

# **Novo Nordisk Denmark A/S**

**Kay Fiskers Plads 10, 7., 2300 København S**

**Company reg. no. 38 18 00 45**

## **Annual report**

**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 25 May 2023.



Tomas Haagen  
Chairman of the meeting

## **Contents**

---

### **Page**

#### **Reports**

- 1 Management's statement**
- 2 Independent auditor's report**

#### **Management's review**

- 5 Company information**
- 6 Financial highlights**
- 8 Management's review**

#### **Financial statements 1 January - 31 December 2022**

- 10 Income statement**
- 11 Balance sheet**
- 13 Statement of changes in equity**
- 14 Notes**

#### **Notes**

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146 940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

Today, the Board of Directors and the Managing Director have approved the annual report of Novo Nordisk Denmark A/S for the financial year 1 January - 31 December 2022.

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

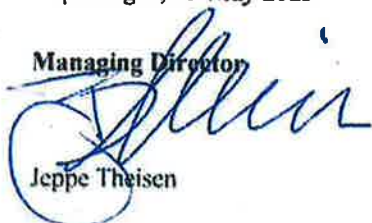
We consider the chosen accounting policy to be appropriate, and in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's Review gives a true and fair review of the matters discussed in the Management's Review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 25 May 2023

**Managing Director**



Jeppe Theisen

**Board of Directors**



Jonas Emil Kongshøj Larsen  
Chairman



Tomas Haagen



Morten Engelund

## **Independent auditor's report**

---

### **To the Shareholder of Novo Nordisk Denmark A/S**

#### **Opinion**

We have audited the Financial Statements of Novo Nordisk Denmark A/S for the financial year 1 January - 31 December 2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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' International 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 Responsibilities 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, 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.

#### **Auditor's Responsibilities 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 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 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.

## **Independent auditor's report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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.
- 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.

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 Management's Review**

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

## **Independent auditor's report**

---

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 25 May 2023

Deloitte  
State Authorised Public Accountants  
Company reg. no. 33 96 35 56

Sumit Sudan  
State Authorised Public Accountant  
mne33716

Özgün Acigora  
State Authorised Public Accountant  
mne48478

## **Company information**

---

### **The company**

Novo Nordisk Denmark A/S  
Kay Fiskers Plads 10, 7.  
2300 København S

Phone +45 35 35 00 02

Company reg. no. 38 18 00 45

Established: 14 November 2016

Domicile: Copenhagen

Financial year: 1 January - 31 December

### **Board of Directors**

Jonas Emil Kongshøj Larsen, Chairman  
Tomas Haagen  
Morten Engelund

### **Managing Director**

Jeppe Theisen

### **Auditor**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6, 2300 København S

## Financial highlights

---

DKK in thousands.	2022	2021	2020	2019	2018
<b>Income statement:</b>					
Revenue	509.920	373.940	330.145	363.936	341.939
Profit from operating activities	42.630	30.232	28.208	8.811	6.162
Net financials	1.404	-1.586	-200	-511	87
Net profit or loss for the year	33.548	21.405	21.278	5.252	4.213
<b>Balance sheet:</b>					
Balance sheet total	446.734	283.420	584.971	149.608	130.040
Investments in property, plant and equipment	23.612	4.375	29.050	0	0
Equity	49.140	36.993	36.587	15.343	10.092
<b>Employees:</b>					
Average number of full-time employees	200	176	152	65	69
<b>Key figures in %:</b>					
Operating margin	8,4	8,1	8,5	2,4	1,8
Gross margin	65,3	79,9	75,5	33,5	32,2
EBITDA-margin	10,3	10,7	11,3	2,5	1,9
Return on assets	11,7	7,0	7,7	6,3	4,8
Current ratio	123,0	131,4	107,6	111,5	108,1
Return on equity	77,9	58,2	81,9	41,3	52,8
Equity ratio	11,0	13,1	6,3	10,3	7,8

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts.

For 2020, Novo Nordisk Denmark A/S implemented IFRS 16. This led to an increase of assets before depreciation of T.DKK 11.694 and depreciations of T.DKK 3.103 in 2020. Novo Nordisk Denmark A/S has chosen not to adjust the comparative figures with the implementation of IFRS 16.



## **Financial highlights**

---

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

<b>Operating margin</b>	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
<b>Gross margin ratio</b>	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
<b>EBITDA margin</b>	$\frac{\text{Earnings before interest, taxes and amortisations} \times 100}{\text{Revenue}}$
<b>Return on assets</b>	$\frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Average assets}}$
<b>Current ratio</b>	$\frac{\text{Current assets} \times 100}{\text{Short term liabilities}}$
<b>Equity ratio</b>	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
<b>Return on equity</b>	$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

## **Management's review**

---

### **Business review**

Novo Nordisk Denmark A/S (secondary name Novo Nordisk Region Europe Pharmaceuticals A/S and Novo Nordisk North West Europe Pharmaceuticals A/S) is selling medicine in the treatment areas diabetes, obesity, rare endocrine and blood disorders as well as hormone replacement treatment. The company is located in Ørestad in Copenhagen, Denmark. Number of average employees has increased from 176 in 2021 to 200 in 2022.

Novo Nordisk Denmark A/S consist of the following three units:

#### **The Danish sales affiliate**

The unit is a fully operational sales affiliate with focus on the distribution of the medicine produced by Novo Nordisk A/S to patients in Denmark and Iceland. Novo Nordisk A/S and Novo Nordisk Healthcare AG bears all the risks for launches as well as research and development, hence launch costs and R&D costs are invoiced to Novo Nordisk A/S and Novo Nordisk Healthcare AG as service fee including a mark-up for internal costs.

#### **North West Europe regional office**

Service company supporting the business areas/large affiliates in Europe (UK, France, Spain, Switzerland, Netherlands, Denmark, Sweden and business area North West Europe mid-size). All costs, both internal and external are invoiced to Novo Nordisk A/S as service fee including a mark-up for internal costs.

#### **North West Europe mid size business area office**

Service company supporting the affiliates in business area North West Europe mid-size (Norway, Finland, Belgium, Austria, Portugal and Ireland). All costs, both internal and external are invoiced to the affiliates in business area NWE mid-size and to Novo Nordisk A/S.

### **Unusual matters having affected the financial statements**

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual matters.

### **Development in activities and financial matters**

The revenue for the year totals DKK 509.919.862 against DKK 373.940.045 last year. Income or loss from ordinary activities after tax totals DKK 33.547.904 against DKK 21.405.179 last year. Management considers the result for the year satisfactory compared to last year's result and last year's expectations. The increase in revenue is primarily explained by an increase in Diabetes and Obesity Care sales in Denmark.

### **Risks**

The risks in the company are limited since Novo Nordisk A/S bears all the risks for launches and research & development. Hence all launch costs and R&D costs are invoiced to Novo Nordisk A/S. All costs, both internal and external, for the regional office and the business area office are (due to a service contract) invoiced to Novo Nordisk A/S or to the affiliates in business area NWE mid-size.

## **Management's review**

---

### **Outlook**

Expectations for the coming years are to significantly increase revenues and profits compared to 2022. The next generation of obesity treatment, Wegovy®, was launched in December 2022 and it is expected to be a key growth driver within the obesity treatment area in 2023.

For further information on products in pipeline and other developments areas, please read the annual report for the Novo Nordisk Group.

### **Events occurring after the end of the financial year**

There have been no events after the financial year that affect the company's financial position.

### **Corporate social responsibility report and report of data ethics according to section 99a and 99d of the Danish Financial Statements Act**

By reference to section 99a (7) of the Danish Financial Statements Act, corporate social responsibility report is disclosed in the annual report for Novo Nordisk A/S. By reference to section 99d (3) of the Danish Financial Statements Act, data ethics are also disclosed in the annual report for Novo Nordisk A/S.

([https://www.novonordisk.com/content/dam/nncorp/global/en/investors/irmaterial/annual\\_report/2023/novo-nordisk-annual-report-2022.pdf](https://www.novonordisk.com/content/dam/nncorp/global/en/investors/irmaterial/annual_report/2023/novo-nordisk-annual-report-2022.pdf)).

### **Report on gender composition in management according to section 99b of the Danish Financial Statements Act**

During 2022, Novo Nordisk Denmark A/S has been working to improve and maintain a sustainable approach to the well-being of the employees, with a strive for a diverse and inclusive working place. All employees should feel a sense of belonging and have the opportunities to realize their potential.

By reference to section 99b in the Financial Statements Act (the underrepresented gender). By the end of 2022, the Board consisted of four male shareholder-elected Board members. The Board therefore continues to pursue the target of including more female Board members.

The gender split for management was 57 % women and 43 % men by the end of 2022. Management is characterized by managers, directors, vice presidents, corporate vice presidents and senior vice president.

For additional information please refer to the Novo Nordisk A/S gender and diversity policies which can be found on the Novo Nordisk ESG portal:

<https://www.novonordisk.com/sustainable-business/esg-portal.html>

## Income statement 1 January - 31 December

All amounts in DKK.

Note	2022	2021
2 Revenue	509.919.862	373.940.045
Other operating income	457.962.345	447.178.659
Costs of sales	-380.789.376	-278.863.582
Other external expenses	-253.920.060	-243.414.140
<b>Gross profit</b>	<b>333.172.771</b>	<b>298.840.982</b>
3 Staff costs	-281.181.118	-258.769.886
Depreciation, amortisation and writedown	-9.361.348	-9.839.594
<b>Profit before net financials</b>	<b>42.630.305</b>	<b>30.231.502</b>
4 Financial income	2.356.913	474.522
5 Other financial expenses	-952.921	-2.060.749
<b>Profit before tax</b>	<b>44.034.297</b>	<b>28.645.275</b>
6 Tax for the year	-10.486.393	-7.240.096
<b>7 Profit for the year</b>	<b>33.547.904</b>	<b>21.405.179</b>

## Balance sheet at 31 December

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>			
8	Land and property	17.029.009	4.627.132
8	Other plants, operating assets, and fixtures and furniture	12.941.111	11.092.279
	Total property, plant, and equipment	<u>29.970.120</u>	<u>15.719.411</u>
	<b>Total non-current assets</b>	<b><u>29.970.120</u></b>	<b><u>15.719.411</u></b>
<b>Current assets</b>			
	Trade receivables	97.701.713	50.772.527
	Receivables from subsidiaries	306.302.454	204.580.717
9	Deferred tax assets	7.912.426	7.644.886
	Other receivables	2.978	11.040
10	Prepayments	4.844.132	4.691.813
	Total receivables	<u>416.763.703</u>	<u>267.700.983</u>
	<b>Total current assets</b>	<b><u>416.763.703</u></b>	<b><u>267.700.983</u></b>
	<b>Total assets</b>	<b><u>446.733.823</u></b>	<b><u>283.420.394</u></b>

## Balance sheet at 31 December

All amounts in DKK.

<b>Equity and liabilities</b>			
Note		2022	2021
<b>Equity</b>			
11	Share capital	500.000	500.000
	Results brought forward	15.140.448	15.092.544
	Proposed dividend for the financial year	33.500.000	21.400.000
	<b>Total equity</b>	<b>49.140.448</b>	<b>36.992.544</b>
<b>Provisions</b>			
12	Other provisions	38.071.560	37.861.758
	<b>Total provisions</b>	<b>38.071.560</b>	<b>37.861.758</b>
<b>Liabilities other than provisions</b>			
13	Lease liabilities	20.612.994	4.764.056
	Total long term liabilities other than provisions	20.612.994	4.764.056
13	Short term part of long term lease liabilities	6.605.043	8.842.848
	Trade payables	20.501.974	19.830.628
	Payables to subsidiaries	196.341.712	50.175.603
	Corporate tax	7.962.535	9.357.806
	Other payables	107.497.557	115.595.151
	Total short term liabilities other than provisions	338.908.821	203.802.036
	<b>Total liabilities other than provisions</b>	<b>359.521.815</b>	<b>208.566.092</b>
	<b>Total equity and liabilities</b>	<b>446.733.823</b>	<b>283.420.394</b>
<b>1 Accounting policies</b>			
<b>14 Contingencies</b>			
<b>15 Related parties</b>			

## **Statement of changes in equity**

---

All amounts in DKK.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Proposed dividend for the financial year</b>	<b>Total</b>
Equity 1 January 2022	500.000	15.092.544	21.400.000	36.992.544
Distributed dividend	0	0	-21.400.000	-21.400.000
Profit or loss for the year brought forward	0	47.904	33.500.000	33.547.904
	<b>500.000</b>	<b>15.140.448</b>	<b>33.500.000</b>	<b>49.140.448</b>

## Notes

---

### 1. Accounting policies

The annual report for Novo Nordisk Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated Financial Statements of Novo Nordisk A/S.

According to section 96 (3) of the Danish Financial Statements Act, the company has not disclosed the fee to the auditor, as the relevant information is included in the consolidated Financial Statements of Novo Nordisk A/S.

#### Changes in the accounting policies

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

#### Adjustments to prior year

The comparative figures for 2021 have been changed for the following financial statement line items.

Staff costs are changed from 271.819.870 DKK to 258.769.887 DKK and Other external expenses are changed from 230.364.156 DKK to 243.414.140 DKK.

Until 2021, staff costs also included Other staff costs such as catering, celebrations etc. Staff costs should only include wages, salary, pension and other social security contributions.

Comparative figures and financial highlights have been adjusted.

#### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.



## Notes

---

### **1. Accounting policies (continued)**

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

#### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest Financial Statements of the receivable or payable is recognised in the income statement under financial income and expenses.

### **Income statement**

#### **Revenue**

The enterprise is applying IFRS 15 as its basis of interpretation for the recognition of revenue.

Revenue consist of the net sales of pharmaceutical products sold to patients.

Revenue from sale of goods is recognised when Novo Nordisk Denmark A/S has transferred control of products sold to the buyer and it is probable that Novo Nordisk Denmark A/S will collect the consideration to which it is entitled for transferring the products.

#### **Other operating income**

Other operating income is related to invoiced service fees to Novo Nordisk A/S and Novo Nordisk Healthcare AG which consist of the income from the rendering of services is recognised as revenue as the services are rendered.

#### **Cost of sales**

Cost of sales comprises costs concerning purchase of finished goods and consumables less discounts.

## Notes

---

### 1. Accounting policies (continued)

#### **Other external expenses**

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises and loss on receivables.

#### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less public reimbursements.

#### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to tangible fixed assets.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing and reimbursements under the advance tax scheme, etc.

#### **Tax on net profit or loss for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

### **Balance Sheet**

#### **Tangible assets**

Tangible assets are measured at cost with deduction of accrued depreciation and writedown.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

## Notes

---

### 1. Accounting policies (continued)

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Fixtures and furniture, other plant and equipment	10 years

### Leases

The enterprise is applying IFRS 16 as its basis of interpretation for the recognition of classification and recognition of leases.

Leases pertaining to property, plant, and equipment for which the enterprise has the right-of-use are recognised in the statement of financial position as right-of-use assets. The assets are, at initial recognition, measured at imputed cost, consisting of:

- The imputed lease liability
- Any lease payments paid prior to – or on – the starting date, less any lease incentives received
- Any direct start-up costs
- Any restoring costs

Hereafter, recognised leased assets are treated like the enterprise's remaining property, plant, and equipment.

Lease liabilities are recognised in the statement of financial position as liabilities other than provision and are measured, at initial recognition, at the present value of lease payments payable over the lease term. This includes a purchase option in the event that the enterprise expects to purchase the right-of-use asset. When determining the present value, the internal rate of return or, alternatively, the enterprise's borrowing rate is applied as discount rate.

Hereafter, the lease liability is treated like the remaining financial liabilities, i.e. at amortised cost.

The interest element of the lease payments is recognised in the income statement over the contractual term.

The following leases are not recognised as assets and liabilities in the statement of financial position:

- Leases with a duration of twelve months or less (short leases)
- Leases where the replacement value of the asset is less than DKK 30,000. (low-value assets)

### 1. Accounting policies (continued)

For such leases, the lease payment is recognised in the income statement as an expense on a linear basis over the lease term.

#### **Impairment loss relating to non-current assets**

If there are indicators of impairment in tangible fixed assets, an impairment test will be performed.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

#### **Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. In order to meet expected losses, they are written down for impairment to the net realisable value.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtor's domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### **Prepayments**

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

## Notes

---

### 1. Accounting policies (continued)

#### Equity

#### Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

#### Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

#### Provisions

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

#### Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

#### Segmental statement

Information on activity and geographical markets is provided. Segment for Biopharm has been renamed to Rare Disease in 2022.

## Notes

All amounts in DKK.

	2022	2021
<b>2. Revenue</b>		
Diabetes and Obesity Care, Denmark	265.808.390	146.055.133
Diabetes and Obesity Care, Iceland	73.847.779	61.293.546
Rare Disease, Denmark	161.055.300	159.076.987
Rare Disease, Iceland	9.208.393	7.514.379
	<b>509.919.862</b>	<b>373.940.045</b>
<b>3. Staff costs</b>		
Salaries and wages	261.414.986	240.461.181
Pensions	18.004.573	17.246.575
Other social security costs	1.761.559	1.062.130
	<b>281.181.118</b>	<b>258.769.886</b>
Average number of employees	200	176
By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
Incentive programmes		
Management participates in Novo Nordisk A/S's incentive programme.		
<b>4. Financial income</b>		
Interest income, group entities	1.004.387	143.835
Other financial income	1.352.526	330.687
	<b>2.356.913</b>	<b>474.522</b>
<b>5. Other financial expenses</b>		
Financial costs, group enterprises	306.787	1.300.173
Other financial costs	646.134	760.576
	<b>952.921</b>	<b>2.060.749</b>

## Notes

All amounts in DKK.

	2022	2021	
<b>6. Tax for the year</b>			
Tax charge for the year	10.753.933	12.489.361	
Deferred tax adjustments in the year	-267.540	-5.249.265	
	<b>10.486.393</b>	<b>7.240.096</b>	
<b>7. Proposed distribution of net profit</b>			
Dividend for the financial year	33.500.000	21.400.000	
Transferred to retained earnings	47.904	5.179	
<b>Total allocations and transfers</b>	<b>33.547.904</b>	<b>21.405.179</b>	
<b>8. Property, plant and equipment</b>			
	<b>Leasehold improvements</b>	<b>Land and property</b>	<b>Fixtures and fittings, other plant and equipment</b>
Cost at 1 January 2022	0	15.716.825	18.089.419
Acquisitions	451.251	17.317.473	5.843.333
Retirement	0	-15.716.824	-1.758.164
<b>Cost at 31 December 2022</b>	<b>451.251</b>	<b>17.317.474</b>	<b>22.174.588</b>
Impairment losses and depreciation at 1 January 2022	0	11.089.692	6.997.140
Depreciation	7.521	4.915.596	4.438.231
Reversal of depreciation retirements	0	-15.716.824	-1.758.164
<b>Impairment losses and depreciation at 31 December 2022</b>	<b>7.521</b>	<b>288.464</b>	<b>9.677.207</b>
<b>Carrying amount at 31 December 2022</b>	<b>443.730</b>	<b>17.029.010</b>	<b>12.497.381</b>
Lease assets are recognised at a carrying amount of	0	17.029.010	9.850.031

## Notes

All amounts in DKK.

	31/12 2022	31/12 2021
<b>9. Deferred tax assets</b>		
Deferred tax assets 1 January 2022	7.644.886	2.395.620
Deferred tax of the results for the year	267.540	5.249.266
	<b>7.912.426</b>	<b>7.644.886</b>

Deferred tax assets consist of fixtures and fittings, other plant and equipment and provisions.

## 10. Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including payments for market data, software licenses and facility expenses.

## 11. Share capital

The share capital of the Company is DKK 500.000 divided into shares of DKK 1 each. The Company was founded 14 November 2016 and there has been no change in the share capital.

## 12. Other provisions

Other provisions 1 January 2022	37.861.758	14.848.418
Change of the year in other provisions	209.802	23.013.340
	<b>38.071.560</b>	<b>37.861.758</b>

Other provisions comprise provisions for anniversary bonuses, totalling DKK 2.027.409 and management and employee shares, totalling DKK 36.044.151. Management participate in a long-term share-based incentive programme linked to the performance of Novo Nordisk.

In addition to the management programme, all employees in the Novo Nordisk Group, including Novo Nordisk Denmark A/S, was offered 75 restricted stock units in August 2019. A stock unit gives the right to receive one Novo Nordisk share free of charge in February 2023 subject to continued employment.

## 13. Lease liabilities

Share of liabilities due within one year	6.605.043	8.842.848
Share of liabilities due between one and five years	20.612.994	4.764.056
Share of liabilities due after five years	0	0
	<b>27.218.037</b>	<b>13.606.904</b>



## Notes

---

All amounts in DKK.

### 14. Contingencies

#### Contingent liabilities

Novo Nordisk Denmark A/S is jointly taxed with the Danish companies in 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.

### 15. Related parties

#### Controlling interest

##### Related Party

Novo Nordisk Region Europe A/S  
Novo Alle 1  
2880 Bagsværd  
Denmark

##### Basis for control

Principle shareholder  
owns 100 %

#### Information about consolidated Financial Statements

##### Parent

Novo Nordisk A/S  
Novo Alle 1  
2880 Bagsværd  
Denmark

Requisitioning of the  
parent company's  
consolidated Financial  
Statements:  
[www.novonordisk.dk](http://www.novonordisk.dk)

Novo Nordisk A/S is included in the consolidated financial statements of Novo Nordisk Foundation, Tuborg Havnevej 19, 2900 Hellerup.

#### Transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.