

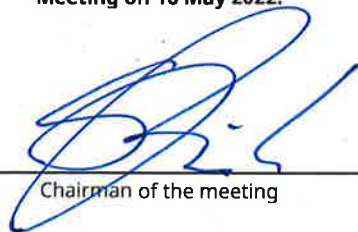
Novo Nordisk Pharmaceuticals A/S

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

CVR number 24 25 79 24

Annual Report 2021

The Annual Report has been presented and adopted at the Annual General Meeting on 16 May 2022.



Chairman of the meeting

Contents

	Page
Management statement and Auditor's report	
Statement by the Board of Directors and Executive Management	3
Independent Auditor's report	4
Management review	
Company information	6
Management commentary	7
Financial Statements 1 January - 31 December 2021	
Income statement	8
Balance sheet	9
Statement of changes in equity	10
Accounting policies	11
Notes	13

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 Pharmaceuticals A/S for the year 2021.

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 2021 and of the results of the company's operations for 2021 in accordance with the Danish Financial Statements Act.

Further, 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 operations and financial position.

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

Bagsværd, 16 May 2022

Executive Management:


Peter Bøggild

Board of Directors:


Karsten Munk Knudsen
Chairman


Linette Nielsen


Thomas Haagen

Independent Auditor's report

To the Shareholder of Novo Nordisk Pharmaceuticals A/S

Opinion

We have audited the financial statements of Novo Nordisk Pharmaceuticals A/S for the financial year 1 January 2021 - 31 December 2021, which comprise an 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 financial position at 31 December 2021 and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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, for disclosing, as applicable, matters related to going concern and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility 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 auditors' 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 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements in 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.

Independent Auditor's report

- 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 relating 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 auditors' 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 auditors' 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 note disclosures, and whether the financial statements reflect 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.

Statement on the management review

Management is responsible for the management review.

Our opinion on the financial statements does not cover the management 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 review and, in doing so, consider whether the management review is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management review provides the information requirement under the Danish Financial Statements Act.

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

Copenhagen, 16 May 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR-no. 33 96 35 56



Sumit Sudan
State Authorised Public Accountant
MNE no. 33716



Yasser Iqbal
State Authorised Public Accountant
MNE no. 45103

Company information

Company

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

CVR number 24 25 79 24
Founded: 4 April 1974
Municipality of domicile: Gladsaxe
Financial year: 1 January – 31 December

Board of Directors

Karsten Munk Knudsen, chairman
Linette Nielsen
Tomas Haagen

Executive Management

Peter Bøggild

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Wiedekampsgade 6
2300 Copenhagen S
Denmark

General meeting

The Annual General Meeting will be held on 16 May 2022 at the company's address.

Management commentary

Main activities

The company's main activities are holding of equity investments in companies and other investments, and – at the discretion of the Board of Directors – supporting the operations of such companies. Other activities relate to investments in- and receipt of royalty streams related to GLP-1 products that utilises the SNAC technology. Novo Nordisk Pharmaceuticals A/S owns 2% of the shares in Novo Nordisk Pharma Argentina SA, 2.52% of the shares in Novo Nordisk Sağlık Ürünleri Ticaret Ltd., Turkey, and up to 1% of shares in some other Novo Nordisk affiliated companies.

Development during the financial year

Novo Nordisk Pharmaceuticals A/S ended with a net profit of DKK 1,330 thousand for the year 2021 compared with net loss DKK 2,368 thousand for the year 2020.

The main development in the 2021 result is driven by fair value adjustment of other financial assets.

Events after the balance sheet date

The royalty rights have, in 2022, been sold to Novo Nordisk A/S, and Novo Nordisk Pharmaceuticals A/S will in 2022 have a gain on the same.

Income statement

		2021	2020
	Note	DKK '000	DKK '000
Royalty income		24.653	3.941
Administrative costs		39	38
Operating profit/(loss)		24.614	3.903
Value adjustment of other financial assets		2.799	(2.480)
Financial income	1	-	240
Financial expenses	2	26.379	3.946
Profit/(loss) before income taxes		1.034	(2.283)
Income taxes		(296)	85
NET PROFIT/(LOSS) FOR THE YEAR	3	1.330	(2.368)

For proposed appropriation of net profit see note 3.

Balance sheet at 31 December

		2021	2020
	Note	DKK '000	DKK '000
ASSETS			
Financial assets	4	2.842.764	2.864.705
TOTAL NON-CURRENT ASSETS		2.842.764	2.864.705
Tax receivables		84.437	88.871
Amounts owed by affiliated companies		120.075	3.941
Cash at bank		1.481	1.107
TOTAL CURRENT ASSETS		205.993	93.919
TOTAL ASSETS		3.048.757	2.958.624
EQUITY AND LIABILITIES			
Share capital	5	1.002	1.002
Retained earnings		110.032	2.848.702
Proposed dividends		2.740.000	-
TOTAL EQUITY		2.851.034	2.849.704
Deferred tax liabilities		174.818	88.914
TOTAL NON-CURRENT LIABILITIES		174.818	88.914
Amounts owed to affiliated companies		21.071	19.974
Other liabilities		1.834	32
TOTAL CURRENT LIABILITIES		22.905	20.006
TOTAL LIABILITIES		197.723	108.920
TOTAL EQUITY AND LIABILITIES		3.048.757	2.958.624

Statement of changes in equity at 31 December

	Share capital DKK '000	Share premium DKK '000	Fair value reserve DKK '000	Retained earnings DKK '000	Proposed dividends DKK '000	Total DKK '000
2021						
Balance at the beginning of the year	1.002	-	-	2.848.702	-	2.849.704
Net profit/(loss) for the year				1.330		1.330
Proposed dividends				(2.740.000)	2.740.000	-
Balance at the end of the year	1.002	-	-	110.032	2.740.000	2.851.034
2020						
Balance at the beginning of the year	1.001	-	-	14.568	-	15.569
Net profit/(loss) for the year				(2.368)		(2.368)
Paid in share capital and share premium *)	1	2.836.502				2.836.503
Transfer of share premium to retained earnings		(2.836.502)		2.836.502		-
Fair value adjustments of cash flow hedges incurred in the period			74.722			74.722
Realised cash flow hedge in the period transferred to financial assets			(74.722)			(74.722)
Balance at the end of the year	1.002	-	-	2.848.702	-	2.849.704

*) Paid in share capital amounts to nominal DKK 1,000 at a price of DKK 2,836,503 thousands.

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, section 4, a separate statement of cash flow has not been prepared. Reference is made to the statement of cash flow presented for the parent company.

The accounting policies applied remain unchanged from last year.

The Annual Report is presented in DKK 1,000.

Translation of foreign currencies

Assets and debt in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Financial statements of foreign subsidiaries are translated into Danish kroner at the exchange rates at the balance sheet date for the balance sheet items and at average exchange rates for income statement items.

All exchange rate adjustments are recognised in the income statement.

Royalty income

Royalty income is recognised as the underlying sale is achieved in accordance with the terms of the relevant agreement.

Administrative costs

Administrative costs comprise expenses for the management and administration of the company, such as expenses for audit fee, administrative staff, management, office premises, office costs etc, as well as depreciation, amortisation and impairment losses.

Financial items

Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses on securities, debt and transactions in foreign currencies, amortisation of financial assets and liabilities. Financial income and expenses are recognised by the amounts pertaining to the financial year.

Financial assets

Financial assets consist of investments in- and receipt of royalty streams related to GLP-1 products that utilises the SNAC technology, and minor equity investments in Novo Nordisk affiliated companies. Financial assets are initially measured at cost, being the acquisition amount and costs related to the investment. The financial assets is subsequently remeasured at fair value at the end of the reporting period.

Value adjustments of the effective part of cash flow hedges are recognised directly in equity. The cumulative value adjustment of these contracts is transferred from other equity to the income statement when the hedged transaction is recognised in the income statement.

Cash flow hedges are discontinued when a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting. Any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

Amounts owed by affiliated companies

Amounts owed by affiliated companies are measured at amortised cost less write-downs for potential losses on doubtful debts. The write-downs are based on an individual assessment of each debtor.

Amounts owed to affiliated companies

Amounts owed to affiliated companies are measured at amortised cost.

Dividend

Proposed dividends (not yet declared) for the accounting period are recognised in the equity as proposed dividends.

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 Holdings A/S, which functions as the tax administration company. The jointly taxed Danish enterprises have adopted the on-account taxation scheme.

Accounting policies

Novo Nordisk recognises deferred income tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences can be utilised.

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 Holdings A/S, which functions as the tax administration company. The jointly taxed Danish enterprises have adopted the on-account taxation scheme.

Notes

1 - Financial income	2021	2020
	DKK '000	DKK '000
Foreign exchange rate gain (net)	-	240
Total financial income	-	240

2 - Financial expenses	2021	2020
	DKK '000	DKK '000
Foreign exchange rate loss	1.662	-
Value adjustment of financial assets	24.653	3.941
Other financial expenses	64	5
Total financial expenses	26.379	3.946

3 - Proposed appropriation of net profit	2021	2020
	DKK '000	DKK '000
Proposed dividends	2.740.000	-
Retained earnings	(2.738.670)	(2.368)
Distribution of net profit	1.330	(2.368)

4 - Financial assets	2021		
	Shares in affiliated companies DKK '000	Royalty contracts DKK '000	Total DKK '000
Fair value beginning of year	11.970	2.852.735	2.864.705
Dividends	(87)	-	(87)
Fair value adjustments for the year recognised in income statement	2.799	(24.653)	(21.854)
Fair value end of period	14.682	2.828.082	2.842.764
	2020		
	Shares in affiliated companies DKK '000	Royalty contracts DKK '000	Total DKK '000
Fair value beginning of year	14.545	-	14.545
Addition	-	2.856.676	2.856.676
Dividends	(95)	-	(95)
Fair value adjustments for the year recognised in income statement	(2.480)	(3.941)	(6.421)
Fair value end of period	11.970	2.852.735	2.864.705

The royalty contract was acquired in December 2020. The fair value corresponds to the cost price less received royalties from acquisition date to balance sheet date.

The royalty rights have, in 2022, been sold to Novo Nordisk A/S, and Novo Nordisk Pharmaceuticals A/S will in 2022 have a gain on the same.

Notes

5 - Share capital	2021	2020
	DKK '000	DKK '000
Share capital 1 January	1.002	1.001
Capital contribution	-	1
Balance at the end of the year	1.002	1.002

6 - Contingencies

The company is 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 - Related parties and 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 consolidation financial statements of Novo Nordisk A/S and the ultimate parent company, Novo Nordisk Foundation, in which Novo Nordisk Invest 4 A/S is fully consolidated, can be ordered from Novo Nordisk A/S (CVR no. 24 25 67 90), Novo Allé, 2880 Bagsværd, Denmark, and from Novo Nordisk Foundation (CVR no. 10 58 29 89), Tuborg Havnevej 19, 2900 Hellerup, Denmark.