}}$
Return on average equity	$\frac{\text{Profit for the year X 100}}{\text{Average equity}}$

## *Financial statements 1 December - 30 November*

### **Management's review**

#### **Activities**

Pfizer Inc. and its worldwide affiliates is a research-based, global biopharmaceutical company. Pfizer works across developed and emerging markets to advance wellness, prevention, treatments, and cures that challenge the most feared diseases of our time. In the context of its global operations, Pfizer applies science and global resources to bring therapies to people that extend and significantly improve their lives through the discovery, development, manufacture, marketing, sales, and distribution of biopharmaceutical products to fulfill Pfizer's purpose: Breakthroughs that change patients' lives.

Pfizer ApS is a fully owned subsidiary of Pfizer Inc. and performs sales and marketing functions and purchase finished products from supply point companies for resale to third parties. Pfizer ApS operates as non-exclusive distributor in Denmark, selling to local wholesalers, pharmacies, and government facilities, as well as to a third-party distributor in Iceland. As local market company it utilizes technical materials prepared centrally by the R&D and Commercial organizations to present scientific data and information to explain the approved uses, benefits, and risks of Pfizer's products.

#### **Research and development activities**

Research and development activities within the Biopharma 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. Pfizer ApS does not acquire ownership to intellectual rights.

### **Statement on social responsibility §99 a**

#### **Business model**

Pfizer is a research-based, global biopharmaceutical company focused on advancing our Purpose "breakthroughs that change patients' lives". Pfizer works across developed and emerging markets to advance wellness, prevention, treatments, and cures that challenge the most feared diseases of our time. It's our ambition to change a billion lives a year by 2027. Our Purpose Blueprint guides our strategy, and our core Values—Courage, Excellence, Equity, and Joy—guide our decision-making and how we do business.

Pfizer ApS operates as local market company (LMC) and performs sales/marketing functions and purchases finished products from Supply point companies for resale to third parties. Pfizer LMCs generally operate as non-exclusive distributors, selling to local wholesalers, pharmacies, hospitals, clinics, and government facilities. LMCs utilize technical materials prepared centrally by the R&D and Commercial organizations to appropriately present scientific data and information to explain the approved uses, benefits, and risks of Pfizer's products.

#### **Risk analysis**

The risk of Pfizer ApS influencing the environment, social, human capital, human rights and Anti-corruption and bribery by its actions is estimated to be limited, since no production takes place in Denmark. Pfizer ApS is committed to complying with all relevant legislation in the mentioned areas. Risks are monitored both locally and globally.

#### **Policies**

Pfizer has established global policies and statements on environmental matters, including activities to reduce the climate impact of activities, social and staff matters and matters relating to human rights, anti-corruption, and bribery.

**Financial statements 1 December - 30 November****Management's review****Statement on social responsibility §99 a - Continued****Environmental and climate matters**

The health of our global environment impacts everyone. At Pfizer, we are committed to reducing our environmental footprint. Our company Purpose guides our environmental priorities, with a focus on impact reduction, conservation of resources, and the minimization of waste arising from our operations.

We recognize global climate change as one of the defining issues of our time, requiring collective action to mitigate the potential risks it poses. Such risks include the potential for increased adverse impacts on human health and decreased access to critical medicines and vaccines due to disruptions in value chains caused by the greater frequency of severe weather.

2023 progress on our near-term targets, approved by the Science Based Targets Initiative (SBTi), are outlined below:

<b>Target</b>	<b>Progress</b>
Reducing Scope 1 and 2 GHG emissions by 46% from a 2019 baseline by 2030	Scope 1 and 2 GHG emissions in 2023 were 3.5% lower than 2022. Emissions for 2023 were 13.9% lower than the 2019 baseline.
Sourcing 80% of electricity from renewables by 2025, and 100% by 2030	Pfizer sourced 10% renewable electricity in 2023. Pfizer has entered into virtual power purchase agreements (VPPA) covering North America and the EU. These projects, expected to come online in 2025, will cover approximately 68% of Pfizer's electricity needs (as measured against 2023 electricity consumption).
Reducing emissions from upstream transportation and distribution by 10% and from business travel by 25% by 2025 from a 2019 baseline	Emissions associated with upstream transportation and distribution were 31% lower than in 2022 and 22% higher than the 2019 baseline. We continue to look for opportunities to move product shipments from air to ocean and are working with our logistics providers to transition to low emission fuels and vehicles where possible. Travel-related GHG emissions were 55% lower than the 2019 baseline. We have implemented tools to help business travelers make informed decisions about travel options. This includes using digital tools to limit travel and using preferred carriers that are advancing GHG reduction targets.
Working to accelerate change across our supply chain, driving 64% of our suppliers of goods and services by spend to also set science based GHG emission reduction goals by 2025	Currently 51% of our suppliers by spend have or have committed to develop science based GHG emissions reduction targets.

## *Financial statements 1 December - 30 November*

### **Management's review**

#### **Statement on social responsibility §99 a - Continued**

Pharmaceuticals in the environment and antimicrobial resistance (AMR) continue to be important environmental issues for our industry. Pfizer is committed to limiting discharge of APIs to wastewater from our manufacturing processes using environmental risk assessment methodologies and emission control practices and technologies. As an active member, Pfizer follows the best practices in the AMR Industry Alliance's (AMRIA) Antibiotic Manufacturing Standard. We are working toward our goal of achieving the industry published targets (Predicted No Effect Concentrations) for antibiotics by 2025 and are piloting innovative wastewater management and treatment practices at several sites to advance our management of wastewater discharges.

In 2023, Pfizer continued to participate in the development of the certification program designed to demonstrate implementation of AMRIA's Antibiotic Manufacturing Standard through an independent third-party certification body. In collaboration with BSI Standards Limited, Pfizer participated in assessments to pilot the certification process at one of our API manufacturing sites and one of our contract manufacturer antibiotic drug product sites. These assessments indicated compliance with the AMRIA Standard and both sites were recommended for certification. Additionally, learnings from these pilots were used to shape the certification program, which officially launched in June 2023. Pfizer is pursuing opportunities with our internal network, suppliers, and contract manufacturers to implement certification of our antibiotic products. Our efforts to promote adherence to voluntary discharge limits across our supply chain were recognized in a report published by the Access to Medicine Foundation that assesses steps that pharmaceutical manufacturers are taking to curb the development and spread of AMR (AMR Report on Responsible Manufacturing, August 2023).

In 2023, Pfizer ApS initiated the non-profit project The Danish AMR (antimicrobial resistance) Alliance. The aim of the alliance is to futureproof Danish and global healthcare against the surge in antibiotic resistant microorganisms by ensuring more ambitious local policies. The alliance currently consists of 32 member organizations, spanning academia, public authorities, NGOs, private companies, patient associations, and trade associations, and more continue to join. Pfizer ApS has and continues to dedicate a significant number of unpaid hours and resources to setting up and running the alliance along with two partners: PharmaDenmark and Novo Nordisk Foundation.

Pfizer ApS continues to support Pfizer's global goals in several ways: We maintain a hybrid model for work, encouraging colleagues to continue work from home when it's meaningful, thus reducing emissions from transport. We are also working with our trade association and other stakeholders to find ways to support a more environmentally sustainable health care sector, for instance by contributing to set meaningful environmental tender criteria.

Additional information can be found here: [Environmental Sustainability | Pfizer](#).

### **Social & Employee matters**

#### **Social**

Our Purpose and values guide our ethical decision-making and how we deliver breakthroughs. Pfizer prioritizes integrity, safety, and quality as we advance innovation for patients and seek to improve global health. Our Board of Directors is actively engaged in the governance and oversight of our ESG strategy, which is aligned with our Purpose Blueprint strategy.

At Pfizer, our Purpose is rooted in achieving social good. We know that when we succeed, our breakthroughs can potentially have life-changing effects. We aim to address illnesses from widespread infectious diseases to conditions with historically unmet need.

## *Financial statements 1 December - 30 November*

### **Management's review**

#### **Statement on social responsibility §99 a - Continued**

Pfizer is mindful of the urgency of our mission, as the world fights against the spread of deadly new diseases and struggles with inequities in health outcomes among populations. Our goal is to leverage partnerships and programs to allow quick and widespread access to our breakthrough medicines and vaccines.

#### **Employee matters**

By prioritizing the ongoing development of our colleagues, we not only support their individual success but also cultivate a resilient and adaptable workforce that can thrive in the face of change. As we navigate the evolving landscape of our industry, we recognize that providing our colleagues with opportunities for learning, skill-building, and growth is essential to their engagement, productivity, and overall job satisfaction. In times of business transformation, when uncertainty can be prevalent, investing in career growth and development sends a powerful message to our colleagues. It reaffirms our commitment to their professional well-being, demonstrates our belief in their potential, and supports them in being motivated, agile, and equipped with the necessary skills to tackle new challenges and seize emerging opportunities.

Our commitment to career growth is reflected in our refreshed Global Growth and Talent strategy, launched in 2021. Since then, we have modernized and expanded our commitment to our colleagues by introducing new opportunities for learning and career advancement.

In 2023, we set the expectation that managers have growth conversations with each of their direct reports to align on their growth aspirations and identify actions to support that growth. Embracing a collective talent mindset, we deepened our efforts to capture talent data in our human capital management system for colleagues above a certain level. By analyzing this data, People Leaders can plan for future leadership and critical role transitions, design personalized growth experiences, and help ensure that the right people are in the right roles at the right time.

At Pfizer, we believe every person deserves to be seen, heard, and cared for. This belief drives our refreshed Global DEI strategy launched in 2021, focused on building a more inclusive colleague experience, advancing equitable health outcomes, and transforming society through external partnerships. DEI is a path we choose both mindfully and actively, and is cultivated by listening, learning, and connecting with our colleagues, patients, and communities.

In 2021, Danish Industry launched a strategy to increase gender diversity in Danish business life - The Gender Diversity Pledge - where companies in Denmark are invited to join the common mission of strengthening gender diversity at all management levels. The Gender Diversity Pledge designates initiatives that support the concrete objective that the business community jointly achieve a 40/60 gender distribution in management and boards by 2030. In 2023 we chose to join Dansk Industri's Gender Diversity Pledge to maintain our gender diversity but equally to stand in solidarity with other companies in Denmark to achieve this important goal collectively for Danish business life.

Our commitment to pay equity for all colleagues is based in our value of Equity and our intention to continue to build a diverse, inclusive, and highly engaged workforce, which is crucial to achieving our Purpose.

Enterprise Colleague Resource Groups (CRGs) at Pfizer welcome colleagues from all backgrounds to join. Whether colleagues are members of a particular community or allies, they can learn from one another's perspectives and experiences and strengthen our culture of inclusion.

## *Financial statements 1 December - 30 November*

### **Management's review**

#### **Statement on social responsibility §99 a - Continued**

##### **Human Rights**

Pfizer is committed to conducting business in an ethical and responsible manner. This includes respecting internationally recognized human rights throughout our operations, from lab to patient, and our diverse global supply chain of numerous local and global third-party vendors.

Throughout 2023 and beyond, we continue to focus on the right to health as our most salient human rights issue, with availability, accessibility, and affordability as key focus areas. Other salient human rights are the principle of non-discrimination; the right to privacy; freedom from slavery and forced labor and other abuses, including child labor; the right to enjoy just and favorable working conditions; the right to a safe workplace; and the right to a healthy environment.

In line with the UN Guiding Principles on Business and Human Rights, our approach to human rights focuses on risk that could have the most severe impact on people: our patients, our colleagues, the workers of our business partners, and the communities in which we operate. We strive to keep our policies up to date with our work and the evolving external environment. Our latest update reflects our efforts to protect personal data, the right to privacy, and our principles for the responsible use of artificial intelligence. Read more about Pfizer's commitment to human rights on our website.

- [Human Rights | Pfizer](#)

##### **Anti-corruption and bribery**

Our international anti-bribery and anti-corruption policies and procedures are designed to ensure compliance with the U.S. Foreign Corrupt Practices Act (FCPA) and applicable international anti-bribery laws.

Pfizer policy, also known as “My Anti-Corruption Policy and Procedures” (MAPP), prohibits all forms of bribery and corruption, whether by colleagues or our business partners. Colleagues and business partners must never offer, promise, authorize, or provide a payment or benefit that is intended to improperly influence a government official, healthcare professional, or any other person, including commercial entities and individuals, in exercising their responsibilities.

We regularly engage independent third parties to assess our ethics and compliance program against standards established by governments and industry best practices.

In 2023, we engaged a third party to conduct an independent compliance program review to assess program effectiveness and identify opportunities for continuous learning and enhancement. Our internal audit function has a systematic and regular audit process that annually assesses our operations. Additionally, in coordination with the Legal and Compliance Divisions and the Quality and Risk Committees, internal audit works with key stakeholders across the company to conduct our ERM process that annually identifies, assesses, and manages risk priorities. Those priorities extend to cover quality, compliance and ethical standards, responsible marketing, and antibribery / anti-corruption.

Read more about Pfizer's Anti-bribery and Anti-corruption on our website.

- [Anti-bribery and Anti-corruption | Pfizer](#)

All colleagues, contractors, and certain third parties are trained on our anti-corruption policies. Our training uses innovative online modules and live formats, including testing methodologies.

## *Financial statements 1 December - 30 November*

### **Management's review**

#### **Target figures regarding the under-represented gender in the Board of Directors, §99 b**

In accordance with section §99 b of the Danish Financial Statements Act, we have adopted a culture of diversity and inclusion.

Our Board of Directors consists of 3 members, of which 1 female and 2 males.

Pfizer ApS has in 2023 implemented a policy to ensure that the Pfizer ApS achieves gender equality in management as described in section 99 b of the Danish Financial Statements Act and section 138 c of the Danish Companies Act.

Pfizer ApS strive to meet regulatory expectations for opportunity parity as measured by workforce parity of 40 percent for women and men at the Senior Manager level and above. At the end of 2023 our representation was 38 percent for women at Senior Manager Level and above. These aspirational goals are not quotas and Pfizer continues to make employment decisions based on qualifications.

#### **Data Ethics statement §99 d**

Pfizer is committed to the responsible and transparent use and protection of personal data entrusted to us by patients, customers, employees, and others. We provide our employees and contractors with training on global privacy principles in accordance with our commitment to respect and safeguard personal data.

Our privacy practices are governed by our Global Privacy Committee, a cross functional governance body composed of senior-level leaders who provide oversight and guidance that informs company practices. Additionally, our Global Privacy Office maintains an enterprise-wide policy and standards that guide the collection, maintenance, and protection of personal data and consider the legal and regulatory requirements where we do business.

Example of the practices we follow to help ensure the integrity of our data privacy processes include:

- Collecting and using the minimum amount of personal data necessary to achieve our business Purposes.
- Sharing personal data only with individuals who have a legitimate need for it and will protect it.
- Maintaining appropriate administrative, technical, and organizational security measures to protect personal data.
- Training our employees on the responsible use of personal information

#### **Business Restructuring**

During 2023 we made organizational changes to further transform our operations to better leverage our expertise. The costs for this effort primarily included severance and associated implementation costs.

#### **Operating Review**

The operating profit decreased by DKK 70 million compared to 2021/22, with operating profit being DKK 49.6 million in 2022/23. The decrease is due to a significant decline in revenues for our Covid portfolio which stayed significantly behind 2022/23 budget expectations due to rapid decline of Covid infection rates.

The result for the year is satisfactory, with a turnover and operating profit within the range of expectations set for non-Covid portfolio products.

#### **Financial position**

The Company's share capital and reserves amounted to DKK 345 million at year end 2022/23, which is 54.5% of the balance sheet total.

## *Financial statements 1 December - 30 November*

### **Management's review**

#### **Outlook**

For 2024 the Company expects revenue and profit for the year to decrease. This will be largely driven by expected revenue decline of Covid portfolio (-112M vs 2022/23), Eliquis and Biosimilar products due to generic substitution (-31M) and Fragmin (-18M) due to price deduction.

The number of prescriptions for Pfizer medicine is expected to grow due to increased productivity in the secondary care and market growth because of aging population. The industry in Denmark is exposed to competition from parallel importers, biosimilar entries, and generic substitution. At the same time, public health costs are under scrutiny.

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

Pfizer INC closed the acquisition of Seagen on December 14, 2023. We expect that Seagen will be a substantial growth contributor in the future. In 2024 we expect Tukysa to contribute DKK 7M in revenue, with further growth in 2025 and beyond, combined with several new product launches. Seagen Denmark is scheduled to merge with Pfizer ApS in late Q3 2024.

No events have occurred after the balance sheet date significantly affecting the Company's financial position in 2023.



## Financial statements 1 December - 30 November

### Income statement

DKK'000	Note	<u>2022/23</u>	<u>2021/22</u>
<b>Revenue</b>	2	<b>964,993</b>	2,299,853
Cost of sales		<u>-726,128</u>	<u>-2,056,720</u>
<b>Gross profit</b>		<b>238,865</b>	243,133
Marketing and distribution expenses	3	<b>-128,967</b>	-136,665
Development expenses	3	<b>-66,601</b>	-66,356
Administrative expenses	3,4,5	<u>-30,654</u>	<u>-33,968</u>
		<b>12,643</b>	6,144
Other operating income/expenses, net	6	<u>36,923</u>	<u>113,354</u>
<b>Operating profit</b>		<b>49,566</b>	119,498
Net interest income and expenses and similar items	7	<u>7,807</u>	<u>-309</u>
<b>Profit before tax</b>		<b>57,373</b>	119,189
Tax on profit for the year	8	<u>-13,838</u>	<u>-27,153</u>
<b>Profit for the year</b>		<u><b>43,535</b></u>	<u>92,036</u>

Note 1 - Accounting Policies

Note 9 - Proposed Profit Allocation

## Financial statements 1 December - 30 November

### Balance sheet as at 30 November

DKK'000	Note	2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixtures and fittings, tools and equipment	10	259	319
<b>Total non-current assets</b>		<b>259</b>	<b>319</b>
<b>Current assets</b>			
<b>Inventories</b>		<b>142,858</b>	194,749
<b>Receivables</b>			
Trade receivables		135,304	35,453
Amounts owed by group enterprises		352,960	1,087,652
Other receivables		8	35
Prepayments	11	2,404	1,960
Corporation tax	12	—	6,072
Deferred tax	13	2,671	2,980
		<b>493,347</b>	1,134,151
<b>Cash and bank balances</b>		<b>697</b>	1,454
<b>Total current assets</b>		<b>636,902</b>	1,330,355
<b>TOTAL ASSETS</b>		<b>637,161</b>	1,330,674

## Financial statements 1 December - 30 November

### Balance sheet as at 30 November

DKK'000	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	250,772	250,772
Retained earnings		93,843	50,308
Proposed dividend		—	94,000
<b>Total equity</b>		<b>344,615</b>	<b>395,080</b>
<b>Provisions</b>			
Other provisions	15	3,328	5,551
Deferred revenue		36,757	—
<b>Total provisions</b>		<b>40,085</b>	<b>5,551</b>
<b>Short-term liabilities other than provisions</b>			
Trade payables		23,893	18,394
Amounts owed to group enterprises		174,850	846,418
Corporation tax	11	5,219	—
Other payables	16	48,499	65,230
<b>Total liabilities</b>		<b>252,461</b>	<b>930,042</b>
<b>Total equity and liabilities</b>		<b>637,161</b>	<b>1,330,674</b>

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 2022	250,772	50,308	94,000	395,080
Paid out dividend	—	—	-94,000	-94,000
Transferred from profit for the year	—	43,535	—	43,535
<b>Equity at 30 November 2023</b>	<b>250,772</b>	<b>93,843</b>	<b>—</b>	<b>344,615</b>

## *Financial statements 1 December - 30 November*

### Notes

#### 1 Accounting Policies

The annual report for 2022/23 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 expenses**

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 expenses. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as marketing and distribution expenses.

### **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. Gains or losses on the divestment of activities are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, and recognised as either other operating income or expenses.

### **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. Impairments are made for anticipated losses.

#### **Prepayments**

Prepayments comprise costs paid concerning subsequent financial years.

## ***Financial statements 1 December - 30 November***

### **Equity - 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.

### **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.

### **Deferred revenue**

The amount associated with future revenues from the sales of services will be recognized in the balance sheet as deferred revenue at the time of sales, and recorded as income according to the services level.

### **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, c.f Danish Financial Statements Act section 86, item 4, 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 *2023 Financial Report* at [www.pfizer.com](http://www.pfizer.com)



## *Financial statements 1 December - 30 November*

### 2. Segment information

#### Geographical breakdown

DKK'000	Denmark		Total
	Pharmaceutical Products	Iceland	
<b>2022/23</b>			
Revenue	884,922	80,071	964,993
<b>2021/22</b>			
Revenue	2,169,538	130,315	2,299,853

All revenue is related to the sale of prescription medicine.

DKK'000	<b>2022/23</b>	2021/22
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### 3. Staff costs

Wages & Salaries	121,269	132,466
Pensions	11,019	10,823
Other Social Security Costs	1,118	873
	<b>133,406</b>	144,162

Staff Costs are recognised as follows in the financial statements:

Marketing and distribution costs	75,051	85,704
Research & Development Expenses	41,560	39,838
Administrative Expenses	16,795	18,620
	<b>133,406</b>	144,162

Average Number of Employees	<b>116</b>	119
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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 2022/23 2021/22

### 4. Depreciation and impairment loss

#### Property, plant and equipment

Depreciation for the year	<u>60</u>	<u>60</u>
	<u><b>60</b></u>	<u><b>60</b></u>

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

Administrative Expenses	<u>60</u>	<u>60</u>
	<u><b>60</b></u>	<u><b>60</b></u>

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

Statutory audit	655	614
Other	<u>26</u>	<u>32</u>
	<u><b>681</b></u>	<u><b>646</b></u>

### 6. Other operating income/expenses, net

Sales & Marketing Service	17,114	33,739
Administrative Services	9,228	11,058
Development Services	<u>10,581</u>	<u>68,557</u>
	<u><b>36,923</b></u>	<u><b>113,354</b></u>

## *Financial statements 1 December - 30 November*

DKK'000	<b>2022/23</b>	2021/22
<b>7. Net interest income and expenses and similar items</b>		
Foreign exchange adjustments	63	-846
Interest expenses	7,844	623
Bank charges	-100	-86
	<b>7,807</b>	-309
<b>8. Tax on the profit for the year</b>		
Corporation tax on profit for the year	13,127	27,141
Adjustment for deferred tax	309	494
Adjustments to taxes from prior years	402	-482
	<b>13,838</b>	27,153
<b>9. Distribution of profit</b>		
Proposed dividend for the year	—	94,000
Retained earnings	43,535	-1,964
Profit for the year	<b>43,535</b>	92,036

## *Financial statements 1 December - 30 November*

### 10. Fixtures and fittings, tools and equipment

		<b>Fixtures and fittings, tools and equipment</b>
Costs at 30 November 2022		<u>6,324</u>
Costs at 30 November 2023		<u>6,324</u>
Depreciation at 30 November 2022		-6,005
Depreciation		-60
Depreciation at 30 November 2023		<u>-6,065</u>
Carrying amount at 30 November 2023		<u><u>259</u></u>
DKK'000	<u>2022/23</u>	<u>2021/22</u>

### 11. Prepayments

Other prepayments	<u>2,404</u>	<u>1,960</u>
	<u><u>2,404</u></u>	<u><u>1,960</u></u>

### 12. Corporation tax

Tax on taxable income for the year	-13,127	-27,141
Tax payment on account	7,908	15,740
Receivable/ (Payable), outstanding from prior years	—	17,473
<b>Receivable/(Payable) corporation tax at 30 November</b>	<u><u>-5,219</u></u>	<u><u>6,072</u></u>

### 13. Deferred tax

Deferred tax 1 December	2,980	3,474
Adjustment of deferred tax	<u>-309</u>	<u>-494</u>
	<u><u>2,671</u></u>	<u><u>2,980</u></u>

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

## *Financial statements 1 December - 30 November*

### 14. Share capital

The share capital comprises 250,772 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>2022/23</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>
Share capital at 1 December	250,772	250,772	250,771	250,771	250,771
<b>Share capital at 30 November</b>	<b><u>250,772</u></b>	<b><u>250,772</u></b>	<b><u>250,771</u></b>	<b><u>250,771</u></b>	<b><u>250,771</u></b>

DKK'000	<u>2022/23</u>	<u>2021/22</u>
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### 15. Other provisions

#### Provision for returned goods

Provision for returned goods 1 December	2,082	2,609
Correction to provision previous year	—	491
Used during the year	-3,403	-4,063
Provision for the year	<u>2,817</u>	<u>3,045</u>
<b>Provision for returned goods 30 November</b>	<b><u>1,496</u></b>	<b><u>2,082</u></b>

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

#### Provision for restructuring

Provision for restructuring 1 December	3,469	814
Correction to provision previous year	—	-491
Used during the year	-2,479	-1,989
Provision for the year	<u>842</u>	<u>5,135</u>
<b>Provision for restructuring 30 November</b>	<b><u>1,832</u></b>	<b><u>3,469</u></b>
<b>Total provisions 30 November</b>	<b><u>3,328</u></b>	<b><u>5,551</u></b>

## *Financial statements 1 December - 30 November*

DKK'000	2022/23	2021/22
<b>16. Other payables</b>		
VAT and taxes	22,019	25,028
Payable wages and salaries inclusive holiday provision	15,531	26,271
Other payables	10,949	13,931
	48,499	65,230

## **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 5.8 million (2021/22 figure of DKK 4,2 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 m<sup>2</sup>) of the building located in Lautrupvang 8, Ballerup, previously owned by the Company. As per 01.11.2020, the Company changed the lease agreement with Wihlborgs A/S to reduce the area of basement. Therefore, the Company now rent 36.45% of the total gross surface area (4,236 of 11,620 m<sup>2</sup>) of the building. The cost of the annual rent excluding VAT is DKK 3,832 thousand. 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 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. A guarantee of DKK 2.4 million is given to Wihlborgs A/S.

Other guarantee amount to DKK 19 million (DKK 0 million in 2022) is issued to Danish Medicines Agency and expire May 2026.

## *Financial statements 1 December - 30 November*

### 18. Related party disclosures

**Pfizer ApS' related parties comprise the following:**

DKK'000	2022/23	2021/22
<b>Description</b>		
Provision of Above Market services by Pfizer Worldwide Services	21,073	80,903
Provision of clinical trial support services by Pfizer ApS to Pfizer Worldwide Services	8,735	9,547
Provision of co- promote services by Pfizer Aps to Pfizer Worldwide Services	6,101	19,319
Purchase of finished goods by Pfizer ApS from various Pfizer suppliers	669,148	2,097,485
Sales of finished goods by Pfizer ApS to Pfizer affiliates	3,464	8,687
Interest income from Pfizer Service Company Ireland	8,009	0
Provision of management services by Pfizer ApS to Pfizer Norway & UK	228	1,314

Receivables and payables to group enterprises are disclosed in the balance sheet.

#### **Control**

Pfizer ApS is owned 100% by Pfizer Health AB, Solnavägen 3H, 113 63 Stockholm

Furthermore, the Company is included in the consolidated financial statements of the ultimate parent company Pfizer Inc., 66 Hudson Boulevard East, New York NY 10001-2192, USA

The consolidated financial statements of Pfizer Inc are available at the Company's address or on the Company's website at: <https://annualreview.pfizer.com>