

Eli Lilly Danmark A/S

Lyskær 3 E, 2. tv.

2730 Herlev

CVR No. 51619811

Annual Report 2022

45. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 29 June 2023

Lone Rosenørn Jakobsen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Eli Lilly Danmark A/S for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Herlev, 29 June 2023

Executive Board

Lone Rosenørn Jakobsen
Man. Director

Board of Directors

Jose Daniel Lucas Guerrero
Chairman

Lone Rosenørn Jakobsen
Member

Helene Rathkjen
Member

Independent Auditor's report

To the shareholders of Eli Lilly Danmark A/S

Opinion

We have audited the financial statements of Eli Lilly Danmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. 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 financial position of the Company at 31 December 2022 and of the results of the Company's operations and cash flows 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

Independent Auditor's report

- * 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's 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's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 29 June 2023

EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

Mikkel Sthyr
State Authorised Public Accountant
mne26693

Simon Blendstrup
State Authorised Public Accountant
mne44060

Company details

Company	Eli Lilly Danmark A/S Lyskær 3 E, 2. tv. 2730 Herlev
Telephone	45 45 26 60 00
Telefax	45 45 26 60 01
email	Danmark@lilly.com
Website	www.eli-lilly.dk
CVR No.	51619811
Date of formation	31 January 1975
Registered office	Herlev
Board of Directors	Jose Daniel Lucas Guerrero Lone Rosenørn Jakobsen Helene Rathkjen
Executive Board	Lone Rosenørn Jakobsen, Man. Director
Auditors	EY Godkendt Revisionspartnerselskab c/o Postboks 250 Dirch Passers Allé 36 2000 Frederiksberg CVR-no.: 30700228
Bank	BNP Paribas

Management's Review

Business activities and mission

Eli Lilly and Company discovers, develops, manufactures, and markets products in a single business segment human pharmaceuticals. Our purpose is to unite caring with discovery to create medicines that make life better for people around the world. Most of the products we sell today were discovered or developed by our own scientists, and our long-term success depends on our ability to continually discover or acquire, develop, and commercialize innovative new medicines. Our products are sold in approximately 120 countries and globally, Lilly medicines helped 51 million people manage serious and challenging illnesses last year, including diabetes, cancer, migraine, and autoimmune conditions.

The activities of Eli Lilly Danmark A/S include the prioritized therapeutic areas Diabetes, Oncology, Neuroscience, and Immunology in Denmark, Finland, Norway, and Iceland.

Significant events during the financial year

2022 saw Lilly's product portfolio continue to grow across several key therapeutic areas across the Northern European hub. In Denmark product approvals occurred in our Neurology and Diabetes portfolios.

In 2022, the global COVID-19 pandemic once again had significant impact on Lilly's ability to conduct business through in-person channels. Throughout this period, the company has been focused on maintaining a reliable supply of our medicines; reducing the strain on the medical system; providing effective treatments for COVID-19; and protecting the health, safety, and well-being of our employees. Throughout the last 12 months, we experienced both a pause and re-engagement of in-person interactions in step with the guidelines imposed across the country according to peaks and waves of the disease. By the end of the year in-person interactions were restored after a significant period of remote working due to COVID-19.

Unusual matters

The financial statements are not affected by any material unusual matters in 2022.

Post financial year events

The company's business operations have not been affected by any material adjusting or non-adjusting events after the reporting period.

Expected future development

Our internal pharmaceutical research focuses primarily on the areas of diabetes, oncology, immunology, neurodegeneration, and pain. In addition to discovering and developing new medicines, we seek to expand the value of existing products through new uses and formulations to provide additional value to patients. Our focus will be to continue the collaboration with authorities to secure patient access to our new molecules and lines extensions.

Management expects a positive result for 2023 with profit estimated around DKK 35,000 thousand and forecasted revenue around DKK 700,000 thousand.

General risks

Eli Lilly's most important operating risks are our ability to get access for new medicines, to protect our IP rights and work successfully with our key stakeholders.

Financial risks

Due to our solidity and financial preparedness, Eli Lilly Danmark A/S has a limited exposure to changes in interest rates. However, Eli Lilly Danmark A/S is exposed to currency risks related to sales to other Nordic countries.

Currency risks

As Eli Lilly Danmark A/S invoices our customers in DKK, NOK, and EUR, while a substantial part of the purchase is in DKK, the company is exposed to currency fluctuations and to some currency risks. But the risk is considerate to be non-material to the overall performance.

Management's Review

Credit risks

Eli Lilly Danmark A/S credit risks primarily relate to financial assets recognized in the balance sheet Accounts Receivables (AR). Eli Lilly Danmark A/S only invoices a few high value customers. To mitigate this risk, all major customers and other collaborators are credit rated on a regular basis.

Investments - Research and development activities

No major capital investments in Eli Lilly Danmark A/S, besides our ongoing investment in R&D activities, where we conduct multiple studies within Oncology, Diabetes, Neuroscience & autoimmune diseases. These studies are conducted either in-house or outsourced to 'Contract Research Organizations (CROs)', and we contribute to Eli Lilly's overall clinical program. The research is carried out on behalf of the Eli Lilly Group, from which the company received payments on ordinary market terms. In 2022, the company's research and development costs in Denmark was DKK 4,807 thousand.

Working Capital

The company's financial preparedness amounts to DKK 25,426 thousand at the end of the financial year.

The equity ratio is 42% at the end of 2022, compared to 35% end of 2021, corresponding to an equity of DKK 69,916 thousand December 31, 2022, against DKK 48,820 end of 2021.

No dividend was paid in 2022. The Board of Directors propose that a dividend of DKK 30,000 thousand is to be paid out in 2023.

Net profit/loss for the year compared with previously expressed expectations

The annual report for 2022 show a profit before tax of DKK 27,208 thousand compared to a profit before tax of DKK 21,876 thousand in 2021, and in line with the expectations of DKK 24,000 thousand for 2022.

Revenue has increased to DKK 605,577 thousand compared to DKK 581,520 thousand in 2021 and is in line with expected DKK 600,000 thousand for 2022. The increase compared to 2021 is due to our recent launched products. We are overall satisfied with the result for 2022.

Environmental, Social & Governance cf. §99a

The activities of Eli Lilly Danmark A/S consist primarily of distributor of ethical pharmaceutical products developed, patented, and manufactured by other related parties. In addition, Lilly Denmark sells pharmaceutical products to wholesalers in Finland and Norway. Marketing and associated support for these sales is provided by the Lilly entities in those countries.

As a distributor of ethical pharmaceutical products, Lilly Denmark is responsible for the distribution, logistics, selling and detailing, marketing and promotion of products.

Based on a risk assessment, the company has not identified significant risks with regard to human rights, climate impact, environment, social conditions and employee relations, as well as anti-corruption. As a result, no policies have been drawn up for the respective areas.

Data ethics

With reference to the requirements under section 99(d) of the Danish Financial Statements Act Eli Lilly Danmark A/S does not have a separate local policy on Data ethics. The reason we do not have a separate policy on Data ethics is that Eli Lilly & Company have several policies describing different aspect of Data ethics such as the use of Real-World Data, Respecting Privacy, Records Management, Publishing Scientific Information, GDPR etc.

Management's Review

Gender distribution in management cf. §99b

Empowering a diverse workforce, continues to be a key focus area for Lilly, and we are committed to creating and sustaining an open, inclusive, and diverse environment, where all employees feel valued, respected, and heard. Embracing diversity at Lilly means understanding, respecting, and valuing differences, including race, religion, sexual orientation, gender identity, disability status, work style, national origin, and age.

In order to foster a strong culture of belonging, there are five employee resource groups actively engaged across the Northern European Hub, including the Gender Inclusion Network which works to remove obstacles that prevent women and men at Lilly from achieving their full potential; Generation-Lilly whose purpose is to promote and embrace a multi-generational culture; ENABLE which has the objective of creating a disability-confident culture; LGBT+Allies which promotes the equal experience, treatment and safety for Lesbian, Gay, Bi and Trans people; and embRACE, which has the purpose of creating an environment where people of colour are empowered to be their authentic selves and a culture where we celebrate differences.

At Lilly, our commitment to diversity spans our workplace, but also shapes our understanding of the marketplace, and our relationships with suppliers. A focus on diversity and inclusion is built into our workplace culture. From recruiting and hiring to talent management processes and supervisor coaching, we see direct benefit when our workforce is representative of the customers we serve. We also benefit from each employee's diverse views and ideas. A strong emphasis has been placed on inclusive leadership, unconscious bias education and psychological safety to assist employees to be the best they can be. Gender distribution is part of the workplace diversity commitment, and our goal is to keep a good balance between the genders in all management layers.

As per December 31, 2022, the other managerial position consists of the managing director, which is one woman, counted by head count. The Board of Directors persists of two females and one male.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

	2022	2021	2020	2019	2018
In T.DKK					
Revenue from continued operations	605.577	581.520	531.908	527.956	544.179
Operating profit/loss from continued operations	34.186	21.538	17.915	24.015	26.461
Net financial income and expenses from continued operations	-6.978	338	-4.888	-1.087	-1.610
Net result from continued operations	21.095	17.045	10.105	17.826	19.112
Net result from discontinued operations	0	0	0	244.811	8.652
Total assets from continued operations	168.467	139.954	183.982	183.165	183.839
Total equity from continued operations	69.915	48.820	91.775	81.670	114.033
Avg. number of full-time employees	49	51	49	46	49
Ratios					
Return on assets (%)	22	12	10	11	9
Return on equity (ROE) (%)	34	24	12	268	16
Equity ratio (%)	42	27	50	45	46

For definitions of key ratios, see Accounting and Valuation Principles

Accounting Policies

Reporting Class

The Annual Report of Eli Lilly Danmark A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Accounting policies Cash Flow Statement

According to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.

The cash flow statement is part of the cash flow statement in the consolidated financial statements for Eli Lilly and Company, Indianapolis.

Reporting currency

The Annual Report is presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

Accounting Policies

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue

The company has chosen IAS 11 / IAS 18 as interpretation for revenue recognition.

On the conclusion of sales contracts which consist of several, separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods and services are met.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be calculated reliably and when each individual sales transaction has a separate value for the purchaser. Sales transactions are deemed to have a separate value for the purchaser when the transaction is individually identifiable and is usually sold separately.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales comprise purchase of goods and services for resale.

Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation and impairment of tangible assets

Leasehold improvements and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset.

Interest expenses on loans to finance the production of items of property, plant and equipment, and which relate to the production period, are recognised in cost. All other borrowing costs are recognised in the income statement.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Accounting Policies

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life.

The expected useful lives of the assets are as follows:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	4-5 years	0%
Leasehold improvements	5 years	0%

Depreciation is recognised in the income statement as Depreciation of intangible and tangible assets.

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Fixed assets

Fixed assets are measured at cost and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

The depreciation basis is measured as the cost with deductions of the expected scrap value. The depreciation period and the scrap value are estimated at the time of purchase and reestimated yearly. If the scrap value is estimated to be higher than the tangible assets booked value then no depreciation will take place.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Deposits

Deposits are measured at cost.

Accounting Policies

Receivables

Receivables are measured at amortised cost.

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 an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the Group's credit 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 net 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.

The company has chosen IAS 39 as interpretation for impairment of financial receivables

Prepaid expenses

Prepaid expenses recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand. Due to the nature of the agreement, deposits on the Group's cash pool agreement are not considered cash and cash equivalents, but are included in the annual report as receivables from and payables to group enterprises.

Equity

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

Provisions and contingent liabilities

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the Company has a legal or actual obligation as a result of a past event, and it is likely that settlement will result in the Company spending financial resources.

Provisions are measured at capital value.

Accounting Policies

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to office premises and other items where temporary differences arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate.

Other liabilities are measured at net realisable value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Segment information

Segment information is provided about activity and geographically. Segmentation is in accordance with the Company's internal reporting and responsibilities. The segment figures are prepared according to the same policies as the Corporate Financial Statements.

Accounting Policies

Explanation of financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on equity (%)	=	$\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$
Return on assets (%)	=	$\frac{\text{Operating profit (EBIT) X 100}}{\text{Avg. assets}}$
Equity ratio (%)	=	$\frac{\text{Total equity x 100}}{\text{Total assets}}$

Income Statement

	Note	2022 TDKK	2021 TDKK
Revenue	1	605.577	581.520
Cost of sales		-424.740	-423.184
Other operating income		12.531	10.016
Other external expenses		-110.151	-97.883
Gross profit		83.217	70.469
Staff costs	2	-49.031	-48.931
Profit before net financials		34.186	21.538
Finance income	3	3.591	5.766
Finance expences	4	-10.569	-5.428
Profit before tax		27.208	21.876
Tax expense	5	-6.113	-4.831
Profit for the year	6	21.095	17.045

Balance Sheet as of 31 December

	Note	2022 TDKK	2021 TDKK
Assets			
Fixtures, fittings, tools and equipment	7	0	0
Leasehold improvements	8	0	0
Property, plant and equipment		0	0
Deposits	9	570	570
Investments		570	570
Fixed assets		570	570
Short-term trade receivables		137.387	102.922
Short-term receivables from group enterprises		25.613	32.617
Current deferred tax	10	11	15
Short-term tax receivables		0	1.374
Prepaid expenses	11	4.886	2.456
Receivables		167.897	139.384
Current assets		167.897	139.384
Assets		168.467	139.954

Balance Sheet as of 31 December

	Note	2022 TDKK	2021 TDKK
Liabilities and equity			
Contributed capital		10.000	10.000
Retained earnings		29.915	38.820
Proposed dividend recognised in equity		30.000	0
Equity		69.915	48.820
Trade payables		3.361	3.551
Payables to group enterprises		57.906	40.223
Tax payables		109	0
Other payables		37.176	47.360
Short-term liabilities other than provisions		98.552	91.134
Liabilities other than provisions within the business		98.552	91.134
Liabilities and equity		168.467	139.954
Contingent liabilities	12		
Collaterals and assets pledged as security	13		
Parent company	14		
Related parties	15		
Fees for auditors elected on the general meeting	16		

Statement of changes in Equity

All amounts below are presented in thousand DKK.

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2022	10.000	38.820	0	48.820
Transfer through appropriation of loss	0	-8.905	30.000	21.095
Equity 31 December 2022	10.000	29.915	30.000	69.915

The share capital has remained unchanged for the last 5 years.

The company's share capital consists of 10,000 shares of DKK 1,000 each, totalling DKK 10,000.

Notes

1. Segment information

	2022	2021
Diabetes	82.900	86.563
Oncology	89.568	117.091
Neuroscience	53.938	36.309
Immunology	379.171	341.557
Total	605.577	581.520
Denmark	168.505	153.977
Iceland	6.610	6.103
Norway	193.599	196.257
Finland	236.863	225.183
Total	605.577	581.520

2. Staff costs

	2022	2021
Wages and salaries	45.876	44.894
Post-employment benefit expense	2.765	3.637
Social security contributions	390	400
	49.031	48.931
Average number of employees	49	51

The total remuneration to management for 2022 and 2021 are not disclosure with reference to section 98b(3)(ii) of the Danish Financial Statements Act.

3. Finance income

Finance income from group enterprises	32	0
Other finance income	3.559	5.766
	3.591	5.766

4. Finance costs

Finance expences from group enterprises	-7	0
Other finance expences	-10.562	-5.428
	-10.569	-5.428

Notes

5. Tax for the year

Tax expense	2022	2021
Tax for the year	6.109	4.826
Deferred tax assets adjustment	4	5
Balance at 31 December	6.113	4.831

Tax payable

Balance at 1 January	-1.374	-1.637
Tax received/paid	1.374	1.637
Prepaid tax	-6.000	-6.200
Tax for the year	6.109	4.826
Balance at 31 December	109	-1.374

Deferred tax, Total

Balance at 1 January	-15	-20
Deferred tax liability adjustment	4	5
Balance at 31 December	-11	-15

6. Distribution of profit

	2022	2021
Proposed dividend	30.000	0
Retained earnings	-8.905	17.045
	21.095	17.045

7. Fixtures, fittings, tools and equipment

	2022	2021
Cost at the beginning of the year	539	539
Cost at the end of the year	539	539
Depreciation and amortisation at the beginning of the year	-539	-539
Impairment losses and amortisation at the end of the year	-539	-539
Carrying amount at the end of the year	0	0

8. Leasehold improvements

	2022	2021
Cost at the beginning of the year	1.147	1.147
Cost at the end of the year	1.147	1.147
Depreciation and amortisation at the beginning of the year	-1.147	-1.147
Impairment losses and amortisation at the end of the year	-1.147	-1.147
Carrying amount at the end of the year	0	0

Notes

9. Deposits, investments

	2022	2021
Cost at the beginning of the year	570	570
Cost at the end of the year	570	570
Carrying amount at the end of the year	570	570

10. Current deferred tax

	2022	2021
Deferred tax beginning of the year	15	20
Current deferred tax	-4	-5
Balance at the end of the year	11	15

11. Prepaid expenses

Prepaid expenses includes: Prepaid expenses and balance on client account at salary provider.

12. Contingent liabilities

	2022	2021
Rent liability	902	870
Operating lease liability concerning cars and computer equipment	1.867	3.054
	2.769	3.924

Apart from the above, the company has not undertaken any other lease liabilities.

13. Collaterals and securities

No collaterals or securities exist at the balance sheet date.

The company enters into a cashpool agreement in which Eli Lilly Group is the cashpool administrator. The balance sheet as of 31.12.2022 is presented as receivable to group enterprises.

14. Parent company

The parent company and the controlling influence of the entire group is Eli Lilly and Company.

The company's financial statements are included in the consolidated financial statements of the parent company, Lilly Holding, BV, whose annual report is available at the parent company's office at Paperdorpseweg 83, 3528 BJ, Utrecht, Netherlands. The parent company of the entire group is Eli Lilly and Company, P.O. Box 88665, Indianapolis, Indiana 46208-0665.

The company is fully owned by Lilly Holding, BV.

Notes**15. Related parties**

Related parties include the parent, group entities and associates.

The company purchases goods and services from related parties.

In addition, the company sells administrative services to related parties.

During the year, the company did not enter into any significant related party transactions other than ordinary intra-group transactions.

Intra-group transactions in Income Statement

	2022	2021
Other operating income	12.531	9.518
Cost of sales	422.927	420.992
Other external expenses	87.107	78.900
Recharge pass-through expenses	1.779	2.484
Net Interest	25	0

Intra-group transactions in Balance Sheet

Short term trade receivables from group enterprises	25.613	32.617
Payables to group enterprises	57.906	40.223

16. Fees for auditors elected on the general meeting

	2022	2021
Statutory audit	383	378
Other assurance reports	18	15
Tax consultancy	0	0
Other services	0	0
	401	393