

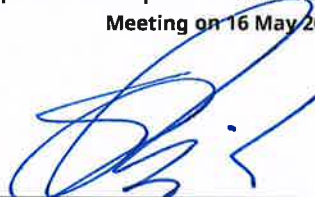
# **Novo Nordisk North America Operations A/S**

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

CVR number 33 76 12 01

## **Annual Report 2021**

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



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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 North America Operations 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



Lirette Nielsen



Tomas Haagen

**Novo Nordisk North America Operations A/S**  
**Independent Auditor's report**

**To the Shareholder of Novo Nordisk North America Operations A/S**

**Opinion**

We have audited the financial statements of Novo Nordisk North America Operations 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.

**Novo Nordisk North America Operations A/S**  
**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.

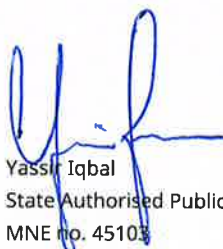
Copenhagen, 16 May 2022

**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

<b>Company</b>	Novo Nordisk North America Operations A/S c/o Novo Nordisk A/S Novo Allé 2880 Bagsværd Denmark
	CVR.no.: 33 76 12 01
	Founded: 14 June 2011
	Municipality of domicile: Gladsaxe
	Financial year: 1 January – 31 December
<b>Board of Directors</b>	Karsten Munk Knudsen, chairman Linette Nielsen Tomas Haagen
<b>Executive Management</b>	Peter Bøggild
<b>Auditors</b>	Deloitte Statsautoriseret Revisionspartnerselskab Wiedekampsgade 6 2300 Copenhagen S Denmark
<b>General meeting</b>	The Annual General Meeting will be held on 16 May 2022 at the company's address.

## Financial key figures

	2021	2020	2019	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement:</b>					
Royalty income	188.931	19.706	-	-	-
Operating profit/(loss)	(422.171)	(19.707)	(29)	(25)	(20)
Net financials & profit/(loss) in subsidiaries	(77.566)	70.752	182.982	184.038	115.611
Net profit/(loss) for the year	(467.036)	34.830	189.945	183.827	115.680
<b>Balance sheet:</b>					
Financial assets	-	273.796	716.799	495.071	329.577
Total assets	9.624.072	10.963.882	728.760	518.224	418.247
Equity	7.810.442	9.214.437	728.462	498.467	332.243

The company acquired Novo Nordisk Canada Inc. in 2019. Amounts for 2017-2018 have been restated. Please refer to accounting policies for a description of the accounting for the acquisition.

## 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 loss for Novo Nordisk North America Operations A/S ended at DKK 467,036 thousand for the year 2021 compared with net profit of DKK 34,830 thousand for the year 2020.

The result is not in line with expectations stated in the annual report for 2020. The loss in 2021 is mainly related to higher depreciations on the intellectual property rights related to the SNAC technology purchased in 2020 and service fee paid for development of services on same, than the royalties received from Novo Nordisk A/S.

### Events after the balance sheet date

The intellectual property rights have in 2022 been sold to Novo Nordisk A/S, and Novo Nordisk North America Operations A/S will in 2022 have a gain on the same.

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

The company's most important activity in 2022 is expected to comprise the holding of equity investment in the Canadian subsidiary as well as the sale of the intellectual property rights.

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

### Specific risks

For other specific risks and presentation of capital resources please see management review included in the annual report of Novo Nordisk A/S.



**Income statement**

		<b>2021</b>	2020
	Note	DKK '000	DKK '000
Royalty income		188.931	19.706
Operating costs		611.078	39.384
Administrative costs		24	29
<b>Operating profit/(loss)</b>		<b>(422.171)</b>	<b>(19.707)</b>
Profit/(loss) in subsidiaries	2	(76.693)	85.203
Financial income	3	18	11
Financial expenses	4	891	14.462
<b>Profit/(loss) before income taxes</b>		<b>(499.737)</b>	<b>51.045</b>
Income taxes	5	(32.701)	16.215
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	6	<b>(467.036)</b>	<b>34.830</b>

For proposed appropriation of net profit see note 6.

**Novo Nordisk North America Operations A/S**  
**Balance sheet at 31 December**

	Note	2021 DKK '000	2020 DKK '000
<b>ASSETS</b>			
Intangible assets	1	7.478.893	7.950.666
Financial assets	2	-	273.796
Other financial assets		95	77
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7.478.988</b>	<b>8.224.539</b>
Amounts owed by affiliated companies		2.137.281	982.338
Tax receivables		-	1.756.963
Cash at bank		7.803	42
<b>TOTAL CURRENT ASSETS</b>		<b>2.145.084</b>	<b>2.739.343</b>
<b>TOTAL ASSETS</b>		<b>9.624.072</b>	<b>10.963.882</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	8	1.000	1.000
Retained earnings		309.442	8.251.437
Proposed dividends		7.500.000	962.000
<b>TOTAL EQUITY</b>		<b>7.810.442</b>	<b>9.214.437</b>
Provisions	9	85.510	-
Deferred tax liability		1.645.356	1.749.147
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1.730.866</b>	<b>1.749.147</b>
Tax payables		57.312	274
Other liabilities		25.452	24
<b>TOTAL CURRENT LIABILITIES</b>		<b>82.764</b>	<b>298</b>
<b>TOTAL LIABILITIES</b>		<b>1.813.630</b>	<b>1.749.445</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9.624.072</b>	<b>10.963.882</b>

## Statement of changes in equity at 31 December

	Share capital DKK '000	Share premium DKK '000	Retained earnings DKK '000	Proposed dividends DKK '000	Total DKK '000
<b>2021</b>					
Balance at the beginning of the year	1.000	-	8.251.437	962.000	9.214.437
Net profit/(loss) for the year			(467.036)		(467.036)
Proposed dividends			(7.500.000)	7.500.000	-
Dividends paid				(962.000)	(962.000)
Exchange rate adjustments of investments in subsidiaries			25.041		25.041
<b>Balance at the end of the year</b>	<b>1.000</b>	<b>-</b>	<b>309.442</b>	<b>7.500.000</b>	<b>7.810.442</b>
<b>2020</b>					
Balance at the beginning of the year	1.000	-	717.462	10.000	728.462
Paid in share capital *)	-	8.514.716			8.514.716
Transfer of share premium to retained earnings		(8.514.716)	8.514.716		-
Net profit/(loss) for the year			34.830		34.830
Proposed dividends			(962.000)	962.000	-
Dividends paid				(10.000)	(10.000)
Exchange rate adjustments of investments in subsidiaries			(53.571)		(53.571)
<b>Balance at the end of the year</b>	<b>1.000</b>	<b>-</b>	<b>8.251.437</b>	<b>962.000</b>	<b>9.214.437</b>

\*) Paid in share capital amounts to nominal DKK 10 at a price of DKK 8,514,716 thousands.

## 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.

### Royalty income

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

### Operating costs

Operating costs comprises costs related to the amortisation of intellectual property rights.

### Administrative costs

Administrative costs comprise expenses for the management and administration of the company.

According to the Danish Financial Statements Act §98b (3) executive management remuneration is not disclosed.

### 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.

### Intangible assets

Intellectual property rights comprises milestones, royalty payments and other related costs. The intellectual property rights are carried at historical cost less accumulated amortisation and any impairment loss. The estimated useful life is the legal duration or the economic useful life depending on which is shorter, and not exceeding 15 years. The amortisation of intellectual property rights, patents and licenses begins after regulatory approval has been obtained or when the intangible asset is considered available for use as intended by management. Amortisation is based on the straight-line method over the estimates useful life. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of intangible assets exceeds the recoverable amount based on the existence of one or more of the above indicators of impairment, any impairment is measured based on discounted projected cash flows. Impairments are reviewed at each reporting date for possible reversal.

### 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.

## Accounting policies

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.

Subsidiaries with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

### Other financial assets

Shares in Novo Nordisk affiliated companies are recognised at fair value.

### Amounts owed by affiliated companies

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.

### 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. 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.

### Dividends

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

### Provisions

Provisions are related to investments in subsidiaries recorded under the equity method and are measured at net realisable value.

### 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

<b>1 - Intangible assets</b>	<b>2021</b>	2020
	DKK '000	DKK '000
Cost at the beginning of the year	7.990.050	-
Additions during the year	-	7.990.050
<b>Cost at the end of the year</b>	<b>7.990.050</b>	<b>7.990.050</b>
Depreciation at the beginning of the year	39.384	-
Amortisation for the year	471.773	39.384
<b>Amortisation at the end of the year</b>	<b>511.157</b>	<b>39.384</b>
<b>Carrying amount at the end of the year</b>	<b>7.478.893</b>	<b>7.950.666</b>

The intellectual property rights have in 2022 been sold to Novo Nordisk A/S, and Novo Nordisk North America Operations A/S will in 2022 have a gain on the same.

<b>2 - Financial assets</b>	<b>2021</b>	2020
	DKK '000	DKK '000
<b>Capital investments in subsidiaries</b>		
Cost at the beginning of the year	3.743.987	3.743.987
<b>Cost at the end of the year</b>	<b>3.743.987</b>	<b>3.743.987</b>
Value adjustments at the beginning of the year	(3.470.191)	(3.027.188)
Profit/(loss) before tax	102.679	106.582
Income taxes on profit for the year	(179.372)	(21.379)
Dividends	(307.654)	(474.635)
Effect of exchange rate adjustment	25.041	(53.571)
<b>Value adjustments at the end of the year</b>	<b>(3.829.497)</b>	<b>(3.470.191)</b>
<b>Carrying amount at the end of the year</b>	<b>(85.510)</b>	<b>273.796</b>

The capital investment in subsidiary is the fully owed subsidiary Novo Nordisk Canada Inc., incorporated in Canada.

Financial assets	-	273.796
Provisions	(85.510)	-
<b>Carrying amount at the end of the year</b>	<b>(85.510)</b>	<b>273.796</b>

<b>3 - Financial income</b>	<b>2021</b>	2020
	DKK '000	DKK '000
Value adjustment of other financial assets	18	11
<b>Total financial income</b>	<b>18</b>	<b>11</b>

<b>4 - Financial expenses</b>	<b>2021</b>	2020
	DKK '000	DKK '000
Foreign exchange rate loss (net)	634	14.406
Other financial expenses	257	56
<b>Total financial expenses</b>	<b>891</b>	<b>14.462</b>

## Notes

<b>5 - Income taxes</b>	<b>2021</b>	<b>2020</b>
	DKK '000	DKK '000
Tax on the profit/(loss) for the year	71.502	(1.732.932)
Deferred tax on the profit/(loss) for the year	(103.790)	1.749.147
WHT dividend	15.383	-
Adjustments recognised for current tax of prior periods	(15.796)	-
<b>Income taxes</b>	<b>(32.701)</b>	<b>16.215</b>

<b>6 - Proposed appropriation of net profit</b>	<b>2021</b>	<b>2020</b>
	DKK '000	DKK '000
Proposed dividends	7.500.000	962.000
Retained earnings	(7.967.036)	(927.170)
<b>Distribution of net profit</b>	<b>(467.036)</b>	<b>34.830</b>

**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 - Share capital**

The share capital consists of 1000,010 shares of nominal value DKK 1. No shares carry any special rights.

	<b>2021</b>	<b>2020</b>
	DKK '000	DKK '000
Share capital 1 January	1.000.010	1.000.000
Capital contribution	-	10
<b>Balance at the end of the year</b>	<b>1.000.010</b>	<b>1.000.010</b>

<b>9 - Provisions</b>	<b>2021</b>	<b>2020</b>
	DKK '000	DKK '000
Provisions at the beginning of the year	-	-
Change for the year	85.510	-
<b>Provisions at the end of the year</b>	<b>85.510</b>	<b>-</b>

The provisions is expected to fall due within the following periods from the balance sheet date:

After 5 years	85.510	-
<b>Provisions at the end of the year</b>	<b>85.510</b>	<b>-</b>

The provision is related to subsidiaries with negative equity value.

## Notes

### 10 - Events after the balance sheet date

The intellectual property rights have in 2022 been sold to Novo Nordisk A/S, and Novo Nordisk North America Operations A/S will in 2022 have a gain on the same.

### 11 - Related party transactions

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 North America Operations 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 the Novo Nordisk Foundation (CVR nr. 10 58 29 89), Tuborg Havnevej 19, 2900 Hellerup, Denmark.

### 12 - 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 section 112 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 North America Operations 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 nr. 10 58 29 89), Tuborg Havnevej 19, 2900 Hellerup, Denmark.