

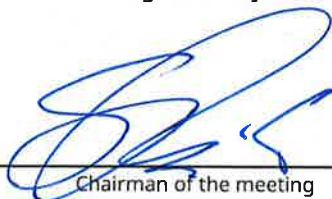
Novo Nordisk Region Japan & Korea A/S

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

CVR number 25 68 07 66

Annual Report 2021

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



Chairman of the meeting

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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 Region Japan & Korea 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 Region Japan & Korea A/S

Opinion

We have audited the financial statements of Novo Nordisk Region Japan & Korea 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



Yassir Iqbal

State Authorised Public Accountant

MNE no. 45103

Company information

Company

Novo Nordisk Region Japan & Korea A/S
c/o Novo Nordisk A/S
Novo Allé
2880 Bagsværd
Denmark

CVR no.: 25 68 07 66
Founded: 1 October 2000
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.

Financial key figures

	2021	2020	2019	2018	2017
	<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>
Income statement:					
Income from service activity	-	-	30.286	43.301	30.593
Operating profit from service activity	-	-	23.961	9.940	7.867
Operating profit/(loss)	(150)	(185)	335	1.600	2.186
Net financials incl. profit/(loss) in subsidiaries	326.682	246.697	233.979	184.301	218.585
Net profit/(loss) for the year	326.564	246.529	231.997	183.952	252.260
Balance sheet:					
Financial assets	1.719.560	1.413.522	1.488.040	1.374.403	1.621.810
Total assets	1.721.060	1.610.085	1.798.495	1.529.472	1.885.312
Equity	1.720.683	1.609.758	1.797.948	1.519.266	1.878.723

The company had a branch in Tokyo, Japan. The branch was closed in 2019 and the employees and activities was transferred to the subsidiary in Japan. Amounts for 2017-2019 have not been restated.

Novo Nordisk Region Japan & Korea A/S
Management commentary

Main activities

The company's main activities are the holding of equity investments in companies, and other investments, as well as financial activities, and – at the discretion of the Board of Directors – supporting the operations of such companies.

Development during the financial year

Net profit for Novo Nordisk Region Japan & Korea A/S ended at DKK 326,564 thousand for the year 2021 compared with DKK 246,529 thousand for the year 2020. The increase in net profit is related to a increase in net profit in subsidiaries. The net profit is in line with the expectations stated in the Annual Report 2020.

Events after the balance sheet date

No events have occurred after the end of the reporting period that materially affect the financial position of the company.

Outlook for the company, including specific assumptions and elements of uncertainty

The company's financial performance reflects the development in the underlying subsidiaries. Management expects to record a slightly higher return in 2022 compared with 2021.

Income statement

		2021	2020
	Note	DKK '000	DKK '000
Administrative costs		150	185
Operating income/(loss)		(150)	(185)
Profit/(loss) in subsidiaries	1	326.677	246.474
Financial income	2	10	224
Financial expenses	3	5	1
Profit/(loss) before income taxes		326.532	246.512
Income taxes	4	(32)	(17)
NET PROFIT/(LOSS) FOR THE YEAR	5	326.564	246.529

For proposed appropriation of net profit see note 5.

Balance sheet at 31 December

	Note	2021 DKK '000	2020 DKK '000
ASSETS			
Financial assets	1	1.719.560	1.413.522
Other financial assets		2	2
TOTAL NON-CURRENT ASSETS		1.719.562	1.413.524
Amounts owed by affiliated companies		1.466	196.556
Tax receivables		32	5
TOTAL CURRENT ASSETS		1.498	196.561
TOTAL ASSETS		1.721.060	1.610.085
EQUITY AND LIABILITIES			
Share capital	5	15.500	15.500
Net revaluation reserve according to the equity method		1.157.154	851.116
Retained earnings		548.029	548.142
Proposed dividends		-	195.000
TOTAL EQUITY		1.720.683	1.609.758
Amounts owed to affiliated companies		297	229
Other liabilities		80	98
TOTAL CURRENT LIABILITIES		377	327
TOTAL LIABILITIES		377	327
TOTAL EQUITY AND LIABILITIES		1.721.060	1.610.085

Statement of changes in equity at 31 December

	Share capital DKK '000	Net revaluation reserve DKK '000	Retained earnings DKK '000	Proposed dividends DKK '000	Total DKK '000
2021					
Balance at the beginning of the year	15.500	851.116	548.142	195.000	1.609.758
Net profit/(loss) for the year			326.564		326.564
Dividends paid				(195.000)	(195.000)
Transfer of net profit for the year to net revaluation reserve		326.677	(326.677)		-
Remeasurements of defined benefit plans in subsidiaries		18.627			18.627
Exchange rate adjustments of investments in subsidiaries		(39.266)			(39.266)
Balance at the end of the year	15.500	1.157.154	548.029	-	1.720.683
2020					
Balance at the beginning of the year	15.500	925.634	461.814	395.000	1.797.948
Net profit/(loss) for the year			246.529		246.529
Proposed dividends			(195.000)	195.000	-
Dividends paid				(395.000)	(395.000)
Transfer of net profit for the year to net revaluation reserve		246.474	(246.474)		-
Remeasurements of defined benefit plans in subsidiaries		9.819			9.819
Dividends received from affiliates		(281.273)	281.273		-
Exchange rate adjustments of investments in subsidiaries		(49.538)			(49.538)
Balance at the end of the year	15.500	851.116	548.142	195.000	1.609.758

Accounting policies

Accounting basis

The Annual Report of the company is prepared in accordance with the Danish Financial Statements Act for a medium-sized class C enterprise.

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 except exchange rate adjustments arising from:

- translation of subsidiaries' net assets at the beginning of the year at the exchange rates at the balance sheet date
- translation of subsidiaries' income statements at average exchange rates and translation of their balance sheet items at the exchange rates at the balance sheet date
- translation of non-current intra-Group receivables that are considered a supplement to the net assets of the subsidiaries.

The above currency translation differences are recognised directly in equity.

Income from service activity

Income from service activity is recognised as earned.

Expenses from service activity

Expenses from service activity are made up of costs relating to income from service activity.

Administrative costs

Administrative costs comprise of audit fee and administrative costs.

Retirement benefit obligations

A few of the company's subsidiaries operate defined benefit plans. The cost for the year for defined benefit plans are determined using the projected unit credit method based on actuarial assumptions. Gains and losses arising from changes in actuarial assumptions are charged directly to Equity.

Financial assets

Investments in subsidiaries are recorded under the equity method, using the respective share of the net asset values in subsidiaries. The equity method is used as a measurement basis rather than a consolidation method.

The share of profit or loss in subsidiaries is recognised in the income statement of the parent company.

For business combinations in connection with the foundation of the company the acquisition method is used, resulting in a revaluation of the acquired companies' assets and liabilities and recognition of goodwill. This goodwill is amortised over a maximum period of 20 years, based on life expectancy, and an impairment test is conducted annually.

Subsequent internal business combinations are recognised using the pooling of interests method, meaning that assets and liabilities are recognised at the carrying amounts that would have applied if the Group relationship had been established at the beginning of the comparative period, without any subsequent revaluation.

When using the pooling of interests method, there is no recognition of goodwill. The difference between the amount paid as capital and the equity in the acquired company is recognised directly in equity.

Net revaluation of equity investments in subsidiaries exceeding the declared dividend of the subsidiaries is transferred to equity as net revaluation reserve according to the equity method.

Accounting policies

Receivables

Receivables are stated at amortised cost less write-downs for potential losses on doubtful debts. Any write-downs are based on an individual assessment of each debtor, including an evaluation of payment risk associated with individual countries.

Tax

Deferred tax is provided for using the balance sheet liability method and comprises all temporary differences between the carrying amount and tax base of assets and liabilities, with the exception of goodwill in situations where goodwill is not deducted for tax purposes. The tax value of tax loss carry-forwards is included in the statement of deferred tax if the losses are likely to be utilised in the future. Deferred tax is provided for using the tax rate expected to apply when the temporary differences are expected to be eliminated.

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.

Tax payable/receivable includes tax payable computed on the basis of the expected taxable income for the year and any adjustments of taxes payable for previous years.

Income tax in the income statement comprises current tax for the year and any change in the provision for deferred tax.

The company is jointly taxed with the Danish companies in the Novo Holdings A/S Group. The tax effect of the joint taxation with the parent company and other subsidiaries is allocated to the companies in proportion to their taxable incomes (full allocation). The current tax in the joint taxation is paid by the ultimate parent company, Novo Holdings A/S, which functions as the tax administration company. The jointly taxed Danish enterprises have adopted the on-account taxation scheme.

Amounts owed by affiliated companies

Amounts owed by affiliated companies are measured at amortised cost.

Dividends

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

Amounts owed to affiliated companies

Amounts owed to affiliated companies are measured at amortised cost.

Statement of cash flows

In accordance with paragraph 86, section 4 of the Danish Financial Statements Act, no separate cash flow statement has been prepared for the parent company. Reference is made to the cash flow statement in the Consolidated Financial Statements for the Novo Nordisk Group.

Notes

1 - Financial assets	2021	2020
	DKK '000	DKK '000
Capital investments in subsidiaries		
Cost at the beginning of the year	562.406	562.406
Cost at the end of the year	562.406	562.406
Value adjustments at the beginning of the year	851.116	925.634
Profit/(loss) before tax	510.013	382.310
Income taxes on profit for the year	(175.811)	(128.311)
Amortisation and write-down of goodwill	(7.525)	(7.525)
Remeasurements of defined benefit plans	18.627	9.819
Dividends	-	(281.273)
Effect of exchange rate adjustment	(39.266)	(49.538)
Value adjustments at the end of the year	1.157.154	851.116
Carrying amount at the end of the year	1.719.560	1.413.522

The carrying amount of equity investments in subsidiaries includes goodwill of DKK 9 million (2020: DKK 17 million), which occurred in connection with the acquisition of subsidiaries.

A list of capital investments in subsidiaries is shown in note 11.

2 - Financial income	2021	2020
	DKK '000	DKK '000
Foreign exchange rate gain (net)	-	156
Other financial income	10	68
Total financial income	10	224

3 - Financial expenses	2021	2020
	DKK '000	DKK '000
Foreign exchange rate loss (net)	4	-
Other financial expenses	1	1
Total financial expenses	5	1

4 - Income taxes	2021	2020
	DKK '000	DKK '000
Tax on the profit/(loss) for the year	(32)	(5)
Adjustments recognised for current tax of prior periods	-	(12)
Income taxes	(32)	(17)

Notes

5 - Proposed appropriation of net profit

	2021	2020
	DKK '000	DKK '000
Proposed dividends	-	195.000
Retained earnings	(113)	(194.945)
Net revaluation reserve according to the equity method	326.677	246.474
Distribution of net profit	326.564	246.529

6 - Share capital

The share capital consists of 155,000 shares of nominal value DKK 100. No shares carry any special rights.

7 - 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.

8 - Events after the balance sheet date

No events have occurred after the end of the reporting period that materially affect the financial position of the company.

9 - Related party transactions

All transactions with related parties have been carried out at arm's length principle.

10 - 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

In accordance with paragraph 112, section 1 of the Danish Financial Statements Act, consolidated financial statements have not been prepared. The consolidated financial statements of the parent company, Novo Nordisk A/S, and the ultimate parent company, Novo Nordisk Foundation, in which Novo Nordisk Region Japan & Korea A/S is fully consolidated, can be ordered from Novo Nordisk A/S (CVR nr. 24 25 67 90), Novo Allé, 2880 Bagsværd, Denmark, and from the Novo Nordisk Foundation (CVR no. 10 58 29 89), Tuborg Havnevej 19, 2900 Hellerup, Denmark.

Notes

11 - Subsidiaries

			Activity			
	Country	Percentage of shares owned	Production	Sales and marketing	Research and development	Services/investments
Subsidiaries			▲	■	●	□
Novo Nordisk Pharma Ltd.	Japan	100	▲	■		
Novo Nordisk Pharma Korea Ltd.	South Korea	100		■		