

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 2023

The annual report was submitted and approved by the general meeting on the 21 May 2024.

Malin Eva Maria Andreasen
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 2023

12	Income statement
13	Balance sheet
15	Statement of changes in equity
16	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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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, 21 May 2024

Managing Director

Jeppe Theisen

Board of Directors

Jonas Emil Kongshøj Larsen
Chairman

Malin Eva Maria Andreasen

Anders Rytter Mikkelsen

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 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Company. The financial statements are prepared 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 2023, and of the results of the it's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 this auditor's 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, for 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of Management's Review.

Copenhagen, 21 May 2024

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
Malin Eva Maria Andreassen
Anders Rytter Mikkelsen

Managing Director

Jeppe Theisen

Auditor

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6, 2300 København S

Parent company

Novo Nordisk Region Europe A/S

Financial highlights

DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Revenue	2.017.346	509.920	373.940	330.145	363.936
Profit from operating activities	101.020	42.630	30.232	28.208	8.811
Net financials	6.892	1.404	-1.586	-200	-511
Net profit or loss for the year	81.998	33.548	21.405	21.278	5.252
Balance sheet:					
Balance sheet total	1.184.004	446.734	283.420	584.971	149.608
Investments in property, plant and equipment	19.003	23.612	4.375	29.050	0
Equity	97.638	49.140	36.993	36.587	15.343
Employees:					
Average number of full-time employees	236	200	176	152	65
Key figures in %:					
Gross margin	5,0	8,4	8,1	8,5	2,4
Operating margin	23,5	65,3	79,9	75,5	33,5
EBITDA-Margin	5,5	10,3	10,7	11,3	2,5
Return on assets	12,4	11,7	7,0	7,7	6,3
Current ratio	113,2	123,0	131,4	107,6	111,5
Return on equity	111,7	77,9	58,2	81,9	41,3
Equity ratio	8,2	11,0	13,1	6,3	10,3

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:

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

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 200 in 2022 to 236 in 2023.

Novo Nordisk Denmark A/S consist of the following three business 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 and Novo Nordisk Healthcare AG 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 such as UK, France, Spain, Switzerland, Netherlands, Denmark, Sweden and business area North West Europe mid-size (Norway, Finland, Belgium, Austria, Portugal and Ireland). 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. All costs, both internal and external are invoiced to Novo Nordisk A/S as service fee including a mark-up for internal costs.

Unusual matters having affected the financial statements

No unusual matters has effected the financial statements for 2023.

Management's review

Development in activities and financial matters

The revenue for the year totals 2.017.346 tDKK against 509.920 tDKK last year. Net profit from the year totals 81.998 tDKK against 33.547 tDKK last year. The revenue growth in 2023 (+1.507.427 tDKK) was driven by Ozempic® and Wegovy® primarily. There was a high growth of patients receiving Ozempic® and a larger share of the Ozempic® sales was covered by Novo Nordisk Denmark due to lower levels of Ozempic® import, overall, this resulted in a sales growth of 653.236 tDKK for Ozempic®. The launch of Wegovy® was also a key driver of growth in 2023 contributing with +851.630 tDKK growth versus 2022.

The full year staff cost was 362.696 tDKK against 281.181 tDKK last year. The increasing cost base was a result of higher capacity cost driven by an increase in the manning by 36 FTE versus 2022 to a total of 236 FTE. The higher manning was primarily related to the clinical and medical expansions including Clinical Development Center (+ 24 FTE versus 2022). Overall direct marketing Investments increased to DKK 97.895 tDKK in 2023 vs. DKK 87.577 tDKK last year. The marketing investment were primarily allocated to Rybelsus® and Wegovy®.

The financial position at 31 December 2023 has been significantly impacted by growth in the semaglutide portfolio with extraordinary results from the launch of Wegovy® in January 2023 and continued growth of Ozempic. Additionally, Ozempic sales in Denmark have been subject to significantly less parallel trade versus previous years, sales which are picked up by Novo Nordisk 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.

Outlook

Sales and cost in 2024 are expected to be at a similar level to 2023 with a net profit between 70.000-80.000 tDKK, however, the GLP-1a portfolio for both diabetes and obesity is expected to constitute an increasingly larger share of the sales (in 2024 GLP-1a will account for 86% of the sales which equates to an increase of +5%p versus last year). Direct marketing investments will be focused on Rybelsus® and Wegovy® in 2024. The FTE base is not expected to grow substantially in 2024.

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.

Management's review

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

Information on CSR

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/2024/novo-nordisk-annual-report-2023.pdf

Target figures and policies for the underrepresented gender

Overview of the status of target figures for the underrepresented gender

	2023
Board of Directors	
Total number of members of board of Directors, excluding employee-elected members	3
Underrepresented gender in board of Directors	0 %
Target figure of underrepresented gender in board of Directors	45 %
Year of expected fulfillment	2025
Other management levels	
Total number of other management levels	8
Underrepresented gender at other management levels	50 %
Target figure of underrepresented gender at other management levels	Not required
Year of expected fulfillment	Not required

In April 2024, changes in BoD has been done and a woman has been elected.

Target figures for the company's top management

During 2023, 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), at the end of 2023, the Board consisted of three male shareholder-elected Board members. During 2023 there has been no changes in the structure of BoD or in the positions that is applicable for the members (SVP of Region North West Europe, General Manager of the Danish Sales Affiliate and CVP of Finance & Operations in Region North West Europe). The Board therefore continues to pursue the target of including more female Board members.

Management's review

Management in Novo Nordisk Denmark A/S is characterized by managers, directors, vice presidents, corporate vice presidents and one senior vice president.

As of 31 December 2023, the share of the underrepresented gender in the Board of Directors at Novo Nordisk Denmark A/S is 0% and have achieved a 50% representation for other management. Other management in this report are people managers reporting directly to the SVP of Region North West Europe. Novo Nordisk globally has a target of achieving a minimum 45% representation at an upper management level and are striving towards a balanced gender ration at all other levels of management. At Novo Nordisk Denmark A/S we have achieved equal gender representation with our other management level. Key actions in 2023 have been to ensure that the company has robust succession planning across each of the areas and a equitable, fair and open approach to recruitment.

Policies for the company's other management levels

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>

Novo Nordisk Denmark A/S focuses on three specific primary drivers in the gender and diversity agenda locally: Mitigating bias, creating an inclusive workplace and having leaders serve as role models.

Its most significant activities include yearly equal pay reviews, a gender neutral parental leave policy, tracking of gender representation across all managerial levels and aspirational gender diversity targets of at least 45% of underrepresented gender in managerial positions.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
2 Revenue	2.017.346.469	509.919.862
Other operating income	572.245.049	457.962.345
Costs of sales	-1.805.069.456	-380.789.376
Other external expenses	-311.043.278	-253.920.060
Gross profit	473.478.784	333.172.771
3 Staff costs	-362.696.623	-281.181.118
Depreciation, amortisation and writedown	-9.762.073	-9.361.348
Profit before net financials	101.020.088	42.630.305
4 Financial income	9.715.586	2.356.913
5 Financial expenses	-2.823.959	-952.921
Profit before tax	107.911.715	44.034.297
6 Tax for the year	-25.914.102	-10.486.393
7 Net profit or loss for the year	81.997.613	33.547.904

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets		
Non-current assets		
8 Land and property	21.396.117	17.029.009
8 Other plants, operating assets, and fixtures and furniture	17.815.090	12.941.111
Total property, plant, and equipment	<u>39.211.207</u>	<u>29.970.120</u>
Total non-current assets	<u>39.211.207</u>	<u>29.970.120</u>
Current assets		
Trade receivables	383.268.074	97.701.713
Receivables from subsidiaries	687.738.720	306.302.454
9 Deferred tax assets	11.184.068	7.912.426
Other receivables	59.088.386	2.978
10 Prepayments	3.513.581	4.844.132
Total receivables	<u>1.144.792.829</u>	<u>416.763.703</u>
Total current assets	<u>1.144.792.829</u>	<u>416.763.703</u>
Total assets	<u>1.184.004.036</u>	<u>446.733.823</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity and liabilities		
Equity		
11 Share capital	500.000	500.000
Results brought forward	15.138.061	15.140.448
Proposed dividend for the financial year	82.000.000	33.500.000
Total equity	97.638.061	49.140.448
Provisions		
12 Other provisions	44.897.615	38.071.560
Total provisions	44.897.615	38.071.560
Liabilities other than provisions		
13 Lease liabilities	29.881.568	20.612.994
Total long term liabilities other than provisions	29.881.568	20.612.994
Current portion of long term liabilities	6.677.515	6.605.043
Trade payables	33.345.109	20.501.974
Payables to subsidiaries	823.619.295	196.341.712
Corporate tax	26.544.744	7.962.535
14 Other payables	121.400.129	107.497.557
Total short term liabilities other than provisions	1.011.586.792	338.908.821
Total liabilities other than provisions	1.041.468.360	359.521.815
Total equity and liabilities	1.184.004.036	446.733.823

1 Accounting policies

15 Contingencies

16 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2023	500.000	15.140.448	33.500.000	49.140.448
Distributed dividend	0	0	-33.500.000	-33.500.000
Profit or loss for the year brought forward	0	-2.387	82.000.000	81.997.613
	500.000	15.138.061	82.000.000	97.638.061

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).

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

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.

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.

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.

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.

1. Accounting policies (continued)

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.

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.

1. Accounting policies (continued)

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.

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

1. Accounting policies (continued)

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)

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.

1. Accounting policies (continued)

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.

Equity

Dividend

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

Income 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 year's 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 temporary differences in assets and liabilities with a balance sheet focus.

1. Accounting policies (continued)

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.

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
2. Revenue		
Diabetes and Obesity Care, Denmark	1.675.278.740	265.808.390
Diabetes and Obesity Care, Iceland	122.392.711	73.847.779
Rare Disease, Denmark	209.377.439	161.055.300
Rare Disease, Iceland	10.297.579	9.208.393
	<u>2.017.346.469</u>	<u>509.919.862</u>
3. Staff costs		
Salaries and wages	337.707.526	261.414.986
Pension costs	23.813.996	18.004.573
Other costs for social security	1.175.101	1.761.559
	<u>362.696.623</u>	<u>281.181.118</u>
Average number of employees	<u>236</u>	<u>200</u>
<p>By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.</p> <p>Incentive programmes: Management participates in Novo Nordisk A/S's incentive programme.</p>		
4. Financial income		
Interest income, group entities	8.555.409	1.004.387
Other financial income	1.160.177	1.352.526
	<u>9.715.586</u>	<u>2.356.913</u>
5. Financial expenses		
Financial costs, group enterprises	580.021	306.787
Other financial costs	2.243.938	646.134
	<u>2.823.959</u>	<u>952.921</u>

Notes

All amounts in DKK.

	2023	2022	
6. Tax for the year			
Tax charge for the year	29.185.743	10.753.933	
Deferred tax adjustments in the year	-3.271.641	-267.540	
	25.914.102	10.486.393	
7. Proposed distribution of net profit			
Dividend for the financial year	82.000.000	33.500.000	
Transferred to retained earnings	0	47.904	
Allocated from retained earnings	-2.387	0	
Total allocations and transfers	81.997.613	33.547.904	
8. Property, plant and equipment			
	Leasehold improvements	Land and property	Fixtures and fittings, other plant and equipment
Cost at 1 January 2023	451.251	17.317.474	22.174.588
Acquisitions	0	8.387.538	10.615.620
Retirement	0	0	-2.693.236
Cost at 31 December 2023	451.251	25.705.012	30.096.972
Impairment losses and depreciation at 1 January 2023	7.521	288.464	9.677.207
Depreciation	90.250	4.020.431	5.651.392
Reversal of depreciation retirements	0	0	-2.693.236
Impairment losses and depreciation at 31 December 2023	97.771	4.308.895	12.635.363
Carrying amount at 31 December 2023	353.480	21.396.117	17.461.609
Lease assets are recognised at a carrying amount of	0	21.396.117	12.050.451

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
9. Deferred tax assets		
Deferred tax assets 1 January 2023	7.912.426	7.644.886
Deferred tax of the results for the year	<u>3.271.642</u>	<u>267.540</u>
	<u>11.184.068</u>	<u>7.912.426</u>

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 2023	38.071.560	37.861.758
Change of the year in other provisions	<u>6.826.055</u>	<u>209.802</u>
	<u>44.897.615</u>	<u>38.071.560</u>

Other provisions comprise provisions for anniversary bonuses, totalling DKK 2.027.409 and management and employee shares, totalling DKK 42.870.206. Management participate in a long-term share based incentive programme linked to the performance of Novo Nordisk Group.

In connection with Novo Nordisk's 100 year anniversary and in appreciation of the efforts of employees during recent years, as of 1 February 2023, all eligible employees in the company were offered 74 restricted stock units. Each restricted stock unit gives the holder the right to receive one Novo Nordisk B share free of charge in August 2026, subject to continued employment.

13. Lease liabilities

Share of liabilities due within one year	6.677.515	6.605.043
Share of liabilities due between one and five years	29.881.568	20.612.994
Share of liabilities due after five years	<u>0</u>	<u>0</u>
	<u>36.559.083</u>	<u>27.218.037</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
14. Other payables		
Payable VAT	0	10.557.114
The Danish Labour Market Supplementary Pension Scheme and other social con	225.401	182.801
Salaries, wages and bonus	81.239.236	59.384.778
Pension contributions	3.409.944	2.835.697
Holiday pay	16.687.220	13.886.725
Accrued Expenses	19.229.484	20.197.750
Other payables	608.844	452.692
	<u>121.400.129</u>	<u>107.497.557</u>

15. Contingencies

Contingent liabilities

The company has issued a payment guarantee to the bank, which as of 31 December 2023 amounted to TDKK 3,163.

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.

Notes

All amounts in DKK.

16. 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

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.

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<p>Jonas Emil Kongshøj Larsen Bestyrelsesformand Serienummer: 6049c9b1-715e-4e4c-b8a9-b23ee8036e3d IP: 165.225.xxx.xxx 2024-05-21 11:55:57 UTC</p> <p>Mit </p>	<p>Jeppe Theisen Adm. direktør Serienummer: c503ed1f-043b-4d27-9892-81f7c885ad2e IP: 83.73.xxx.xxx 2024-05-21 12:22:44 UTC</p> <p>Mit </p>
<p>Özgün Acigora Revisor Serienummer: 90fe4a34-1c57-435e-bb66-02ecd4d79f77 IP: 163.116.xxx.xxx 2024-05-21 16:09:06 UTC</p> <p>Mit </p>	<p>Sumit Sudan Revisor Serienummer: 1c4744a6-b382-43b0-9903-6275c0ff5786 IP: 163.116.xxx.xxx 2024-05-21 18:37:25 UTC</p> <p>Mit </p>

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Anders Rytter Mikkelsen

Bestyrelsesmedlem

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