

Our **vision** is to improve
people's **health** and the
sustainability of society
and the **planet**

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This version of the Novo Nordisk Foundation Annual Report 2022 contains a slightly different front page text, but is otherwise identical to the Annual Report, available at the Danish Business Authority.

Letter from the Chair-

manship

Benefitting people and society

On behalf of the Board of the Novo Nordisk Foundation, we are pleased to present this Annual Report for 2022, which reports on the activities across the entire Group.

The Foundation's vision is to contribute to research and development that improves the lives of people and the sustainability of society and the planet. As an enterprise foundation, we do this in two ways: 1) by providing a stable basis for the commercial activities of the companies in the Novo Group (Novo Nordisk A/S and Novozymes A/S) and the companies we invest in; and 2) through our grant-giving activities.

In 2022, we launched a new plan for our activities towards 2030. The plan provides a clear thematic framework and direction for our grant activities, which revolve around three focus areas: people's health, the sustainability of society and the planet, and boosting the life science ecosystem. During 2022, we have supported scientific research and development efforts in all three areas – through open calls and through initiatives that we have launched in partnership with others.

Points of focus in 2022

In relation to health, we continue to build on our legacy by supporting prevention and treatment of diabetes and other cardiometabolic diseases. In 2022 we signed an agreement with the Faroese Government on the establishment of Steno Diabetes Centre Faroe Islands. This will be the last in a series of seven Steno Diabetes Centers that cover the entire Danish Realm, for which we have awarded a total of DKK 7.9 billion.

Another major health challenge high on our agenda is global epidemic preparedness – an issue that COVID-19 has brought into focus. In the spring of 2022, we established the Pandemic Antiviral Discovery (PAD) initiative in close partnership with the Bill & Melinda Gates Foundation and Open Philanthropy. The purpose of this initiative is to accelerate the discovery and development of antiviral drug candidates in preparation for future pandemic threats, and to ensure equitable access to drugs and treatments on a global scale.

In 2022 we have supported research projects and initiatives that focus on improving our food and agricultural systems and on developing new climate change-mitigating solutions. As a foundation, we wish to

pave the way for a more sustainable society, and in a year of major climate events and energy and food supply crises due to war, the sense of urgency has only been underlined.

Denmark at the forefront of international research

We believe that the life sciences play a crucial role in tackling many of the major global challenges we are facing. That is why we continue to support the whole value chain of life science in Denmark, ranging from STEM teaching in pre-school to funding excellent university researchers at all career stages. We also help researchers translate their innovative ideas and research discoveries into solutions and commercially viable products.

Another important way of supporting the life sciences is by establishing major research infrastructures. A highlight in 2022 has been the establishment of the Novo Nordisk Foundation Quantum Computing Programme, which aims to develop a fully functional quantum computer. Initiatives like this help to create synergy, bringing excellent researchers together from different countries and across disciplines, in a concerted effort to develop solutions with huge potential for science and society in general. In the coming years, we will continue to support large-scale mission-driven initiatives that build on collaborations between researchers and between science and industry. We also expect to increase our grant awards, and all this is fueled by our ambition to improve people's health and the sustainability of society and the planet.

We would like to take this opportunity to thank the Novo Group's Boards of Directors, committee members as well as managements and employees across the entire Novo Nordisk Foundation Group for their contributions in 2022. We are looking forward to the exciting developments in the coming year.

On behalf of the Board of Directors,

Lars Rebien Sørensen
Chair

Marianne Philip
Vice Chair

Letter from the CEO

The Novo Nordisk Foundation's activities in 2022

2022 has been another year with a wide range of activities. We awarded a total of DKK 7.5 billion in grants (compared to DKK 8.8 billion in 2021), while the level of our payouts reached DKK 5.2 billion (an increase from DKK 4.8 billion the year before).

Grants in open competition

In 2022, the Foundation received an impressive number of high quality applications for ambitious and innovative projects. A total of 2,808 applications were submitted, of which 517 received a grant.

Among the grants given in open competition are our grants under the recurrent Challenge Programme, targeted ambitious research projects that address major societal challenges. This year, we funded six projects within the themes of recycling, biocompatible energy materials and immunity with a total of DKK 337 million.

Under our Research Leader Programme, 44 researchers from Denmark, Sweden, Norway and Finland received a total of DKK 428 million in grants. The programme targets the best and most talented researchers at different stages of their careers and aims to generate new knowledge on topics such as health, disease and sustainability. The research themes in 2022 included endocrinology and metabolism, bioscience and biomedicine, plant science as well as biotechnology.

Acknowledging that major scientific breakthroughs often occur in the interface between classic disciplines and involve a level of risk-taking, we awarded a total of DKK 128 million under our Interdisciplinary Synergy Programme in 2022. In addition to this, we handed out a broad range of other grants in open competition, some of which support basic research while others are intended to stimulate innovation and entrepreneurship at the universities.

Major initiatives and partnerships

Since 2019, we have been actively involved in an initiative to create several Pioneer research centres in Denmark. The initiative is led by the Danish Ministry of Higher Education and Science and also involves the Danish National Research Foundation, Carlsberg Foundation and VILLUM FONDEN as partners. In 2022, two centres were established, for which the Novo Nordisk Foundation allocated a total of DKK 121 million over a 13-year period.

One is the Land-CRAFT Centre, where researchers from Denmark, Germany and the US will investigate the interactions between agriculture and nature, paving the way for a green transition of the agricultural sector. At the other centre, Pioneer Centre for Accelerating P2X Materials Discovery, researchers from five Danish universities will create a

ground-breaking interdisciplinary environment for Power-to-X technology in collaboration with international partners from Stanford University, Utrecht University, and University of Toronto.

We also awarded DKK 127 million over the next five years for Plant2Food, an Open Innovation in Science platform where universities and companies will collaborate around early research in developing plant-based foods. Eighty percent of the grant has been allocated to funding research projects in open competition through the platform.

Probably our most ambitious initiative this year has been the launch of the Novo Nordisk Foundation Quantum Computing Programme in collaboration with the Niels Bohr Institute at the University of Copenhagen. The programme, for which we have granted DKK 1.1 billion, will be carried out in collaboration with research groups from leading universities and industries.

Health

In the area of health, we are continuing to support prevention and treatment of diabetes and other cardiometabolic diseases. This year, we funded the establishment of Danish Diabetes and Endocrine Academy to develop and strengthen the quality of Danish diabetes and endocrine research and research-based education. The academy builds on and is a further development of the Danish Diabetes Academy, which the Foundation has supported since 2012.

Several of our initiatives within prevention reflect our ambition to reduce inequity in health among children in Denmark. Thus, in 2022 we launched Centre for Childhood Health in partnership with the Danish Ministry of Health. This long-term initiative will contribute to promoting healthy weight and well-being among children in Denmark with the involvement of public and private actors in the field.

Prizes and humanitarian support

The Novo Nordisk Foundation awards several prizes every year to honour and reward individuals for outstanding scientific contributions, teaching or other efforts that support research. In 2022, the Novo Nordisk Prize went to Professors Katalin Karikó and Drew Weissman at the University of Pennsylvania, and to Professor Uğur Şahin and Dr Özlem Türeci, co-founders of BioNTech, for their ground-breaking scientific discoveries and collaborative work leading to the development of the COVID-19 mRNA vaccine. The other major prize is the Novozymes Prize, which in 2022 went to environmental biotechnologist Mark van Loosdrecht for his pioneering work in developing novel methods for biological wastewater treatment.

Each year, we give humanitarian grants to address the needs of crisis-affected populations in areas such as health, food security, livelihoods, education and protection. In 2022, we have supported long-term development efforts in Jordan, Syria, Rwanda, Uganda and South Sudan, among other places, through partnerships with organisations like the United Nations World Food Programme, Oxfam-Ibis and the Danish Red Cross. In addition to this, we have provided emergency response aid in Pakistan and Ukraine.

Our organisation

In recent years, our grant giving activities have expanded in scope, involving more international partnerships and collaborations while maintaining a centre of gravity in Denmark. This is partly due to the complexity of the global challenges we are seeking to address, but also a reflection of our level of ambition as a foundation. As we are growing as an organisation, it is important that we keep evolving to stay agile. Our transition to working in a project-centric manner in 2022 has been an important step in that direction.

Mads Krogsgaard Thomsen
CEO

Management's review

The Foundation's purpose and vision

The Novo Nordisk Foundation is an independent Danish foundation with corporate interests – also called an enterprise foundation. Its history dates back to 1922, when Nobel Laureate August Krogh was awarded the rights to produce insulin in Scandinavia by the Insulin Committee in Toronto. Under its Articles of Association, the Foundation has the following statutory purposes:

Corporate and philanthropic objectives:

- » To provide a stable basis for the commercial and research activities carried out by:
 - » Novo Nordisk A/S, which is engaged in research, development, production and sale within pharmaceuticals and related products and services;
 - » Novozymes A/S, which is engaged in carrying out research, development, production and trade within biological solutions; and
 - » any future public or private limited companies in which the Foundation's subsidiary, Novo Holdings A/S, may hold a material equity interest or over which Novo Holdings A/S may have material influence, whether through proxy or otherwise
- » To support physiological, endocrinological, metabolic and other medical research
- » To support research hospital activities within diabetes in Denmark; and furthermore
- » To support other scientific, humanitarian and social purposes

The Novo Nordisk Foundation's vision is to improve people's health and the sustainability of society and the planet.

Mission and strategic goals for the Foundation's activities

To fulfil its vision, the Foundation pursues a three-pronged corporate mission as well as a three-pronged philanthropic mission.

Corporate mission:

- » To be an engaged owner of Novo Nordisk A/S and Novozymes A/S
- » To generate attractive investment returns on the Foundation's assets

- » To make strategic investments with the main goal of supporting the Foundation's strategy

Philanthropic mission:

The Foundation's three-pronged philanthropic mission is manifested in the Foundation's 2030 Strategy, which was adopted by the Board of Directors in 2022 and sets the direction for how the Foundation wishes to contribute to society towards 2030.

The 2030 Strategy contains three focus areas for the Foundation's grant-awarding activities: Health, Sustainability and the Life Science Ecosystem, each containing a number of underlying strategic themes.

- » Within Health, the Foundation's mission is to progress research and innovation in the prevention and treatment of cardiometabolic and infectious diseases. In addition to strengthening prevention, understanding and management of cardiometabolic diseases, the Foundation will focus on strengthening the world's epidemic preparedness and on fighting inequality in health.
- » Within Sustainability, the Foundation's mission is to advance knowledge and solutions to support the green transition in society. Strategic themes include the development of sustainable and high-yield agriculture, sustainable food for healthy diets, high-impact climate change mitigation technologies as well as supporting society in the green transition.
- » Within the Life Science Ecosystem, the Foundation's mission is to invest in scientific research, education and innovation to enable a world class life science ecosystem. Strategic themes include advancing fundamental research, enabling research infrastructures and technologies, strengthening the translational capacity and societal impact of life science and furthering education and science capital.

While Denmark is a natural focal point for the Foundation's grants, the Foundation will increasingly focus on international activities in the coming years. In addition, it expects its annual total of awarded grants will increase towards 2030.

Grants awarded

In the period 2018-2022, the Novo Nordisk Foundation has awarded DKK 30.6 billion through more than 3,150 grants.

Of these, 44% (DKK 13.4 billion) were awarded for physiological, endocrinological, metabolic and other medical research, 5% (DKK 1.5 billion) have been awarded for research hospital activities within

diabetes and 51% (DKK 15.6 billion), were awarded for other scientific, humanitarian and social purposes, respectively.

For further information, please see the Novo Nordisk Foundation's reporting on its grant-awarding policy, categories, grants and initiatives in "BENEFITTING PEOPLE AND SOCIETY - NNF Grant Report 2022", <https://novonordiskfonden.dk/app/uploads/Novo-Nordisk-Foundation-Annual-Grant-Report-2022.pdf>, provided in accordance with Section 77b of the Danish Financial Statements Act.

Organisation and governance of the Novo Nordisk Foundation Group

The Novo Nordisk Foundation Group is comprised of the Novo Nordisk Foundation (the Parent Foundation), the companies in the Novo Group as well as the life science companies in which Novo Holdings A/S has invested and holds majority ownership. The Foundation receives dividends from Novo Holdings A/S, which are used to award grants to society.

Novo Holdings A/S' income stems from:

- » Dividends from Novo Nordisk A/S and Novozymes A/S as well as participation in their share buy-back programmes
- » Returns on its Life Science Investment portfolio as well as capital investments

In organisational terms, the commercial activities and the grant-awarding activities are managed separately.

The Foundation's Board of Directors draws up the charter for the Novo Group and determines the overall financial strategy and investment framework.

Novo Holdings A/S manages the Foundation's commercial activities within the framework defined by the Foundation's Board of Directors. The Novo Group is comprised of Novo Holdings A/S, Novo Nordisk A/S and Novozymes A/S. The Foundation's Board of Directors constitutes the Annual General Meeting of Novo Holdings A/S and thereby approves Novo Holdings' Annual Report as well as elects the Board members of Novo Holdings A/S.

Through its majority ownership in Novo Nordisk A/S and Novozymes A/S, the Foundation maintains – via Novo Holdings A/S – a controlling interest in these companies. The Foundation's Board of Directors has formulated clear principles for the Foundation's engaged ownership in the Novo Group. These principles have been codified into a document together with Novo Nordisk A/S and Novozymes A/S.

The Novo Nordisk Foundation manages the grant-awarding activities, for which the Board of Directors determines the grant-awarding strategy, just as the Board makes the grant decisions.

Figure 1 - Organisation and cash flows in the Novo Nordisk Foundation Group in 2022



Note: Novo Nordisk A/S, Novozymes A/S and Novo Holdings A/S make up the Novo Group and are among the most significant research-based companies in Denmark's life science cluster.

The Novo Nordisk Foundation finances its grants through returns from Novo Holdings A/S. The Foundation's Board is required to ensure a reasonable consolidation through appropriate allocations, so that, among other things, the Foundation can participate – to the extent the Board deems this necessary – in future capital increases in Novo Nordisk A/S and Novozymes A/S or other companies in which Novo Holdings has substantial ownership.

The Foundation's Board has implemented a Code of Conduct containing a set of principles that describe the conduct expected of employees, Board members, committee members, persons financed by the Foundation's grants as well as persons and organisations that collaborate with the Foundation and Novo Holdings A/S.

The Code of Conduct covers areas such as discrimination, data security, abuse of funds and general working conditions. The Code of Conduct is supplemented by a whistleblower scheme. For further information on these, see <https://novonordiskfonden.dk/da/code-of-conduct/> and <https://novonordiskfonden.dk/da/whistleblower/>.¹

Novo Holdings A/S

Novo Holdings A/S is a holding and investment company that is responsible for managing the assets and wealth of the Novo Nordisk Foundation. The purpose of Novo Holdings is to improve people's health and the sustainability of society and the planet by generating attractive long-term returns of the assets of the Novo Nordisk Foundation.

Wholly owned by the Novo Nordisk Foundation, Novo Holdings is the controlling shareholder of Novo Nordisk and Novozymes (the Novo Group companies) and manages an investment portfolio with a long-term perspective. Novo Holdings invests in life science companies at all stages of development and also manages a broad portfolio of equities, bonds, real estate and infrastructure assets as well as private equity investments.

Novo Nordisk A/S

Novo Nordisk is a global healthcare company which for 100 years has been synonymous with innovation and leadership in relation to diabetes treatment. Through this long-term engagement, the company has gained extensive experience and competencies which have enabled it to branch out into other areas as well, helping to fight obesity, rare blood and endocrine diseases.

The company has its headquarters in Denmark and by the end of 2022, it employed 55,185 people in 80 countries, with products marketed in 170 countries.

Novozymes A/S

Novozymes is the world leader in biosolutions, producing a wide range of enzymes, microorganisms, technical and digital solutions, which among other things help their customers add new features to their products and produce more from less. To fulfil its objective – to find biological answers for better lives in a growing world – Novozymes A/S uses and delivers innovation to the market and launches new, significant platforms that create value for the customers, helping

them to improve their performance while saving resources, energy and reducing their environmental impact.

The company has its headquarters in Denmark and by the end of 2022, it employed 6,781 people.

¹ These documents do not form part of the Management's review.

Novo Nordisk Foundation: Financial results, grants and payouts

Financial results

The Foundation's financial results for 2022 showed a profit of DKK 34,664 million, compared to DKK 9,118 million in 2021. The increase is driven by higher dividends from Novo Holdings, which increased from DKK 6,000 million in 2021 to DKK 38,000 million in 2022, partly counterbalanced by decreased proceeds from the joint investment portfolio – down from DKK 3,420 million in 2021 to DKK -3,014 million in 2022.

Total equity amounted to DKK 38,141 million in 2022, of which DKK 15,000 million can be committed to grant-awarding in 2023.

Table 1. Key figures and financial ratios for the Novo Nordisk Foundation (DKK million)

	2022	2021
Dividend from Novo Holdings A/S	38,000	6,000
Profit for the year	34,664	9,118
Grants, net	7,144	8,663
Share capital Novo Holdings A/S *)	2,142	2,142
Joint investment portfolio with Novo Holdings A/S	26,657	27,291
Loan to Novo Holdings A/S	30,044	0
Total assets	58,914	29,471
Total equity	38,141	10,621
Grants payable	20,702	18,792
Equity ratio	64.7%	36.0%

*) Novo Holdings is valued at historical cost.

The Novo Nordisk Foundation's financial activities are carried out and administered by Novo Holdings A/S, which has an investment portfolio valued at DKK 180 billion as of 31 December 2022. The market value of the shares in Novo Nordisk A/S and Novozymes A/S amounts to DKK 625 billion as of 31 December 2022, as stated in the Management's review in Novo Holdings' Annual Report for 2022.

The ratio of cost was 7.1% relative to the Foundation's payouts and 5.2% relative to grants, net. The corresponding figures for 2021 were 6.2% and 3.5%, respectively. The rate of cost is calculated based on the Foundation's administrative costs (see notes 1 and 2 in the parent foundation's Annual Report) and includes, among other things, employee salaries, equipment, rent, consultancy fees, travel expenses and fees for committee and board members.

The rate of cost also includes a service level agreement with Novo Holdings A/S, which, provides services to the Novo Nordisk Foundation on accounting, facility management, IT, financial activities and Novo Seeds activities. In return, the Novo Nordisk Foundation provides Legal, P&O and Communication services to Novo Holdings A/S.

Salaries and fees in 2022 amounted to 3.5% of grant payouts and 2.6% of grant awards. The corresponding figures for 2021 were 3.6% and 2.0%.

Grants and payouts

Figure 2 shows the development in the Foundation's grants and payouts in the period 2018-2022.

The Foundation's grant-awarding has increased from DKK 3,892 million in 2018 to DKK 7,464 million in 2022. In 2022, grant adjustments amounted to DKK 319 million and DKK 10 million were refunded. 2022 net grant-awarding from the Foundation amounts to DKK 7,144 million.

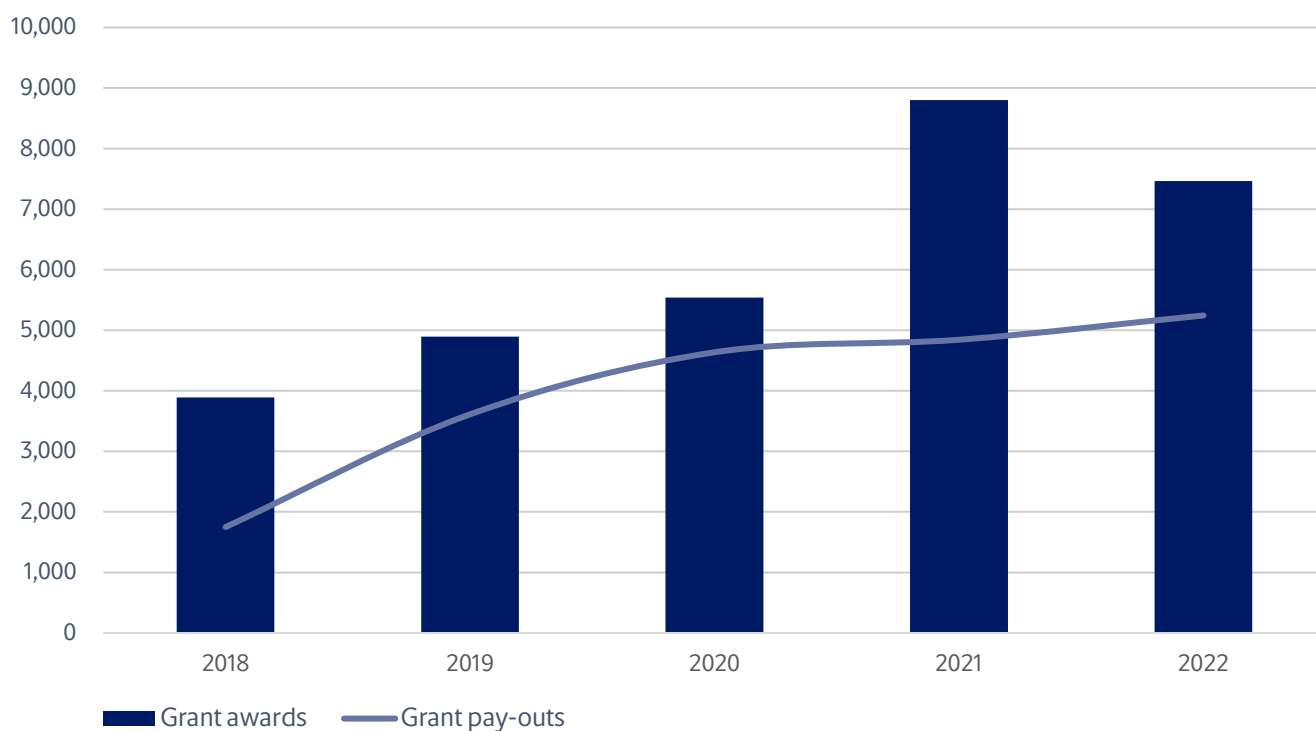
During the period, the Foundation's annual grant payouts have grown from DKK 1,750 million in 2018 to DKK 5,244 million in 2022. In 2023, the Foundation expects grant awarding to increase to around DKK 9,400 million, while grant payouts could reach up to DKK 7,500 million. The Foundation's grant awards in 2022 went primarily to universities, hospitals and other research institutions in Denmark and the Nordic region, to new research, as well as humanitarian and social purposes.

In 2022, the DKK 7.5 billion that was granted for purposes in accordance with the Foundation's Articles of Association has been distributed as follows:

- » 46% (DKK 3.4 billion) for physiological, endocrine, metabolic and other medical research;
- » 2% (DKK 0.1 billion) for research hospital activities in Denmark within diabetes;
- » 52% (DKK 3.9 billion) for other scientific, humanitarian and social causes.

For further information on awarded grants, please see the list of [grant recipients for 2022](#). The list provides the names of recipients as well as awarded amounts and is submitted to the Danish Business Authority simultaneously with this Annual Report.

Figure 2 – Grants and pay-outs of the Novo Nordisk Foundation, 2018-2022 (DKK million)



Highlights and financial results within the Novo Nordisk Foundation Group

The key figures and financial ratios for the Foundation must be seen in context of the financial development within Novo Holdings A/S, Novo Nordisk A/S and Novozymes A/S.

The Novo Nordisk Foundation Group

Highlights

Operating profit within the Novo Nordisk Foundation Group decreased by 29% in 2022, from DKK 87 billion in 2021 to DKK 61 billion in 2022. The Group's total assets increased by DKK 86 billion to DKK 482 billion in 2022, and its total equity increased by DKK 17 billion to DKK 244 billion. The number of employees within the group rose from 66,387 in 2021 to 74,196 in 2022.

In conclusion, the financial performance in 2022, has had variation, with strong performance from Novo Nordisk and Novozymes and with Novo Holdings impacted by the market downturn. However, on a relative basis against the global market and benchmarks, the financial performance of Novo Holdings is satisfactory. The result is below the initial expectations for 2022.

Novo Holdings A/S

Financial results

Since 2000, where Novo Holdings A/S began to establish its portfolio, mainly by investing in Danish companies, the investment activities have accelerated considerably. Today, Novo Holdings A/S is an international investor within the area of life sciences, with investments in more than 160 companies, mainly in Europe and the United States. In addition to its life science investments, Novo Holdings A/S also has capital investment activities, in order to ensure adequate cash resources with competitive returns and a suitable risk profile.

Life science investments

Novo Holdings A/S carries out its life science investments in companies within four areas:

- » Principal Investments carries out investments in well-established and profit-making companies with leading positions in attractive market segments and strong underlying growth drivers. The objective is to ensure long-term value creation and diversity in the investment portfolio. By the end of 2022, the portfolio comprised 24 companies at a total value of DKK 75 billion.
- » Growth Investments carried out its first investment in 2019 and invests in companies that have recently reached, or are close to reaching the commercial stage, and that exhibit a high growth potential. By the end of 2022, the investment portfolio comprised 26 companies at a total value of DKK 8 billion.
- » Venture Investments is an active international partner in the life sciences venture industry. By the end of 2022, the investment portfolio comprised 54 companies at a total value of DKK 11 billion.
- » Seed Investments develops and finances innovative biotech and life science companies in the Nordic countries through direct investments, and also assists the Novo Nordisk Foundation in

connection with its awarding of Pre-Seed Grants. Investments under the Pre-Seed Programme are made on commercial terms, i.e. in return for ownership in the companies. By the end of 2022, the investment portfolio comprised 40 companies at a total value of DKK 3 billion.

The value of life science investments increased from DKK 95 billion in 2021 to 98 billion in 2022.

Capital investment activities

Concurrently with its investment activities in life science companies, Novo Holdings A/S has for more than 10 years expanded its capital investment activities, building a broad global portfolio. The main objective of the capital investments is to build a solid liquidity reserve that generates high returns and mitigates the risk by diversifying the Foundation's assets. The investment portfolio comprises listed and unlisted securities in the form of shares, bonds, real estate and infrastructure assets. By the end of 2022, the value of capital investments was DKK 83 billion. The Novo Nordisk Foundation's share amounted to DKK 27 billion.

Financial key figures and ratios

Net profit for the year in Novo Holdings A/S amounted to DKK 7 billion in 2022, against DKK 33 billion in 2021.

Table 2. Key figures and financial ratios for Novo Holdings A/S* (DKK million)

	2022	2021
Dividends Novo Nordisk A/S and Novozymes A/S	7,603	6,526
Gain from sale of shares in Novo Nordisk A/S and Novozymes A/S	6,948	6,979
Return from Life Science Investments	-6,392	11,610
Return from Capital Investments*	-5,044	12,287
Share capital in Novo Group Companies	3,332	3,339
Life Science Investments	97,699	94,523
Capital Investments**	83,128	88,084
Total equity	127,303	158,661
Total assets	186,248	187,252
Net profit for the year	6,642	33,327
Equity ratio	68%	85%

For more information, see Novo Holdings A/S' Annual Report 2022:

<https://www.novoholdings.dk/wp-content/uploads/Novo-Holdings-Annual-Report-2022.pdf>

* Including the Foundation's share of return of joint investment portfolio.

** The Foundation's share amounted to DKK 26.7 billion.

Novo Nordisk A/S

Financial results

Operating profit increased by 28% measured in DKK and by 15% measured in local currencies, to DKK 74.8 billion, within the range of the most recent expectation of a 13-16% increase for 2022 (measured in local currencies).

Sales of products for the treatment of diabetes and obesity rose by 29% measured in DKK to DKK 156.4 billion. Novo Nordisk A/S is the world's leading company in the field of diabetes treatment, with a global value market share of 31.9% – the corresponding value market share was 30.1% this time last year. Sales of Rare Disease products increased by 7% measured in DKK and amounted to DKK 20.5 billion.

Read more about Novo Nordisk A/S' financial results in Novo Nordisk's Annual Report 2022, pp. 36-39.

Financial key figures and ratios

Table 3. Key figures and financial ratios for Novo Nordisk A/S (DKK million)

	2022	2021
Net sales Diabetes and Obesity care	156,412	121,597
Net sales Rare Disease	20,542	19,203
Net sales total	176,954	140,800
Net profit	55,525	47,757
Total equity	83,486	70,746
Total assets	241,257	194,508
Operating margin	42%	42%
Equity ratio	35%	36%

For more information, see Novo Nordisk A/S' Annual Report 2022: <https://www.novonordisk.com/investors/annual-report.html>

Novo Nordisk A/S Annual Report. Note that the consolidated revenue within the Novo Group is not eliminated above.

Novozymes A/S

Financial results

In 2022, sales amounted to DKK 17.6 billion, corresponding to a 17% increase measured in DKK and a 9% organic growth. The geopolitical and macroeconomic situation in 2022 impacted consumer behaviour and supply chains, and affected industries in different ways. Despite the challenges, Food, Beverages & Human Health and Bioenergy delivered double-digit growth in 2022.

EBIT increased by 14% measured in DKK, from DKK 4.0 billion in 2021 to DKK 4.6 billion in 2022, while the EBIT margin ended at 26%, down from 27% in 2021, corresponding to the most recent expectations of an EBIT margin at 26-27%.

Read more about Novozymes A/S' financial results in Novozymes' Annual Report 2022, pp. 65-72.

Financial key figures and ratios

Table 4. Key figures and financial ratios for Novozymes A/S (DKK million)

	2022	2021
Revenue	17,553	14,951
Net profit	3,686	3,145
Total equity	14,228	12,206
Total assets	27,983	24,767
EBIT margin	26%	27%
Equity ratio	51%	49%

For more information, see Novozymes A/S' Annual Report 2022: <https://report2022.novozymes.com/>

Novozymes A/S Annual Report. Note that the consolidated revenue within the Novo Group is not eliminated above.

Outlook for the Novo Nordisk Foundation Group

The outlook for the Novo Nordisk Foundation Group is closely linked to the outlook for the subsidiaries in the Novo Group as well as the developments in the international financial markets. The outlook for the subsidiaries in the Novo Group is described in more detail in the companies' Annual Reports for 2022 – see the links on pp. 11-13.

Business related and financial risks

The most significant risks for the Novo Nordisk Foundation Group are linked to those of the Novo Group. The Foundation follows an overall financial strategy where the policy for managing the Foundation's financial and investment risks is defined.

Within Novo Holdings A/S, the main risks are associated with investments in companies. In addition, there are risks connected to investments in securities which depend on the development in the financial markets.

Novo Nordisk applies a dual-lensed approach to risk management. This means that Novo Nordisk identifies and mitigates both operational risks that pose a threat to the short to medium-term plans, as well as strategic risks that could reduce the ability to achieve the corporate strategy over the long term.

Read more about Novo Nordisk A/S' risk management process on pages 45-46 in the Novo Nordisk Annual Report for 2022.

Novozymes operates in a global environment across many industries, which means that Novozymes' business is exposed to different risks. Novozymes has a risk management framework in place to identify, assess, and mitigate business risks that may impact Novozymes' ability to grow Novozymes' business sustainability and be a reliable partner to Novozymes' customers and the communities Novozymes operates in.

Read more about Novozymes A/S' risk management process on pages 51-57 in the Novozymes Annual Report for 2022.

Prospects for the Novo Nordisk Foundation's and Novo Holdings A/S' results

The Novo Nordisk Foundation's result is contingent on Novo Holdings A/S' result, and this especially includes the results for Novo Nordisk A/S and Novozymes A/S. At Novozymes' annual general meeting at the beginning of 2023, the company's shareholders have approved a dividend of DKK 6.00 per share for 2022. A DKK 8.15 dividend per share has been approved at Novo Nordisk's annual general meeting. In addition to this, Novo Holdings A/S expects to participate in any of the two companies' share buy-back programmes, for the purpose of increasing its revenue and facilitating further grant-awarding activities for the Novo Nordisk Foundation.

Novo Holdings A/S expects that in 2023, the long-term economic tendencies within the life sciences area will remain positive, and that this will form a basis for continued consolidation and development of investments within Novo Holdings A/S' focus areas. Novo Holdings A/S expects to deliver returns on par with capital markets. Combined with the expected income from the Novo Group companies as described above, Novo Holdings A/S' expectations are to deliver positive income and returns, as well as operating profit in 2023, however at a higher level than 2022, given the very unfavourable development during 2022.

During 2023, Novozymes will seek shareholder and regulatory approvals for the proposed combination between Novozymes and Chr. Hansen as well as prepare for the post-merger integration. The proposed combination is expected to be completed in Q4, 2023 or Q1, 2024.

The Group's results are primarily contingent on the development within Novo Nordisk A/S, which for 2023 expects a 13-19% increase in both sales and operating profit.

The Novo Nordisk Foundation Group's corporate social responsibility

The Foundation's Board of Directors has a clear focus on societal impact as an integrated part of the Foundation's grant-awarding policy and commercial activities. The Foundation Group defines its corporate social responsibility in terms of initiatives that benefit society, whether economically, scientifically, socially, in terms of health, resources or in relation to the climate or the environment. It also encompasses initiatives that contribute to a healthy and inspiring work environment with development opportunities for employees in the entire Group. In accordance with Section 99a and 99b of the Danish Financial Statements Act, an account of the Novo Nordisk Foundation Group's corporate social responsibility is provided in Annex A.

Annex A contains a section on the Novo Nordisk Foundation's corporate social responsibility as well as a section summarising the social responsibility for the respective companies in the Novo Group. Novo Nordisk A/S and Novozymes A/S publish their own CSR reports, containing, among other things performance measurements and results in accordance with the Danish Financial Statements Act. Novo Nordisk A/S include information on their social as well as environmental responsibility in their Annual Report, and Novozymes A/S provide a supplement to its Annual Report. Novo Holdings A/S include information on their ESG responsibility in their Annual Report. The three annual reports are available at: <https://www.novoholdings.dk/wp-content/uploads/Novo-Holdings-Annual-Report-2022.pdf>, <https://www.novonordisk.com/investors/annual-report.html> and <https://report2022.novozymes.com/#home>.

Data ethics in the Novo Nordisk Foundation Group

Section 99d of the Danish Financial Statements Act requires that Danish companies of a certain size report on their policy on data ethics.

The Novo Nordisk Foundation Group welcomes and promotes ethical use of data. In 2020, the Novo Nordisk Foundation Group initiated the work on formulating policies on data ethics for each of the companies in the group. In 2022, the focus was on training to secure compliance with the principles of the policies.

Novo Nordisk Foundation

The Novo Nordisk Foundation complies with both Danish and EU law on data and privacy protection. In addition, the Foundation recognises that the fast pace of technological development, along with evolving risks and benefits from large scale data use, requires thoughtful and responsible decision-making where existing laws and regulations do not necessarily provide clear ethical guidance. The Foundation has developed a policy on data ethics based on six principles for how to handle data in an ethical way. The rules describe how the Novo Nordisk Foundation must use and process both personal data and non-identifiable (e.g., anonymised, aggregated, non-personal) data as well as data and information that applicants submit when applying for a grant using the Foundation's application system. Read more at: <https://novonordisk-fonden.dk/app/uploads/Novo-Nordisk-Foundation-Annual-Grant-Report-2022.pdf>

Novo Holdings A/S

To cope with the challenges that arise from the fast-moving technological development, along with evolving risks and benefits from large scale data use, Novo Holdings has developed a policy on how to use and handle data in an ethical way. Read more at:

https://www.novoholdings.dk/wp-content/uploads/NovoHoldings_Policy-on-data-ethic.pdf

Novo Nordisk A/S

In 2021, data ethics principles were enhanced and was implemented through policies and training across the organisation in 2022. The data ethics principles support ethical decision-making when using data across the value chain. The integration of data protection and human rights risks into the business ethics risk management processes has been further strengthened. Read more on: <https://www.novonordisk.com/data-privacy-and-user-rights/data-ethics.html>

Novozymes A/S

In 2021, Novozymes has adopted a policy, which sets the overall principles for the ethical management of data in Novozymes and supplements our general commitment to integrity and compliance. In 2022, the focus was on training the various stakeholders to secure compliance with the principles. Link to data ethics report. Read more at: <https://www.novozymes.com/en/about-us/positions-policies>.

The Foundation's Board of Directors, committees, panels and Executive Management

Board of Directors

The Board in 2022

The Foundation's Board of Directors consists of nine members: Six members are elected in accordance with the Foundation's Articles of Association, and three members are Group employee representatives, currently from Novo Nordisk A/S and Novozymes A/S. At least two of the members elected under the Articles of Association have a medical or natural science background. Two members elected under the Articles of Association are independent and the Chairmanship is independent in relation to Novo Nordisk A/S and Novozymes A/S. The Chair of the Board also serves as Chair of the Board of Novo Holdings A/S.

Chairmanship

The Chair and the Vice Chair of the Board of Directors constitute the Foundation's Chairmanship. The Board has adopted a charter that sets out the framework for the Chairmanship's work.

Recommendations on good foundation governance

In accordance with Danish law, The Committee on Good Foundation Governance has prepared a set of recommendations on foundation governance, which foundations with corporate interests must address. If there are recommendations that the foundations do not comply with, this must be accounted for in their annual report (the "comply or explain" principle).

The Novo Nordisk Foundation follows all recommendations except the recommendation on the election period for board members. The Committee recommends that board members be elected for a minimum period of two years and a maximum period of four years. In 2004, the Foundation's Board of Directors decided, with the approval of the authorities, to change the election period for members elected under the Articles of Association from three years to one year. The Board deems that an election period of one year better allows for coordinating the succession in the boards of the whole Novo Nordisk Foundation Group.

For a description of the Foundation's degree of compliance with the individual recommendations, see: novonordisk-fonden.dk/en/about-the-foundation/recommendations-on-foundation-governance/

For Novo Nordisk A/S, Novozymes A/S and Novo Holdings A/S, which are all covered by Section 99b of the Danish Financial Statements Act, key figures have been defined for the respective Boards of Directors.

Diversity

In 2023, the Board of Directors' continued ambition is to have a diverse and inclusive composition of the board, including to attain a higher level of internationalisation.

Nomination Committee

In 2017, the Board of Directors appointed a Nomination Committee consisting of two members from the Board. The Board of Directors has adopted a charter that sets out the framework for the Committee's work.

The Committee is comprised of Lars Rebie Sørensen (Chair) and Lars Henrik Munch. The Nomination Committee assists the Board of Directors with the task of reviewing the competency profile of the Board, nominating candidates for election to the Board as well as reviewing Novo Holdings A/S' nominations for their Board of Directors. The Nomination Committee further assists the Board of Directors with nominating candidates for entities in which the Foundation has appointment rights.

Scientific Advisory Group

Previously, the Board of Directors have appointed a Scientific Advisory Group. In December 2021, the Scientific Advisory Group was decommissioned as a formal board committee. The two members continue to provide scientific advice regarding the appointment of new committee members.

Art Committee

The Board of Directors have in June 2022 appointed an Art Committee with the purpose of building a collection of important artworks over a number of years to inspire employees of the Foundation and visitors alike. The Committee is comprised of two members, of which one is Board member Lars Henrik Munch.

Communications policy

The Board of Directors has adopted a communications policy with guidelines for the Foundation's external communication, including instructions on who can and should act as public spokespersons for the Foundation and in relation to what subject matters. More specifically, it has been decided that the Chair will serve as spokesperson of the Board and speak on behalf of the Foundation in relation to its commercial activities. The CEO will represent the Foundation in relation to grant-giving policies and strategies that have been adopted by the Board, and in connection with all operational matters concerning the Foundation's activities. Employees with leadership responsibilities may serve as public spokespersons on matters that fall within their area of expertise, including grants and publications.

Remuneration

In March 2022, the Board of the Foundation approved the unchanged annual fee of DKK 400,000 for Board members, DKK 800,000 for the Vice Chair and DKK 1,200,000 for the Chair.

The fee for the Chair of the Nomination Committee is DKK 200,000, while the other member of the Nomination Committee will receive DKK 100,000. The fee for members of the Scientific Advisory Group is DKK 100,000 for their advisory position.

Table 5. Board fees, Novo Group 2022 (DKK)

Position	Novo Nordisk Fonden	Novo Holdings A/S	Novo Nordisk A/S	Novozymes A/S
Chair	1,200,000	1,725,000	2,265,000	1,566,000
Vice Chair	800,000	1,150,000	1,510,000	1,044,000
Board member	400,000	575,000	755,000	522,000

Table 6. Remuneration to Board members within the Novo Group 2022 (DKK thousand)

Medlem	Novo Nordisk Fonden	Novo Holdings A/S	Novo Nordisk A/S	Novozymes A/S	Committees	Other	Total
Lars Rebien Sørensen	1,200	1,837			200		3,237
Marianne Philip	800						800
Steen Riisgaard	400	1,262				939	2,601
Lars Henrik Munch	400				180		580
Stig Strøbæk*	300		184			92	576
Ole Jakob Müller*	300						300
Lars Henrik Fugger	400				200	233	833
Liselotte Højgaard	400				200		600
Mads Boritz Grøn*	400						400
Anne Marie Kverneland*	100		184			46	330
Lars Bo Køppler*	100						100
	4,800	3,099	368		780	1,310	10,357

Note: Lars Rebien Sørensen: Chair of Novo Holdings A/S, Chair of the Nomination Committee. Lars Henrik Munch: Member of the Nomination Committee, the Art Committee and member of the Novo Nordisk Foundation Humanitarian and Development Advisory Panel, HUMDAP. Steen Riisgaard: Vice Chair of Novo Holdings A/S and Chair of the Board of New Xellia Group A/S. Lars Henrik Fugger: Scientific advisory, consultant for Novo Nordisk A/S, and member of the Novo Nordisk Prize Committee. Liselotte Højgaard: Scientific Advisory, member of the Novo Nordisk Prize Committee.

Lars Rebien Sørensen holds shares in Novo Nordisk A/S and Novozymes A/S. Marianne Philip holds shares in Novo Nordisk A/S. Steen Riisgaard holds shares in Novo Nordisk A/S and Novozymes A/S. Lars Henrik Fugger holds shares in Novo Nordisk A/S, Novozymes A/S and Chr. Hansen A/S. Mads Boritz Grøn holds shares in Novo Nordisk A/S. Stig Strøbæk holds shares in Novo Nordisk A/S. Ole Jakob Müller holds shares in Novo Nordisk A/S and warrants in Novozymes A/S.

*Employee-elected members of the boards within the Novo Group donate most of their board fees to the Employees' Honorarium Foundation (the Board members will receive 10% of the gross amount).

Stig Strøbæk and Ole Jakob Müller replaced Anne Marie Kverneland and Lars Bo Køppler on the Board on 25 March 2022.

Table 7. Members of the Novo Nordisk Foundation Board of Directors, 2022

Name, position, title, year of birth, gender	Date of accession	End of current term	Managerial and other board assignments Competencies (only for members appointed under the provisions of the Articles of Association)
Lars Rebien Sørensen Chair MSc (Forest and Nature Management) and a HD-IB 1954 Male	16 March 2017	March 2023	<p>Lars Rebien Sørensen serves as Chair of the Board of Novo Holdings A/S, Executive Chair of the Board of Ferring Pharmaceuticals (Switzerland) and Chair of the Advisory Board of Axcel Management A/S. Furthermore, he is a member of the Boards of Thermo Fischer Scientific Inc. (USA), Essity AB (Sweden) and Jungbunzlauer Suisse AG (Switzerland). Lars Rebien Sørensen serves as Adjunct Professor at the Faculty of Life Sciences, University of Copenhagen and Adjunct Professor at the Center for Corporate Governance, Copenhagen Business School (CBS).</p> <p>Board competencies: Managerial experience from a large international company. Extensive knowledge of the Novo Group business standards and practices as well as knowledge of the international pharmaceutical industry. Board work experience.</p> <p>Lars Rebien Sørensen is considered a non-independent board member, as he is Chair of the Board of Novo Holdings A/S.</p>
Marianne Philip Vice Chair LLM (Master of Law) Lawyer 1957 Female	19 March 2014	March 2023	<p>Marianne Philip serves as Chair of the Boards of Gerda & Victor B. Strands Fond (the Toms Group Foundation), Gerda and Victor B. Strand Holding A/S, Nordea Invest, Nordea Invest Kommune, Nordea Invest Bolig, Nordea Invest Engros, Copenhagen Capacity, Fonden til Markedsføring af Erhvervsfremme i Region Hovedstaden and the Board Leadership Society of Denmark's Center for Cyberkompetencer A/S. She is Vice Chair of the Boards of Nordea Funds Oy, Bitten og Mads Clausens Fond (Danfoss Foundation), Norli Pension Livsforsikring A/S, BII Foundation, LIFE Foundation, LIFE A/S and BII Holdings A/S. Marianne Philip is a member of the Boards of Kirsten og Peter Bangs Fond, Axcelfuture, Nordic I&P DK ApS, Brenntag Nordic A/S, Aktieselskabet af 1. januar 1987 and Norli Liv og Pension Livsforsikring A/S. Marianne Philip also serves as Chair of the Committee on Foundation Governance and is appointed as Adjunct Professor at the Center for Corporate Governance, Copenhagen Business School (CBS). Marianne Philip is Partner in the law firm Kromann Reumert.</p> <p>Board competencies: Experience with business law matters, incl. company and foundation law, financial and capital market related topics, investments, corporate governance, management in general and board-related work.</p> <p>Marianne Philip is considered a non-independent board member, as she is Vice Chair in BII Foundation and LIFE Foundation.</p>
Steen Riisgaard MSc CEO 1951 Male	19 March 2013	March 2023	<p>Steen Riisgaard serves as Chair of the Boards of New Xellia Group A/S and Lactobio A/S. Steen Riisgaard is also Vice Chair of the Boards of Novo Holdings A/S and VILLUM FONDEN. Steen Riisgaard is a member of the Board of Corbion.</p> <p>Board competencies: Experience with management in general from a large international company. Knowledge of the Novo Group business standards and practices and extensive knowledge of international biotechnology industry and research within the private sector. Experience with innovation and entrepreneurship.</p> <p>Steen Riisgaard is considered a non-independent board member, as he is Vice Chair of Novo Holdings A/S and Chair of New Xellia Group A/S.</p>

Table 7. Members of the Novo Nordisk Foundation Board of Directors, 2022 - continued

Name, position, title, year of birth, gender	Date of accession	End of current term	Managerial and other board assignments Competencies (only for members appointed under the provisions of the Articles of Association)
Lars Henrik Fugger Professor, MD, Ph.D., Nuffield Department of Clinical Neurosciences, Division of Clinical Neurology, John Radcliffe Hospital, University of Oxford, United Kingdom MD, Ph.D. and a DMSc 1960 Male	19 March 2013	March 2023	Lars Henrik Fugger is Professor at the Nuffield Department of Clinical Neurosciences, Division of Clinical Neurology, John Radcliffe Hospital, University of Oxford, UK. He serves as member of the Board of the Alfred Benzon Foundation. Board competencies: Experience with medical science research, innovation and research management. Experience with research evaluations/authorisations/counselling as well as politics within medical science. Lars Henrik Fugger is considered a non-independent board member, as he is advisor to Novo Nordisk A/S
Lars Henrik Munch MSc (Economics) 1959 Male	23 March 2018	March 2023	Lars Henrik Munch serves as Chair of the Board of The Politiken-Foundation and Politiken Holding A/S and as Chair of the Boards of the Louisiana Museum of Modern Art, Museumsfonden, Louisiana Fonden, BRFfonden, BRFholding A/S, BRFinvest a/s, Fonden for Håndværkskollegier, SOS Børnebyerne and GUBI A/S. Furthermore, Lars Henrik Munch is a member of the boards of Utzon Center A/S and the KUNSTEN Museum of Modern Art, Aalborg. Lars Henrik Munch is also a member of the Boards of the European Press Prize (Amsterdam) and the World Association of News Publishers (Paris), as well as Chair of the Advisory Board for Master of Management Development, Copenhagen Business School (CBS) and Vice Chair of the Board of Axcelfuture. Lars Henrik Munch serves as Adjunct Professor at the Department of Organisation, CBS. Board competencies: Experience with society and social conditions, art and culture, media and board work. Lars Henrik Munch is considered an independent board member.
Liselotte Højgaard Professor, Consultant MD, DMSc 1957 Female	1 April 2018	March 2023	Liselotte Højgaard is Clinical Professor in the fields of medicine and technology at the Faculty of Health and Medical Sciences at the University of Copenhagen. She is a member of the Boards of BRFfonden, Die Robert Bosch Stiftung (Germany), Kronprins Frederiks og Kronprinsesse Marys Fond and Arvid Nilsson's Foundation. Furthermore, she is a member of the Scientific Council at the European Research Council (ERC). Board competencies: Experience with medical science research, innovation and research management. Experience with research evaluations/authorisations/counselling as well as politics within medical science. Liselotte Højgaard is considered an independent board member.
Mads Boritz Grøn Auditor MSc (Biology) 1967 Male	23 March 2018	March 2026	Employee representative. Auditor in Novo Nordisk A/S.
Ole Jakob Müller Environmental Consultant 1978 Male	25 March 2022	March 2026	Employee representative. Senior Environmental Specialist in Novozymes A/S.
Stig Strøbæk Electrician 1964 Male	25 March 2022	March 2026	Employee representative. Electrician in Novo Nordisk A/S.

Committees and panels of the Novo Nordisk Foundation

The Foundation supports research, innovation and education in open competition, and has for this purpose appointed 27 committees and panels with external members who receive honoraria for their work. 23 of the appointed committees carry out the task of implementing the Board's decisions concerning assessment and awarding of grants. In addition to this, the Foundation awards grants for strategic and stand-alone projects. The Foundation has appointed various advisory panels which the Board consults before making its grant-awarding decisions in connection with specific applications and projects. Furthermore, the Foundation's Board of Directors makes use of international peer review.

See the Foundation's website for further details and an overview of our committees <https://novonordiskfonden.dk/en/committees/> and Articles of Association <https://novonordiskfonden.dk/en/who-we-are/articles-of-association/>. The members of the committees and panels are internationally recognised experts in their field, often supplemented by experience gained as members of research councils and other academic research committees. The Foundation has adopted a set of rules for eligibility to ensure a fair, equal and unbiased assessment of all applications. The rules can be accessed on the Foundation's website: <https://novonordiskfonden.dk/en/who-we-are/rules-for-eligibility/>.

Table 8. Fees for committee and panel members in 2022

		DKK thousands
Committee on Clinical and Translational Medicine	Chair	190
	Members	125
Committee on Bioscience and Basic Biomedicine	Chair	180
	Members	120
Committee on Endocrinology and Metabolism	Chair	165
	Members	110
Committee on Non-Diabetic Endocrinology	Chair	90
	Members	60
Committee for Exploratory Pre-Seed Grants	Chair	90
	Members	60
Committee on the Novo Nordisk Prize*	Chair	150
	Members	100
Committee on the Novozymes Prize	Chair	125
	Members	85
Committee on Research in Art and Art History	Chair	95
	Members	65
Committee on Industrial Biotechnology and Environmental Biotechnology	Chair	125
	Members	85
Committee on Plant Science, Agriculture and Food Biotechnology	Chair	125
	Members	85
Committee for the Natural and Technical Sciences	Chair	135
	Members	90
Humanitarian and Development Advisory Panel*	Chair	0
	Members	30
Committee on Science Education and Outreach	Chair	110
	Members	75
Committee on the Novo Nordisk Foundation Teaching Prizes	Chair	40
	Members	25
Committee on Steno Research Collaboration	Chair	90
	Members	60

Table 8. Fees for committee and panel members in 2022 (continued)		DKK thousands
Committee on Nursing Research	Chair	90
	Members	60
Committee on Interdisciplinary Research	Chair	125
	Members	85
Committee on International Research Leader Grants	Chair	80
	Members	55
Committee on Science Communication and Debate	Chair	45
	Members	30
Committee on Integrated Social- and Health Efforts for Children	Chair	43
	Members	29
Committee on STEM Vocational Education and Training	Chair	45
	Members	30
Committee on Coherence in Health Care	Chair	60
	Members	40
Committee on Children, Health and Movement	Chair	55
	Members	37
Committee on Data Science 2022	Chair	155
	Members	105
Committee on Novo Nordisk Fondens Challenge Programme 2022 – Immunity at Mucosal Surfaces	Chair	60
	Members	45
Committee on Novo Nordisk Fondens Challenge Programme 2022 – Recycling for a Sustainable Society	Chair	60
	Members	45
Committee on Novo Nordisk Fondens Challenge Programme 2022 – Energy materials with biological applications	Chair	65
	Members	45

* CEO Mads Krogsgaard Thomsen serves as member of the Committee on the Novo Nordisk Prize, for which he receives no fee. Board members Liselotte Højgaard and Lars Henrik Fugger also serve as members of the Committee on the Novo Nordisk Prize. Board member Lars Henrik Munch serves as a member of the Humanitarian and Development Advisory Panel.

In addition to the above, the Foundation has four internal committees (Committee for Research Infrastructure, NNF Symposium Committee, Committee for RECRUIT and Committee for Start Package Grants, which are comprised of employees from the Novo Nordisk Foundation). None of these internal members receive fees for their work.

Executive Management

In 2022 the CEO Office, which undertakes the daily management of the Novo Nordisk Foundation, was comprised of the Foundation's CEO Mads Krogsgaard Thomsen. The CEO Office is responsible for all operational matters and for the implementation of the strategy and policies that have been decided by the Board of Directors. The Board approves the appointment of the CEO based on the recommendations of the Chairmanship, which also assesses the CEO's performance every year. In 2022, the Foundation paid DKK 7,792,500 in ordinary salary, short term incentives and pension to CEO Mads Krogsgaard Thomsen.

Table 9. Key figures and financial ratios in the Novo Nordisk Foundation Group

DKK million	2022	2021	2020	2019	2018
Net sales	208,240	163,063	146,331	142,175	131,398
Operating profit	60,995	87,002	71,450	67,229	50,577
Net financials	-3,141	1,824	3,702	-3,835	-2,040
Profit before income taxes	57,854	88,826	75,152	63,394	48,537
Net profit including non-controlling interest	44,644	76,785	63,483	52,941	39,111
Parent foundation's share of the total comprehensive income	3,353	39,826	30,951	22,971	8,152
Equity including non-controlling interest	243,985	226,861	187,118	155,663	132,721
Parent foundation's share of equity	162,743	166,246	132,928	105,135	86,543
Total assets	481,679	396,473	300,362	254,015	219,086
Investment in tangible assets	18,380	8,786	7,739	10,687	11,946
Cash flow					
Cash flow from operating activities	83,891	59,181	55,601	50,902	48,706
Cash flow from investing activities	-37,523	-44,102	-31,006	-20,742	-22,218
Net cash flow used financing activities	-43,264	-17,078	-26,746	-30,899	-27,575
Financial ratios					
Gross margin	29.3%	53.4%	48.8%	47.3%	38.5%
Profit ratio (net profit for the year including non-controlling interests)	21.4%	47.1%	43.4%	37.2%	29.8%
Equity (including non-controlling interest)	50.7%	57.2%	62.3%	61.3%	60.6%
Average number of employees	74,196	66,387	61,055	60,306	59,295

Managements's statement

The Board of Directors and Executive Management have today considered and adopted the Annual Report of Novo Nordisk Fonden for the financial year 1 January - 31 December 2022.

The Consolidated Financial Statements and the Financial Statements of the Parent Foundation are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements give a true and fair account of the Group's and the Parent Foundation's assets and liabilities as well as financial position as per 31 December 2022, as well as of the Group's and the Parent Foundation's operations and cash flows for the financial year 2022.

In our opinion, the Management's review includes a true and fair account of the development in the Group's and the Parent Foundation's operations and financial circumstances, as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Foundation.

Hellerup, 31 March 2023

Executive Management:

Mads Krogsgaard Thomsen
(CEO)

Board of Directors:

Lars Rebien Sørensen
(Chair)

Marianne Philip
(Vice Chair)

Steen Riisgaard

Lars Henrik Munch

Lars Henrik Fugger

Liselotte Højgaard

Stig Strøbæk

Ole Jakob Müller

Mads Boritz Grøn

Independent auditor's report

To the Board of Directors of Novo Nordisk Fonden

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Foundation's Financial Statements give a true and fair view of the Group's and the Parent Foundation's financial position at 31 December 2022 and of the results of the Group's and the Parent Foundation's operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Foundation's Financial Statements of Novo Nordisk Fonden for the financial year 1 January - 31 December 2022, pp 27-95, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Foundation (hereinafter referred to as "financial statements").

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 Group 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.

Statement on Management's Review

Management is responsible for Management's Review, pp 2-23 and pp 96-106.

Our opinion on the financial statements does not cover 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 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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Foundation's Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statement

Management is responsible for the preparation of Consolidated Financial Statements and Parent Foundation's Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in 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 Group's and the Parent Foundation'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 Group or the Parent Foundation's 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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.
- 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 Group's and the Parent Foundation'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 Group's and the Parent Foundation'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 Group and the Parent Foundation's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 31 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Mogens Nørgaard Mogensen
State Authorised Public Accountant
mne21404

Tue Stensgård Sørensen
State Authorised Public Accountant
mne32200

Financial statements of the Parent Foundation

Income statement and statement of comprehensive income for the year 1 January – 31 December

DKK million	Note	2022	2021
Dividend from Novo Holdings A/S		38,000	6,000
Administration costs			
Employee costs	2	-184	-174
Other costs	3	-188	-127
Result of primary activities		37,628	5,699
Net financial items	4	-2,965	3,419
Profit before tax		34,663	9,118
Tax on profit for the year		1	0
Profit for the year		34,664	9,118
Proposed distribution of profit			
Grants, net	5	7,144	8,663
Reserve for future grants		4,401	455
Retained earnings		23,119	0
		34,664	9,118

Balance sheet at 31 December

DKK million	Note	2022	2021
Assets			
Intangible assets		20	9
Tangible assets		4	0
Investments in subsidiaries	6	2,143	2,142
Other securities and investments	7	14	11
Amounts owed by Novo Holdings A/S		22,644	0
Deposits		2	0
Total non-current assets		24,827	2,162
Joint investment portfolio with Novo Holdings A/S		26,657	27,291
Amounts owed by Novo Holdings A/S		7,400	0
Other receivables		8	9
Cash at bank		22	9
Total current assets		34,087	27,309
Total assets		58,914	29,471
Equity and liabilities			
Capital base		22	22
Retained earnings		23,119	0
Reserve for future grants		15,000	10,599
Total equity		38,141	10,621
Grants payable	5	20,702	18,792
Amounts owed to group companies		19	13
Trade payables		7	25
Other liabilities		45	20
Total current liabilities		20,773	18,850
Toal liabilities		20,773	18,850
Total equity and liabilities		58,914	29,471
Contingent liabilities	7		
Related party transactions	8		
Group companies	9		

Statement of changes in equity at 31 December

DKK million	Note	Capital base	Retained earnings	Reserve for future grants	Total
2021					
Equity as of 1 January		22	0	10,144	10,166
Comprehensive income for the year		0	0	9,118	9,118
Grants, net	5	0	0	-8,663	-8,663
Equity as of 31 December		22	0	10,599	10,621
2022					
Equity as of 1 January		22	0	10,599	10,621
Comprehensive income for the year		0	23,119	11,545	34,664
Grants, net	5	0	0	-7,144	-7,144
Equity as of 31 December		22	23,119	15,000	38,141

Cash flow statement for the year ended 31 December

DKK million	2022	2021
Profit for the year	34,664	9,118
Reversal of items with no effect on cash flow:		
Proceeds from the joint investment portfolio with Novo Holdings A/S	3,014	-3,420
Value adjustments of other securities and investments	-6	-1
Other adjustments	1	1
Cash flow before changes to working capital	37,673	5,698
Increase/decrease in other receivables	1	17
Increase/decrease in payables to group companies	6	-15
Increase/decrease in other payables	7	-26
Cash flow from operating activities	37,687	5,674
Increase/decrease in amounts owed by Novo Holdings A/S	-30,044	0
Contribution to the joint investment portfolio with Novo Holdings A/S	-8,000	-6,000
Repayments from the joint investment portfolio with Novo Holdings A/S	5,619	4,969
Investments in subsidiaries	-1	0
Investments in other securities and investments, net	1	-3
Purchase of intangible assets	-11	-9
Purchase of tangible assets	-4	0
Cash flow from investing activities	-32,440	-1,043
Grant payments	-5,244	-4,722
Refunds from grant recipients	10	7
Cash flow from grants	-5,234	-4,715
Net cash flow	13	-84
Cash and cash equivalents at the beginning of the year	9	93
Cash and cash equivalents at the end of the year	22	9

Notes

Note 1 Accounting policies

The accounting policies are the same as for the consolidated financial statements with the adjustments described below. For a description of the accounting policies of the Group, please refer to the consolidated financial statements.

Investments in subsidiaries

Investments in subsidiaries are recognised at cost price and dividend received from the subsidiaries are included in the profit and loss.

Gain and losses on sale of shares in subsidiaries are included in the profit and loss.

Grants

Grants are recognised as deductions once the Foundation is obligated towards the grant recipient. From that point in time and until the grant has been paid out, the grant is included in provisions for grants as a provision.

Note 2 Employee costs

DKK million	2022	2021
Salaries	158	143
Pensions - defined contribution plans	24	18
Social security	2	2
Fees to committees	15	15
Other employee costs	7	2
	206	180
Allocated as follows:		
Hereoff salaries included as internal grants etc.	-22	-6
Total salaries and fees	184	174
Remuneration of Executive Management and Board of Directors		
Salary and short-term incentives	6	7
Pension	2	1
Executive Management in total	8	8
Fee to Board of Directors	5	5
Total	13	13
Salary, short-term incentives, pension to CEO, Mads Krogsgaard Thomsen	8	5
Salary, short-term incentives, pension to CEO, Birgitte Nauntofte	0	3
Management and the Board of Directors of the Novo Nordisk Foundation are not covered by any share-based payment incentive schemes.		
Average number of full-time employees	160	131

Note 3 Fees to statutory auditors

DKK million	2022	2021
Statutory audit	0.9	0.7
Audit-related services	0.1	0.6
Tax assurance services	0.0	0.0
Other services	0.1	0.0
Fees to statutory auditors	1.1	1.3

Note 4 Net financial items

DKK million	2022	2021
Proceeds from the joint investment portfolio with Novo Holdings A/S	-3,014	3,420
Other financial income	49	0
Other financial expenses	0	-1
Net financial items	-2,965	3,419

Note 5 Grants

DKK million	2022	2021
Grants awarded in the year:		
Natural and Technical Science Research and Interdisciplinarity	1,922	877
Medical Sciences	1,600	4,101
Obesity and Nutritional Sciences	1,346	0
Biotechnology	841	1,203
Social, Humanitarian and Development Aid	618	691
Innovation	553	1,041
Education and Outreach	541	886
Infectious Diseases	43	0
Total grants awarded in the year	7,464	8,799
Adjustment of grants awarded	-319	-136
FX adjustments of grants awarded	-1	0
Grants awarded in the year after adjustments	7,144	8,663
Grant liability at the beginning of year	18,792	14,959
Grants paid out during the year	-5,244	-4,843
Other adjustments	0	6
Refunds from grant recipients	10	7
Grant liability at the end of year	20,702	18,792

Note 6 Investments in subsidiaries

DKK million	2022	2021
Cost at the beginning of year	2,142	2,163
Additions during the year	1	0
Disposals during the year	0	-21
Carrying amount at the end of year	2,143	2,142

Novo Holdings A/S is a 100% owned subsidiary of Novo Nordisk Foundation. The shares in Novo Holdings A/S consist of DKK 115.400.000 A-shares and DKK 384.600.000 B-shares.

Additions during the year of DKK 1 million relates to NNF India A/S, Quantum Foundry P/S and NNF General Partner ApS.

Note 7 Contingent liabilities

In 2017, the Novo Nordisk Foundation committed to an investment of DKK 25 million in Den Sociale Kapitalfond Invest 1 K/S, for the purpose of supporting social efforts, which is a main area of support under the Foundation's Articles of Association. In 2022, DKK 9 million has been paid out to Den Sociale Kapitalfond Invest 1 K/S, DKK 8 million has been received as distributions and DKK 3 million has been made as revaluation. Thus, DKK 17 million remains of the original commitment.

In connection with the proposed merger of Novozymes and Chr. Hansen, the Novo Nordisk Foundation and Novo Holdings have made certain commitments under given terms and conditions including providing irrevocable undertakings in support of the proposed merger including to: vote in favor of the merger at the extraordinary general meetings of Novozymes and Chr. Hansen, and exchange Novo Holdings' 22% stake in Chr. Hansen at an exchange ratio of 1.0227 new B-shares in Novozymes for each individual Chr. Hansen share. Other Chr. Hansen shareholders have been offered an exchange ratio of 1.5326.

Note 8 Related party transactions

DKK million	2022	2021
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Novo Holdings A/S, the Novo Nordisk Group, the Novozymes Group, the NNIT Group, the Xellia Group, the Sonion Group, the BBI Group, the Altasciences Group, the Ritedose Group, the Medical Knowledge Group, the KabaFusion Group, the Dades Group, other subsidiaries, associated companies and the Boards and Executive Managements of these companies, including the Novo Nordisk Foundation, are considered to be related parties. Fees to the Executive Management are stated in note 3 in the consolidated financial statements. All agreements have been negotiated on market-based terms, and the majority of the agreements are valid for one year.

In 2022 and 2021, the Novo Nordisk Foundation had the following transactions with related parties:

Novo Holdings A/S

Purchase of services	123	100
Sale of services	16	13
Interest income on loan to Novo Holdings A/S	44	0
Dividend payment received	38,000	6,000
Long term portion of loan to Novo Holdings A/S	22,644	0
Short term portion of loan to Novo Holdings A/S	7,400	0
Share of joint investment portfolio	26,657	27,291
Share of result of joint investment portfolio	-3,014	3,420
Rent obligation	13	11

The Novo Nordisk Group

Purchase of services delivered by Novo Nordisk A/S	8	2
Purchase of services delivered by NNIT A/S	0	0
Purchase of services delivered by NNE A/S	3	1

No transactions have taken place with the management in the Novo Nordisk Foundation, Novo Holdings A/S, the Novo Nordisk Group, Novozymes Group and other subsidiaries.

Besides the above stated related party transactions, regulated grants and ordinary compensation to management, there have been no transactions with the Board of Directors, Executive Management or other related parties.

For a description of valuation methods and risks related to the joint investment portfolio with Novo Holdings A/S, see note 15 Financial assets and note 26 Financial risks in the consolidated financial statements.

Note 9 – Group companies

Company name	Country	Ownership(%)/votings rights
Novo Nordisk Foundation subsidiaries		
Novo Holdings A/S	Denmark	100
NNF India A/S	Denmark	100
Quantum Foundry P/S	Denmark	100
NNF General Partner ApS	Denmark	100
Novo Holdings A/S subsidiaries		
Novo Nordisk A/S	Denmark	28.1/76.9
Novozymes A/S	Denmark	25.6/72.7
NNIT A/S 1)	Denmark	33.5
21st.Bio A/S	Denmark	42
Acesion Pharma ApS	Denmark	82
Aloop Therapeutics ApS	Denmark	100
Altasciences HoldCo A/S	Denmark	100
Aristea Therapeutics, Inc.	USA	59
Availity HoldCo A/S	Denmark	100
Avilex Pharma ApS	Denmark	56
BBI HoldCo A/S	Denmark	100
BiOrigin ApS	Denmark	100
Claris Biotherapeutics, Inc.	USA	52
Dades A/S	Denmark	54
Ejendomsselskabet Novo Holdings P/S	Denmark	100
Ejendomsselskabet Novo Holdings Komplementar ApS	Denmark	100
ENV HoldCo A/S	Denmark	100
ERT HoldCo A/S	Denmark	100
HyperBio Therapeutics ApS	Denmark	100
Indkøbsselskabet Novo Holdings A/S	Denmark	100
NH Kronos GP, LLC	USA	100
NH Kronos Ultimate Holdings, LP	USA	89
Novo 1999 Advisory Shanghai Ltd.	China	100
Novo Accelerator, Inc.	USA	100
Novo DP2, Inc.	USA	100
Novo Holdings Equity (US) Inc.	USA	100
Novo Holdings Equity Asia Pte. Ltd.	Singapore	100
Novo Invest 1 A/S	Denmark	100
Novo Invest 2A A/S	Denmark	100
Novo Invest 2E A/S	Denmark	100
Novo Invest Asia A/S	Denmark	100
Novo Maia, LP	USA	77
Novo Ventures (US), Inc.	USA	100

(continues)

Company name	Country	Ownership(%) /votings rights
Novo Ventures 1 P/S	Denmark	100
Obis Medicines ApS	Denmark	89
Ritedose HoldCo A/S	Denmark	100
Rive Therapeutics, Inc.	USA	89
Sonion HoldCo A/S	Denmark	100
Xellia HoldCo A/S	Denmark	100
Life Science Investments and Capital Investments		
ADcendo ApS	Denmark	20
Allievex Corporation	USA	43
AMRA Medical AB	Sweden	26
Antag Therapeutics ApS	Denmark	43
Asgard Therapeutics AB	Sweden	20
Bactolife ApS	Denmark	26
Biomason Inc.	USA	30
Biosyntia ApS	Denmark	43
Breye Therapeutics ApS	Denmark	26
Chr. Hansen Holding A/S	Denmark	22
Chromologics ApS	Denmark	24
Cirius Therapeutics, Inc.	USA	20
Commit Biologics ApS	Denmark	50
Convatec Group Plc.	UK	21
Draupnir Bio ApS, Denmark	Denmark	28
Engimmune Therapeutics AG	Switzerland	31
F2G Limited	UK	25
Glycomine, Inc.	USA	33
Hemab ApS	Denmark	33
Heparegenix GmbH	Germany	24
Hoba Therapeutics ApS	Denmark	49
Inspirna, Inc.	USA	23
Karus Therapeutics Ltd.	UK	25
MinervaX ApS	Denmark	26
Muna Therapeutics ApS	Denmark	20
NIP Norway Gardermoen Logistikkbygg Holding AS	Norway	27
NMD Pharma ApS	Denmark	20
NREP A/S	Denmark	25
Nuvig Therapeutics Inc.	USA	26
Orexo AB	Sweden	28
Revagenix, Inc.	USA	23
STipe Therapeutics ApS	Denmark	29
Tarveda Therapeutics, Inc.	USA	37
The Protein Brewery BV	Netherlands	22
Tribune Therapeutics AB	Sweden	34

(continues)

Company name	Country	Ownership(%) /votings rights
Vestaron Corporation	USA	25

1) Novo Holdings A/S owns together with Novo Nordisk A/S 51% of the shares in NNIT A/S, and thus the company is listed as a subsidiary.

2) Novo Holdings A/S has invested in life science companies, and these are presented as other investments in the balance sheet.

Company name	Country	Ownership(%)/votings rights
Novo Nordisk Group subsidiaries		
North America Operations		
Novo Nordisk Canada Inc.	Canada	100
Novo Nordisk Inc.	USA	100
Novo Nordisk North America Operations A/S	Denmark	100
Novo Nordisk Pharmaceutical Industries LP	USA	100
Novo Nordisk Pharmatech US, Inc.	USA	100
Novo Nordisk Pharma, Inc.	USA	100
Novo Nordisk Research Center Indianapolis, Inc.	USA	100
Novo Nordisk Research Center Seattle, Inc.	USA	100
Novo Nordisk US Bio Production, Inc.	USA	100
Novo Nordisk US Commercial Holdings, Inc.	USA	100
Novo Nordisk US Holdings Inc.	USA	100
Corvidia Therapeutics, Inc.	USA	100
Dicerna Pharmaceuticals, Inc.	USA	100
Emisphere Technologies, Inc.	USA	100
Forma Therapeutics, Inc.	USA	100
Region International Operations		
Novo Nordisk Pharmaceuticals A/S	Denmark	100
Novo Nordisk Pharma Operations A/S	Denmark	100
Novo Nordisk Region AAMEO and LATAM A/S	Denmark	100
Novo Nordisk Region Europe A/S	Denmark	100
Novo Nordisk Region Japan & Korea A/S	Denmark	100
Region EMEA		
Aldaph SpA	Algeria	100
Novo Nordisk Pharma GmbH	Austria	100
S.A. Novo Nordisk Pharma N.V.	Belgium	100
Novo Nordisk Pharma d.o.o.	Bosnia and Herzegovina	100
Novo Nordisk Pharma EAD	Bulgaria	100
Novo Nordisk Hrvatska d.o.o.	Croatia	100
Novo Nordisk s.r.o.	Czech Republic	100
Novo Nordisk Denmark A/S	Denmark	100
Novo Nordisk Pharmatech A/S	Denmark	100
Novo Nordisk Egypt LLC	Egypt	100
Novo Nordisk Egypt Pharmaceuticals Ltd.	Egypt	100
Novo Nordisk Farma OY	Finland	100
Novo Nordisk	France	100
Novo Nordisk Production SAS	France	100

(continues)

Company name	Country	Ownership(%)/votings rights
Novo Nordisk Hellas Epe.	Greece	100
Novo Nordisk Hungária Kft.	Hungary	100
Novo Nordisk Limited	Ireland	100
Novo Nordisk Ltd	Israel	100
Novo Nordisk S.P.A.	Italy	100
Novo Nordisk Kazakhstan LLP	Kazakhstan	100
Novo Nordisk Kenya Ltd.	Kenya	100
Novo Nordisk Pharma SARL	Lebanon	100
UAB Novo Nordisk Pharma	Lithuania	100
Novo Nordisk Farma dooel	North Macedonia	100
Novo Nordisk Pharma SAS	Morocco	100
Novo Nordisk B.V.	Netherlands	100
Novo Nordisk Finance (Netherlands) B.V.	Netherlands	100
Novo Nordisk Pharma Limited	Nigeria	100
Novo Nordisk Norway AS	Norway	100
Novo Nordisk Pharmaceutical Services Sp. z.o.o.	Poland	100
Novo Nordisk Pharma Sp.z.o.o.	Poland	100
Novo Nordisk Portugal Lda.	Portugal	100
Novo Nordisk Farma S.R.L.	Romania	100
Novo Nordisk Limited Liability Company	Russia	100
Novo Nordisk Production Support LLC	Russia	100
Novo Nordisk Saudi for Trading	Saudi Arabia	100
Novo Nordisk Pharma d.o.o. Belgrade (Serbia)	Serbia	100
Novo Nordisk Slovakia s.r.o.	Slovakia	100
Novo Nordisk d.o.o.	Slovenia	100
Novo Nordisk (Pty) Limited	South Africa	100
Novo Nordisk Pharma S.A.	Spain	100
Novo Nordisk Scandinavia AB	Sweden	100
Novo Nordisk Health Care AG	Switzerland	100
Novo Nordisk Pharma AG	Switzerland	100
Novo Nordisk Tunisie SARL	Tunisia	100
Novo Nordisk Saglik Ürünleri Tic. Ltd. Sti.	Turkey	100
Novo Nordisk Ukraine LLC	Ukraine	100
Novo Nordisk Pharma Gulf FZE	United Arab Emirates	100
Novo Nordisk Holding Limited	UK	100
Novo Nordisk Limited	UK	100
Novo Nordisk Research Centre Oxford Limited	UK	100
Region China		
Novo Nordisk (China) Pharmaceuticals Co. Ltd.	China	100
Novo Nordisk (Shanghai) Pharma Trading Co. Ltd	China	100
Novo Nordisk Region China A/S	Denmark	100

(continues)

Company name	Country	Ownership(%)/votings rights
Novo Nordisk Hong Kong Limited	Hong Kong	100
Novo Nordisk Pharma (Taiwan) Ltd.	Taiwan	100
Beijing Novo Nordisk Pharmaceuticals Science & Technology Co. Ltd	China	100
Region Rest of World		
Novo Nordisk Pharma Argentina S.A.	Argentina	100
Novo Nordisk Pharmaceuticals Pty. Ltd.	Australia	100
Novo Nordisk Pharma (Private) Limited	Bangladesh	100
Novo Nordisk Produção Farmacêutica do Brasil Ltda.	Brazil	100
Novo Nordisk Farmacêutica do Brasil Ltda.	Brazil	100
Novo Nordisk Farmacêutica Limitada	Chile	100
Novo Nordisk Colombia SAS	Colombia	100
Novo Nordisk India Private Limited	India	100
Novo Nordisk Service Centre (India) Pvt. Ltd.	India	100
PT. Novo Nordisk Indonesia	Indonesia	100
Novo Nordisk Pars	Iran	100
Novo Nordisk Pharma Ltd.	Japan	100
Novo Nordisk Pharma (Malaysia) Sdn Bhd	Malaysia	100
Novo Nordisk Pharma Operations Sdn Bhd	Malaysia	100
Novo Nordisk Mexico S.A. de C.V.	Mexico	100
Novo Nordisk Pharmaceuticals Ltd.	New Zealand	100
Novo Nordisk Pharma (Private) Limited	Pakistan	100
Novo Nordisk Panama S.A.	Panama	100
Novo Nordisk Peru S.A.C.	Peru	100
Novo Nordisk Pharmaceuticals (Philippines) Inc.	Philippines	100
Novo Nordisk Pharma (Singapore) Pte Ltd.	Singapore	100
Novo Nordisk India Holding Pte Ltd.	Singapore	100
Novo Nordisk Pharma Korea Ltd.	South Korea	100
Novo Nordisk Lanka (PVT) Ltd	Sri Lanka	100
Novo Nordisk Pharma (Thailand) Ltd.	Thailand	100
Novo Nordisk Vietnam Ltd.	Vietnam	100
Other subsidiaries and associated companies		
NNE A/S	Denmark	100
NNIT A/S	Denmark	18
CS Solar Fund XIV LLC	USA	99

Company name	Country	Ownership(%)/votings rights
Novozymes Group subsidiaries		
Novozymes BioAg S.A.	Argentina	100
Novozymes Australia Pty. Ltd.	Australia	100
Novozymes Belgium BV	Belgium	100
Novozymes Latin America Ltda.	Brazil	100
Novozymes BioAg Productos Para Agricultura Ltda.	Brazil	100
Novozymes BioAg Limited	Canada	100
Novozymes Canada Limited	Canada	100
Novozymes (China) Biotechnology Co. Ltd.	China	100
Novozymes (China) Investment Co. Ltd.	China	100
Novozymes (Shenyang) Biologicals Co. Ltd.	China	100
Suzhou Hongda Enzyme Co. Ltd.	China	96
Novozymes OneHealth Biotechnology (Shanghai) Co. Ltd	China	100
Novozymes Bioindustrial A/S	Denmark	100
Novozymes Bioindustrial China A/S	Denmark	100
Novozymes Biopharma DK A/S	Denmark	100
Novozymes BioAg A/S	Denmark	100
Novozymes France S.A.S.	France	100
Novozymes Deutschland GmbH	Germany	100
Novozymes Berlin GmbH	Germany	100
Novozymes Greece Single Member SA	Greece	100
Novozymes Hong Kong Ltd.	Hong Kong	100
Novozymes South Asia Pvt. Ltd.	India	100
Riata Life Sciences Pvt. Ltd.	India	60
Synergia Life Sciences Pvt. Ltd.	India	60
PT Novozymes Indonesia Biotechnology	Indonesia	100
PrecisionBiotics Group Ltd.	Ireland	100
Novozymes Italia S.r.l.	Italy	100
Novozymes Japan Ltd.	Japan	100
Novozymes Kenya Ltd.	Kenya	100
Novozymes Malaysia Sdn. Bhd.	Malaysia	100
Novozymes Mexicana, S.A. de C.V.	Mexico	100
Novozymes Mexico, S.A. de C.V.	Mexico	100
Novozymes Nederland B.V.	Netherlands	100
Novozymes RUS LLC	Russia	100
Novozymes Singapore Pte. Ltd.	Singapore	100
Novozymes South Africa (Pty) Ltd.	South Africa	100
Novozymes Korea Limited	South Korea	100
Novozymes Spain S.A.	Spain	100
Novozymes Sweden AB	Sweden	100
Novozymes Switzerland AG	Switzerland	100
Novozymes Switzerland Holding AG	Switzerland	100
Novozymes (Thailand) Ltd.	Thailand	100

(continues)

Company name	Country	Ownership(%) /votings rights
Novozymes Enzim Dis Ticaret Ltd. Sirketi	Turkey	100
Novozymes UK Ltd.	UK	100
Novozymes BioAg, Inc.	USA	100
Novozymes Biologicals, Inc.	USA	100
Novozymes Blair, Inc.	USA	100
Novozymes, Inc.	USA	100
Physicians Exclusive LLC (d.b.a) Microbiome Labs	USA	100
Novozymes North America, Inc.	USA	100
Novozymes US, Inc.	USA	100
Joint operations/associates		
Grundejerforeningen Smørmosen	Denmark	
Grundejerforeningen Hallas Park	Denmark	
21st.BIO A/S	Denmark	42,7
Microbiogen PTY Ltd.	Australia	23,1
Tecnol s.r.l. in liquidazione (formerly Beta Renewables S.p.A.)	Italy	9,95
MagnaBioAnalytics LLC	USA	19,35

Company name	Country	Ownership(%) /votings rights
NNIT Group subsidiaries		
NNIT (Tianjin) Technology Co.Ltd	China	100
NNIT Philippines Inc	Philippines	100
NNIT Switzerland AG	Switzerland	100
NNIT Germany GMBH	Germany	100
NNIT Inc.	USA	100
NNIT Czech Republic s.r.o.	Czech Republic	100
NNIT UK Ltd	United Kingdom	100
SCALES A/S	Denmark	100
NNIT Ireland Ltd.	Ireland	100
NNIT Poland Sp. Z.o.o.	Poland	100
NNIT Singapore Holdings Pte. Ltd.	Singapore	100
NNIT Singapore Pte. Ltd.	Singapore	100
PT. Halfmann Goetsch Partner	Indonesia	100
Excellis Health Solutions LLC	USA	100
Excellis Europe Ltd.	United Kingdom	100
SL Controls Limited	Ireland	100
SL Controls USA Inc	USA	100
NNIT Italy S.r.l.	Italy	100
Prime4Services ESP S.L.	Spain	100
NewCO IO	Denmark	100
Xellia Group subsidiaries		
New Xellia Group A/S	Denmark	100
Otnortopco AS	Norway	100
Xellia Group AS	Norway	100
Xellia Pharmaceuticals AS	Norway	100
Xellia Pharmaceuticals AS Shanghai Rep. Office	Norway	100
Xellia Group ApS	Denmark	100
Xellia Pharmaceuticals ApS	Denmark	100
Xellia Pharmaceuticals ApS (Dubai Branch)	Denmark	100
Xellia Pharmaceuticals ApS (Panama Branch)	Denmark	100
Xellia Pharmaceuticals Ltd.	Hungary	100
Xellia Pharmaceuticals Inc.	USA	100
Nippon Axellia Co. Ltd.	Japan	100
Xellia Hong Kong Ltd.	Hong Kong	100
Xellia d.o.o.	Croatia	100
Xellia Pharmaceuticals Private Limited	India	100
Xellia Pharmaceuticals USA LLC	USA	100
Crane Pharmaceuticals LLC	USA	100
Xellia Pharmaceuticals Shanghai Co. Ltd.	China	100
Xellia (Taizhou) Pharmaceuticals Company Ltd.	China	51

Company name	Country	Ownership(%) / voting rights
Sonion Group subsidiaries		
Sonion InvestCo A/S	Denmark	100
Sonion Holding A/S	Denmark	100
Sonion A/S	Denmark	100
Sonion Nederland B.V	Nederland's	100
Sonion US, Inc.	USA	100
Sonion Polska S.P.zoo	Poland	100
Sonion Vietnam Ltd, Inc.	Vietnam	100
Sonion Vietnam II Ltd, Inc.	Vietnam	100
Sonion Philippines, Inc.	Philippines	100
Xilco (CH) AG	Switzerland	100
Altsciences Group subsidiaries		
Amalthea GP, LLC	USA	100
Amalthea Acquisition Holdings, LP	USA	90
Amalthea Acquisition Holdings, LP - subsidiaries		
Amalthea Acquisition I, LP	USA	100
Amalthea Acquisition II, LP	USA	100
Altsciences US Acquisition Inc	USA	100
Altsciences Clinical Kansas Inc.	USA	100
Amalthea Parent Inc	USA	100
Altsciences Holdings Inc	USA	100
Altscience Preclinical Seattle LLC	USA	100
Altsciences Clinical Los Angeles, Inc	USA	100
Calvert Laboratories Inc.	USA	100
Altsciences CDMO Phillidelphia, LLA	USA	100
Altsciences USA, LLC	USA	100
9360-1318 Quebec Inc	Canada	100
Altsciences Company Inc.	Canada	100
9186-5328 Quebec Inc	Canada	100
Sinclair Maintenance, LLC	USA	100
Sinclair Real Estate, LLC	USA	100
Sinclair Research Center, LLC	USA	100
Altsciences Clinical Fargo, LLC	USA	100
Amalthea UK Ltd.	UK	100
Valley Biosystems	USA	100
Associated companies		
BR Holdings, LLC	USA	49
Pet Foods Solutions, LLC	USA	49
Sinclair Bio Resources, LLC	USA	49

Company name	Country	Ownership(%)/votings rights
BBI Group subsidiaries		
BBI Solutions Group Ltd.	UK	97
<i>BBI Solutions Group Ltd. - subsidiaries</i>		
Baduhenna Holdco Ltd.	UK	100
Baduhenna BidCo Limited	UK	100
BioTeZ Berlin-Buch GmbH	Germany	100
Steffens Biotechnische Analysen GmbH	Germany	100
BBI Group Holdco Limited	UK	100
Vector Bidco Limited	UK	100
BBI Group Holding Limited	UK	100
Eagle SPV 2 Limited	UK	100
Eagle SPV 3 Limited	UK	100
BBI Acquisition Limited	UK	100
BBI Diagnostics Group Limited	UK	100
BBI Detection Limited	UK	100
BBI Resources Limited	UK	100
BBI Solutions OEM Limited	UK	100
BBI Detection LLC	USA	100
BBI Solutions LLC	USA	100
BBI Enzymes (USA) Limited	UK	100
BBI Enzymes SA (Pty) Limited	South Africa	100
Vision Biotech Proprietary Limited	South Africa	100
Novarum DX Limited	UK	100
BBI US Holding LLC	USA	100
BBI US Group LLC	USA	100
Maine Biotechnology Services Inc	USA	100
BBI Biotechnology (Shanghai) Co Limited	China	100
BBI Solutions GmbH	Germany	100
Diarect GmbH	Germany	100
BBI USD Limited	UK	100
BBI GBP Limited	UK	100
KabaFusion Group subsidiaries		
NH Kronos Ultimate Holdings, LP	USA	89
<i>NH Kronos Ultimate Holdings, LP - subsidiaries</i>		
NH Kronos Holdings, LP	USA	85
<i>NH Kronos Holdings, LP - subsidiaries</i>		
NH Kronos Parent, Inc.	USA	100

(continues)

Company name	Country	Ownership(%) /votings rights
NH Kronos Intermediate I, Inc.	USA	100
NH Kronos Intermediate II, Inc.	USA	100
NH Kronos Intermediate III, Inc.	USA	100
NH Kronos Buyer, Inc.	USA	100
KabaFusion PPC Parent LLC	USA	100
KabaFusion Holdings LLC	USA	100
Pri-Med Infusion Services, Inc.	USA	100
EDCO Holding, Inc.	USA	100
IVEDCO, LLC	USA	100
KabaFusion, LLC	USA	100
KabuFusion, Inc.	USA	100
Home Care Services, Inc.	USA	100
Medilink Homecare, Inc.	USA	100
Stellar Healthcare, Inc.	USA	100
At Home Infusion Services LLC	USA	100
Private Home Care Unlimited, Inc.	USA	100
KabaFusion of MI, LLC	USA	100
Complete Infusion Services, LLC	USA	100
OCT Pharmacy, L.L.C.	USA	100
KabaFusion IN, LLC	USA	100
KabaFusion NY, LLC	USA	100
Lincare of New York, Inc.	USA	100
KabaFusion KY, LLC	USA	100
Gamma Acquisition Inc.	USA	100
KabaFusion AL, LLC	USA	100
KabaFusion VA, LLC	USA	100
KabaFusion AR, LLC	USA	100
KabaFusion NC, LLC	USA	100
KabaFusion WY, LLC	USA	100
KabaFusion MD, LLC	USA	100
GTMI Corporation	USA	100
KabaFusion AZ, LLC	USA	100
KabaFusion of Colorado, LLC	USA	100
KabaFusion LA, LLC	USA	100
KabaFusion ME, LLC	USA	100
KabaFusion MN, LLC	USA	100
KabaFusion OH, LLC	USA	100
KabaFusion TN, LLC	USA	100
MKG Group subsidiaries		
Novo Maia, LP	USA	77

(continues)

Company name	Country	Ownership(%) /votings rights
<i>Novo Maia, LP subsidiaries</i>		
Maia Aggregator LP	USA	68
<i>Maia Aggregator, LP subsidiaries</i>		
Maia Blocker Inc.	USA	91
<i>Maia Blocker Inc. subsidiaries</i>		
Maia Acquisition Holdings, LLC	USA	81
<i>Maia Acquisition Holdings, LLC subsidiaries</i>		
Maia Acquisition, LLC	USA	100
CSC MKG TopCo, LLC	USA	100
CSC MKG InterCo, LLC	USA	100
Medical Knowledge Group, LLC	USA	100
MKG Philomena Buyer, Inc.	USA	100
MKG Philomena Opco, LLC	USA	100
Synapse Medical Communications, LLC	USA	100
CTLS, LLC	USA	100
Medical Events International, LLC	USA	100
81qd, LLC	USA	100
SciMed, LLC	USA	100
Helathlogix, LLC	USA	100
<i>Ritedose Group subsidiaries</i>		
Rhea GP, LLC	USA	100
Novo Rhea Aggregator, LP	USA	63
<i>Novo Rhea Aggregator, LP subsidiaries</i>		
Rhea Acquisition Holdings, LP	USA	96
<i>Rhea Acquisition Holdings, LP subsidiaries</i>		
Rhea Intermediate, LP	USA	100
Rhea Intermediate II, Inc.	USA	100
Rhea Parent, Inc.	USA	100
The Ritedose Corporation	USA	100
TRC Propco, Inc.	USA	100
Ritedose Pharmaceuticals, LLC	USA	100
Ritedose (Wuhan) Pharmaceuticals Co. Ltd.	China	100
<i>Dades Group subsidiaries</i>		
Dades Center/Box Holding ApS	Denmark	100
Dades Erhverv/Bolig Holding ApS	Denmark	100
Dades Center Vest ApS	Denmark	100
Dades Center Øst ApS	Denmark	100

(continues)

Company name	Country	Ownership(%) /votings rights
Dades Box ApS	Denmark	100
Dades Erhverv ApS	Denmark	100
Dades Bolig ApS	Denmark	100
Waves ApS	Denmark	100
Fisketorvet 2 Odense ApS	Denmark	100
Rådhuspladsen ApS	Denmark	100
Køge Kyst I ApS	Denmark	100
Soeborg Ejendomme ApS	Denmark	100
Snedkerhaven Hvidovre ApS	Denmark	100
Bækkeskovvej ApS	Denmark	100
Slotengen Hillerød ApS	Denmark	100
Color 1 ApS	Denmark	100
Kulturporten Farum ApS	Denmark	100
Christiasvej Glostrup ApS	Denmark	100
Associated companies		
Davista A/S	Denmark	49
Davista K/S	Denmark	49

Consolidated financial statements Novo Nordisk Foundation Group

Income statement and statement of comprehensive income for the year 1 January - 31 December

DKK million	Note	2022	2021
Income statement			
Net sales	2	208,240	163,063
Cost of goods sold	3,5	-46,082	-36,178
Gross profit		162,158	126,885
Sales and distribution costs	3,5	-49,470	-39,554
Research and development costs	3,5	-26,417	-20,135
Administrative costs	3,4,5	-6,836	-4,978
Return on investment activities and other operating income	6	-15,353	26,300
Other operating expenses	3,5	-3,087	-1,516
Operating profit		60,995	87,002
Income from associated companies		3,345	1,745
Financial income	7	950	3,174
Financial expenses	7	-7,436	-3,095
Profit before income taxes		57,854	88,826
Income taxes	8	-13,210	-12,041
Net profit		44,644	76,785
Net profit for the year is specified as follows:			
Non-controlling interests		42,510	36,575
Controlling interests		2,134	40,210
Net profit		44,644	76,785
Statement of comprehensive income			
Net profit		44,644	76,785
Other comprehensive income:			
Items that will not be reclassified subsequently to the income statement:			
Remeasurement of retirement benefit obligations		630	150
Items that will be reclassified subsequently to the income statement:			
Exchange rate adjustments of investments in subsidiaries and associated companies		2,361	2,323
Cash flow hedges, realisation of previously deferred gains/losses		1,740	-1,802
Cash flow hedges, deferred gains/losses incurred during the period		1,218	-1,953
Other items		-36	-251
Tax on other comprehensive income, income/expense		-940	972
Other comprehensive income, net of tax		4,973	-561
Total comprehensive income		49,617	76,224
Total comprehensive income for the year is specified as follows:			
Non-controlling interests	28	46,264	36,398
Controlling interests		3,353	39,826
Total comprehensive income		49,617	76,224

Balance sheet at 31 December

DKK million	Note	2022	2021
Assets			
Intangible assets	9	90,766	62,976
Tangible assets	10.11	84,439	70,599
Investment property	12	27,088	0
Investments in associated companies	14	9,777	10,790
Financial assets	15	125,887	142,618
Deferred tax assets	8	15,728	10,531
Total non-current assets		353,685	297,514
Inventories	16	30,586	23,830
Trade receivables	17	57,092	45,308
Contractual assets		417	259
Tax receivables		1,480	1,426
Derivative financial instruments	23	2,860	1,786
Other receivables and prepayments		7,638	6,515
Marketable securities		10,921	6,765
Cash at bank		15,949	13,070
Assets held for sale	29	1,051	0
Total current assets		127,994	98,959
Total assets		481,679	396,473

Balance sheet at 31 December

DKK million	Note	2022	2021
Equity and liabilities			
Capital base		22	22
Retained earnings		147,238	156,326
Reserve for future grants		15,000	10,599
Other reserves		483	-701
Total equity parent foundation		162,743	166,246
Non-controlling interests	28	81,242	60,615
Total equity		243,985	226,861
Liabilities			
Borrowings	19	57,411	25,016
Deferred income tax liability	8	13,594	7,489
Other provisions	18	5,471	5,807
Other liabilities	20	3,024	3,135
Total non-current liabilities		79,500	41,447
Borrowings	19	7,538	16,225
Trade payables		18,900	10,701
Tax payables		7,002	4,086
Other liabilities	20	30,075	23,978
Derivative financial instruments	23	3,011	2,341
Contractual obligations		146	129
Provision for grants		20,702	18,792
Other provisions	18	70,621	51,913
Liabilities related to assets held for sale	29	199	0
Total current liabilities		158,194	128,165
Total liabilities		237,694	169,612
Total equity and liabilities		481,679	396,473
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Statement of changes in equity at 31 December

DKK million									
	Capital base	Retained earnings	Reserve for future grants	Currency adjustments	Cash flow hedges	Other adjustments	Total other comprehensive income	Minority interests	Total
2022									
Balance at the beginning of the year	22	156,326	10,599	-411	-601	311	-701	60,615	226,861
Currency adjustments of subsidiaries	0	0	0	-30	0	0	-30	20	-10
Opening adjustments	0	0	0	0	0	0	0	0	0
Change in effective ownership	0	12	0	0	0	0	0	-12	0
Balance at beginning of the year	22	156,338	10,599	-441	-601	311	-731	60,623	226,851
Net profit	0	-9,411	11,545	0	0	0	0	42,510	44,644
Other comprehensive income	0	5	0	447	902	-135	1,214	3,754	4,973
Total comprehensive income	0	-9,406	11,545	447	902	-135	1,214	46,264	49,617
Share-based payments	0	487	0	0	0	0	0	1,193	1,680
Tax related to equity postings	0	44	0	0	0	0	0	101	145
Purchase of treasury shares	0	-8	0	0	0	0	0	-17,612	-17,620
Sale of treasury shares	0	49	0	0	0	0	0	125	174
Dividends	0	0	0	0	0	0	0	-19,318	-19,318
Grants, net	0	0	-7,144	0	0	0	0	0	-7,144
Business acquisitions and other adjustments	0	-266	0	0	0	0	0	9,866	9,600
Balance at the end of the year	22	147,238	15,000	6	301	176	483	81,242	243,985
2021									
Balance at the beginning of the year	22	123,364	10,144	-1,265	499	164	-602	54,190	187,118
Currency adjustments of subsidiaries	0	0	0	271	0	0	271	13	284
Opening adjustments	0	0	0	0	0	0	0	0	0
Change in effective ownership	0	75	0	0	0	0	0	-75	0
Balance at beginning of the year	22	123,439	10,144	-994	499	164	-331	54,128	187,402
Net profit	0	31,092	9,118	0	0	0	0	36,575	76,785
Other comprehensive income	0	-14	0	583	-1,100	147	-370	-177	-561
Total comprehensive income	0	31,078	9,118	583	-1,100	147	-370	36,398	76,224
Share-based payments	0	338	0	0	0	0	0	805	1,143
Tax related to equity postings	0	118	0	0	0	0	0	313	431
Purchase of treasury shares	0	1,111	0	0	0	0	0	-15,034	-13,923
Sale of treasury shares	0	217	0	0	0	0	0	241	458
Dividends	0	0	0	0	0	0	0	-16,520	-16,520
Grants, net	0	0	-8,663	0	0	0	0	0	-8,663
Business acquisitions and other adjustments	0	25	0	0	0	0	0	284	309
Balance at the end of the year	22	156,326	10,599	-411	-601	311	-701	60,615	226,861

Cash flow statement

DKK million	Note	2022	2021
Operating profit		60,995	87,002
Adjustment of non-cash items:			
Depreciations, amortisation and impairment losses	5	10,435	8,424
Other non-cash items	21	39,436	-11,710
Income taxes paid		-14,696	-14,929
Interest received		396	697
Interest paid		-7,248	-542
Cash flow before changes to working capital		89,318	68,942
Increase/decrease in receivables		-12,697	-16,207
Increase/decrease in inventory		-6,040	-1,724
Increase/decrease trade in payables and other debt		11,970	6,678
Currency adjustments		1,340	1,492
Cash flow from operating activities		83,891	59,181
Purchase of subsidiaries		-15,354	-25,017
Purchase of associated companies		0	-30
Sale of associated companies		3,949	0
Purchase of financial assets - Life Science Investments		-10,894	-9,831
Sale of financial assets - Life Science Investments		5,293	8,563
Purchase of financial assets - other		-65,558	-43,879
Sale of financial assets - other		66,239	40,450
Purchase of intangible assets		-3,087	-1,278
Purchase of tangible assets including investment property		-15,716	-7,800
Sale of tangible assets		30	125
Payments for marketable securities		-9,566	-7,109
Proceeds from sale of marketable securities		6,770	1,172
Received dividend		371	532
Cash flow from investing activities		-37,523	-44,102
Proceeds from borrowing		16,169	28,650
Repayment of borrowings		-17,293	-10,816
Novo Groups purchase of treasury shares		-17,620	-13,923
Novo Groups sale of treasury shares		174	458
Repayment leasing		-142	-212
Paid dividend to non-controlling interests		-19,318	-16,520
Paid grant Novo Nordisk Foundation		-5,234	-4,715
Net cash flow used in financing activities		-43,264	-17,078
Net cash generated from activities		3,104	-1,999
Cash and cash equivalents at the beginning of the year		13,068	14,389
Exchange gains/(losses) on cash and cash equivalents		-247	678
Cash and cash equivalents at the end of the year	22	15,925	13,068

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Note 1 Accounting policies

Principal accounting policies and key accounting estimates

The consolidated financial statements included in this Annual Report have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the EU and further requirements in the Danish Financial Statements Act. All entities in the Novo Nordisk Foundation Group follow the same Group accounting policies.

Measurement basis

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments, equity investments and trade receivables in a factoring portfolio, which are measured at fair value.

The principal accounting policies set out below have been applied consistently in the preparation of the consolidated financial statements for all the years presented.

Principal accounting policies

Novo Nordisk Foundation's accounting policies are described in each of the individual notes to the consolidated financial statements. Accounting policies listed below are regarded as the principal accounting policies applied by Management:

- » Net sales (note 2)
- » Income taxes and deferred income taxes (note 8)
- » Intangible assets (note 9)
- » Financial assets (note 15)
- » Provisions and contingent liabilities (note 18)
- » Derivative financial instruments (note 23)
- » Acquisitions of businesses (note 13)

Applying materiality

The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. The transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes. Management provides specific disclosures required by IFRS unless the information is not applicable or is considered immaterial to the decision making of the primary users of these financial statements.

Key accounting estimates and judgements

The use of reasonable estimates and judgements is an essential part of the preparation of the parent and consolidated financial statements. Given the uncertainties inherent in Novo Nordisk Foundation Group business activities, Management must make certain estimates regarding valuation and make judgements on the reported amounts of assets, liabilities, net sales, expenses and related disclosures.

The key accounting estimates identified are those that have a significant risk of resulting in a material adjustment to the measurement of assets and liabilities in the following reporting period. Management bases its estimates on historical experience and various other assumptions that are held to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. If necessary, changes are recognised in the period in which the estimate is revised. Management considers the key accounting estimates to be reasonable and appropriate based on currently available information. The actual amounts may differ from the amounts estimated as more detailed information becomes available.

In addition, Management makes judgements in the process of applying the entity's accounting policies, for example classification of a transaction as an asset acquisition or a business combination.

The estimates are made by Management in Novo Nordisk, Novozymes and Novo Holdings and subsequently evaluated by Management in Novo Nordisk Foundation. The Foundation regards the following as the key accounting estimates and judgements used in preparation of the consolidated financial statements:

- » Estimate of US sales deduction for sales rebates (note 2)
- » Estimate in determining the fair value of intangible assets when acquiring assets in a business combination (note 13)
- » Judgment and estimate regarding deferred income tax assets and provision for uncertain tax positions (note 8)
- » Estimate regarding impairment of assets and judgement of whether a transaction is an asset acquisition or a business combination (note 9 and 13)
- » Fair value measurement and valuation of unquoted investments (note 15)
- » Estimate of indirect production costs capitalized and inventory write down (note 16)
- » Estimate of ongoing legal disputes, litigation and investigations (note 18)

The estimates are described in the notes to the consolidated financial statements.

Changes in accounting policies and disclosures

Adoption of new or amended IFRS

Management has assessed the impact of new or amended and revised accounting standards and interpretations (IFRS) issued by the IASB and IFRS endorsed by the European Union effective on or after 1 January 2022.

It is assessed that the application of amendments effective 1 January 2022 has not had a material impact on the consolidated financial statements for 2022. Furthermore, Management does not anticipate any significant impact in future years from adoption of these amendments.

General policies

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the parent foundation Novo Nordisk Foundation and entities controlled by the Novo Nordisk Foundation. Control exists when the Novo Nordisk Foundation has effective power over the entity and has the right to variable returns from the entity.

Where necessary, adjustments are made to bring the financial statements of subsidiaries in line with the Novo Nordisk Foundation Group's accounting policies. All intra-Group transactions, balances, income and expenses are eliminated in full when consolidated.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal.

Entities in which the Group directly or indirectly controls at least 20% but not more than 50% of the voting power are accounted for as associates and measured using the equity method.

The consolidated financial statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal stockholdings and balances, and unrealised intercompany profits and losses.

Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of Novo Nordisk Foundation's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Danish kroner (DKK), which is also the functional and presentation currency of the parent company.

Translation of transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities are recognised in the income statement.

Foreign currency differences arising from the translation of effective qualifying cash flow hedges are recognised in other comprehensive income.

Translation of Group companies

Financial statements of foreign subsidiaries are translated into DKK at the exchange rates prevailing at the end of the reporting period for balance sheet items, and at average exchange rates for income statement items.

All effects of exchange rate adjustments are recognised in other comprehensive income, i.e.:

- » the translation of foreign subsidiaries' net assets at the beginning of the year to the exchange rates at the end of the reporting period;
- » the translation of foreign subsidiaries' statements of comprehensive income at average to year-end exchange rates.

Other Accounting policies

Research and development costs

The Group expenses all research costs related to Novo Nordisk. In line with industry practice, internal and subcontracted development costs are also expensed as they are incurred, due to significant regulatory uncertainties and other uncertainties inherent in the development of new products. This means that they do not qualify for capitalisation as intangible assets until marketing approval by a regulatory authority is obtained or considered highly probable. Costs for post-approval activities that are required by authorities as a condition for obtaining regulatory approval are recognised as research and development costs.

Research and development costs primarily comprise employee costs, and internal and external costs related to execution of studies, including manufacturing costs and facility costs of the research centres. The costs also comprise amortisation, depreciation and impairment losses related to software and property, plant and equipment used in the research and development activities. Impairment losses recognised on intangible assets not yet available for use related to research and development projects are presented in research and development costs.

For acquired research and development projects, patents and licences, the likelihood of obtaining future commercial sales is reflected in the cost of the asset, and thus the probability recognition criteria are always considered to be satisfied. As the cost of acquired research and development projects can often be measured reliably, these projects fulfil the capitalisation criteria as intangible assets on acquisition. Subsequent milestone payments payable on achievement of a contingent event (e.g. commencement of phase 3 trials) are accrued and capitalised into the cost of the intangible asset when the achievement of the event is probable. Development costs incurred subsequent to acquisition are treated consistently with internal project development costs.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If the carrying amount of intangible assets exceeds the recoverable amount based on the existence of one or more of the above indicators of impairment, any impairment is measured based on discounted projected cash flows. Impairments are reviewed at each reporting date for possible reversal

Financial assets and liabilities

Depending on purpose, the Group classifies investments into the following categories:

- Financial assets at fair value through the income statement
- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income

Management determines the classification of its financial assets on initial recognition and re-evaluates this at the end of every reporting period to the extent that such a classification is permitted or required.

Recognition and measurement

Purchases and sales of financial assets are recognised on the settlement date. These are initially recognised at fair value.

Fair value disclosures are made separately for each class of financial instruments at the end of the reporting period.

Financial assets are removed from the balance sheet when the rights to receive cash flows have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets 'at fair value through the income statement'

Financial assets at fair value through the income statement consist of equity investments and forward exchange contracts. Equity investments are included in other financial assets unless management intends to dispose of the investment within 12 months of the end of the reporting period. In that case, the current part is included in assets held for sale.

Net gains and losses arising from changes in the fair value of financial assets are recognised in the income statement as financial income or expenses. The fair values of quoted investments are based on current bid prices at the end of the reporting period. Financial assets for which no active market exists are carried at fair value based on a valuation methodology.

Financial assets 'at amortised cost'

Financial assets at amortised cost are cash at bank and non-derivative financial assets solely with payments of principal and interest. The Group normally 'holds-to-collect' the financial assets to attain the contractual cash flows. If collection is expected within one year (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at transaction price and other receivables are recognised initially at fair value. Subsequently, they are measured at amortised cost using the effective interest method, less allowance for doubtful receivables.

Financial assets 'at fair value through other comprehensive income'

Financial assets at fair value through other comprehensive income are trade receivables that are held to collect or to sell in factoring agreements.

Financial liabilities 'at fair value through the income statement'

Financial liabilities at fair value through the income statement consist of forward exchange contracts.

Financial liabilities 'at amortised cost'

Financial liabilities at amortised cost consist of bank overdrafts, trade payables and other liabilities.

Financial assets (Investments)

The Group divides the financial assets into two main types: Life Science Investments and securities, and two minor types: other financial assets and contract assets.

Life Science Investments are defined as direct or indirect investments in financial assets that are primarily related to either healthcare or bio-industrial segments.

Investments that do not meet the definition of the above category are defined as securities.

Financial assets that fall into the category of either life science or securities are recognised in accordance with IFRS 9 at fair value through profit or loss. Investments are initially recognised at fair value and subsequently adjusted to fair value. For more information, please refer to note 14.

Financial definitions*Operating profit*

Operating profit as percentage of sales.

Net profit margin (incl. non-controlling interests)

Net profit margin as percentage of sales.

Equity ratio

Total shareholders' equity (incl. non-controlling interests) as a percentage of total assets at year-end.

Supplementary accounting policies for the parent company**Investments in subsidiaries**

In the financial statements of the parent company, investments in subsidiaries are recognised at cost price and dividend received from the subsidiaries are included in the profit and loss.

Gain and losses on sale of shares in subsidiaries are included in the profit and loss.

Grants

Grants are recognised as deductions once the Foundation is obligated towards the grant recipient. From that point in time and until the grant has been paid out, the grant is included in provisions for grants as a provision.

Note 2 Net sales – business areas

DKK million	2022	2021
Net sales by subgroups:		
Novo Nordisk Group	176,877	140,686
Novozymes Group	17,553	14,950
NNIT Group	2,300	2,233
Sonion Group	1,597	1,403
Xellia Group	2,315	1,902
BBI Group	672	252
Altascience Group	3,017	1,637
Ritedose Group	1,278	0
Medical Knowledge Group (MKG)	1,706	0
KabaFusion Group	925	0
Total net sales	208,240	163,063
Net sales geographical areas:		
Region EMEA	53,771	46,630
Region China	16,668	16,343
Region North America	105,861	74,945
Rest of the world	31,940	25,145
Total net sales by geographical area	208,240	163,063

Accounting policy

Revenue from sale of goods is recognised when the control of products has been transferred to the buyer and it is probable that the Group will collect the considerations to which it is entitled for transferring the products. Transfer of control of goods to the buyer is effectuated at a point in time, typically at the time of delivery. The amount of sale to be recognised is based on the consideration the Group expects to receive in exchange for its goods.

When sales are recognised, the Group also records estimates for a variety of sales deductions, including product returns as well as rebates and discounts to government agencies, wholesalers, health insurance companies, managed healthcare organisations and retail customers. Sales deductions are recognised as a reduction of gross sales to arrive at net sales, by assessing the expected value of the sales deductions (variable consideration). Where contracts contain customer acceptance criteria, the Group recognises sales when the acceptance criteria are satisfied.

Unsettled rebates are recognised as provisions when the timing or amount is uncertain. Where absolute amounts are known, the rebates are recognised as other liabilities.

Key accounting estimates and judgements

Estimate of US sales deductions and provisions for sales rebates

Sales deductions are estimated and provided for at the time the related sales are recorded. These estimates of unsettled rebate, discount and product return obligations require use of significant judgement, as not all conditions are known at the time of the sale, for example total sales volume to a given customer. The estimates are based on analyses of existing contractual obligations and historical experience. Provisions are calculated on the basis of a percentage of sales for each product as defined by the contracts with the various customer groups. Provisions for sales rebates are adjusted to actual amounts as rebates, discounts and returns are processed.

The main sales discounts and sales rebates are issued in the US and include US Managed Care, Medicare, Medicaid and other minor US rebate types.

Provisions for Medicaid and Medicare rebates are estimated according to the specific terms in each agreement, historical experience, anticipated channel mix, growth rates, market share information, price changes, and the impact of contracting strategies. The calculation also involves interpretation of relevant regulations that are subject to changes in interpretative guidance from government authorities. The provisions are adjusted periodically to reflect actual sales performance.

The calculation for Medicaid also involves interpretation of relevant regulations that are subject to changes in interpretative guidance from government authorities. Even though the provisions for rebates are recorded at the time the related revenue is recorded, these rebates will typically be settled up to five months from the transaction date. Due to the timing difference, it is possible that the rebate adjustment for a given period will include rebate adjustments relating to previous periods.

The Group considers the provisions established for sales rebates to be reasonable and appropriate based on currently available information. However, the actual amount of rebates and discounts may differ from the amounts estimated by Management as more detailed information becomes available.

Note 3 Employee costs

DKK million	Note	2022	2021
Wages and salaries		43,905	36,066
Share-based payments costs	24	2,025	1,239
Pensions - defined contribution plans		3,081	2,567
Pensions - defined benefit plans		198	156
Other social security contributions		3,107	2,580
Other employee costs		3,714	2,596
Total employee costs for the year		56,030	45,204
Employee costs capitalised as intangible assets and property, plant and equipment		-1,467	-1,228
Change in employee costs capitalised as inventories		-114	-107
Total employee costs in the income statement		54,449	43,869
Included in the income statement:			
Cost of goods sold		17,424	14,220
Sales and distribution costs		19,289	16,297
Research and development costs		11,325	8,610
Administrative costs		6,098	4,477
Other operating income/expenses, net		313	265
Total employee costs in the income statement		54,449	43,869
Salary and short-term incentives		6	7
Pension		2	1
Benefits		0	0
Executive Management in total		8	8
Fee to Board of Directors		5	5
Total		13	13
Salary, short-term incentives, pension to CEO, Mads Krogsgaard Thomsen		8	5
Salary, short-term incentives, pension to CEO, Birgitte Nauntofte		0	3

The table below shows the remuneration in 2022 of the Board of Directors in the Novo Nordisk Foundation and within the rest of the Group.

DKK thousands	Novo Nordisk Foundation		Other Group companies		Total
	Board of Directors	Committees	Boards	Committees and other fees	
Lars Rebien Sørensen	1,200	200	1,725	112	3,237
Marianne Philip	800				800
Steen Riisgaard	400		2,089	112	2,601
Lars Henrik Munch	400	180			580
Anne Marie Kverneland	100		184	46	330
Lars Bo Køppler	100				100
Lars Fugger	400	200		233	833
Liselotte Højgaard	400	200			600
Mads Grøn	400				400
Stig Strøbæk	300		184	92	576
Ole Jakob Müller	300				300
	4,800	780	4,182	595	10,357

Number	2022	2021
Average number of full-time employees within the Novo Nordisk Foundation Group	74,196	66,387

Accounting Policy

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are recognised in the year in which the employees render the associated services. Where the Group provides long-term employee benefits, the costs are accrued to match the rendering of the services.

Note 4 Fees to statutory auditors

DKK million	2022	2021
Statutory audit	26	20
Audit-related services	1	2
Tax advisory services	20	18
Other services	43	16
Fees to statutory auditors	90	56
Statutory audit	43	27
Audit related services	3	3
Tax advisory services	7	6
Other services	38	5
Fees to other auditors	91	41

Note 5 Amortisation and impairment losses

DKK million	2022	2021
Included in the income statement under the following headings:		
Cost of goods sold	5,720	5,109
Research and development costs	2,670	1,856
Sales and distribution costs	855	712
Administration costs	642	587
Other operating expenses	548	160
Total amortisation and impairment losses	10,435	8,424

Note 6 Return on investment activities and other operating income

DKK million	2022	2021
Result of Life Science Investments and securities	-17,692	25,539
Other operating income	2,339	761
Return on investment activities and other operating income	-15,353	26,300

In 2021 a "step-up" appreciation of fair value of DKK 3.3 billion in connection with the transfer of a company from Associated companies to Financial assets - Life Science Investments is included in Result of the Life Science Investments and Securities.

Note 7 Financial income and expenses

Financial income

DKK million	2022	2021
Interest income	283	252
Foreign exchange gain	130	69
Financial gain on financial instruments	22	2,449
Other financial income	515	404
Total financial income	950	3,174

Financial expenses

DKK million	2022	2021
Interest expenses	1,215	697
Leases	26	28
Loss on foreign exchange	3,192	2,161
Financial loss on forward contracts net	2,081	0
Other financial costs	922	209
Total financial expenses	7,436	3,095

Accounting policy

Financial items primarily relate to foreign exchange elements and are mainly impacted by the cumulative value adjustment of cash flow hedged transferred from other comprehensive income to the income statement when the hedged transaction is recognised in the income statement.

In addition, value adjustments of fair value hedges are recognised in financial income and financial expenses along with any value adjustments of the hedged asset or liability that are attributable to the hedged risk. Finally, value adjustments of foreign currency assets and liabilities in non-hedged currencies will impact financial income and financial expenses.

Note 8 Income taxes

DKK million	2022	2021
Current tax on profit for the year	17,509	14,777
Deferred tax on profit for the year	-3,787	-1,675
Tax on profit for the year	13,722	13,102
Adjustment tax recognised for prior years	-512	-1,061
Income taxes in the income statement	13,210	12,041
Current and deferred tax on other equity postings for the year	-145	-431
Current and deferred tax on other comprehensive income for the year	940	-972
Adjustments to previous periods include adjustments that relate to events in the current year in relation to current tax and deferred tax for prior periods. They mainly include tax payments in connection with transfer price tax cases and reversal of the tax commitment recognised in previous periods related to these tax cases.		
Computation of effective tax rate:		
Statutory corporate income tax rate in Denmark	22,0%	22,0%
Deviation in foreign subsidiaries' tax rate compared to the Danish tax rate (net)	-1,3%	-1,1%
Non-taxable income less non-tax-deductible expenses (net)	1,8%	-5,8%
Other adjustments (net)	0,4%	-1,5%
Effective tax rate	22,9%	13,6%

Accounting policy

The tax expense for the period comprises current and deferred tax. It also includes adjustments to previous years and changes in provisions for uncertain tax positions. Tax is recognised in the income statement except to the extent that it relates to items recognised in equity or other comprehensive income.

Provisions for ongoing tax disputes are included as part of deferred tax assets, tax receivables and tax payables.

Deferred income taxes arise from temporary differences between the accounting and tax values of the individual consolidated companies and from realisable tax loss carryforwards. The tax value of tax loss carryforwards is included in deferred tax assets to the extent that these are expected to be utilised in future taxable income. The deferred income taxes are measured according to current tax rules and at the tax rates assumed in the year in which the assets are expected to be utilised.

Deferred tax is not calculated for investments in subsidiaries, branches or associated companies, as these are permanent deviations. Deferred tax is only calculated if the deviations are tax deductible. In general, the Danish tax rules related to dividends from group companies provide exemption from tax for most repatriated profits. A provision for withholding tax is only recognised if a concrete distribution of dividends is planned.

The value of future tax deductions in relation to share programs is recognised as deferred tax, until the shares are paid out to the employees. Any estimated excess tax deduction compared to the costs realised in the income statement is charged to equity.

Key accounting estimates and judgements

The Group is subject to income taxes around the world. Significant judgement and estimates are required in determining the worldwide accrual for income taxes, deferred income tax assets and liabilities, and provisions for uncertain tax positions. The Group recognises deferred income tax assets if it is probable that sufficient taxable income will be available in the future, against which the temporary differences and unused tax losses can be utilised. Management has considered future taxable income and applied its judgement in assessing whether deferred income tax assets should be recognised. In the course of conducting business globally, tax and transfer pricing disputes with tax authorities may occur. Management judgement is applied to assess the possible outcome of such disputes. The 'most probable outcome' method is applied when making provisions for uncertain tax positions, and Novo Nordisk foundation considers the provisions made to be adequate. However, the actual obligation may deviate and depends on the result of litigation and settlements with the relevant tax authorities

Development in deferred income tax assets and liabilities

DKK million	2022	2021
Net deferred tax asset/(liability) at the beginning of the year	3,042	3,247
Income/(charge) to the income statement	4,315	2,142
Additions during the year from acquisitions of companies	-3,646	-4,058
Adjustment to prior year	-397	-20
Income/(charge) to other comprehensive income	-880	1,002
Income/(charge) to equity	36	367
Effect of exchange rate adjustments	-335	362
Net deferred tax asset/(liability) at the end of the year	2,134	3,042
Deferred tax asset at 31 December	15,728	10,531
Deferred tax liability at 31 December	-13,594	-7,489
	2,134	3,042

2022	Assets	Liabilities	Total
Tangible assets	0	-7,415	-7,415
Intangible assets	196	-8,407	-8,211
Inventories	2,935	-186	2,749
Provisions	11,064	-20	11,044
Share options	67	0	67
Tax loss carryforward	636	-395	241
Other	5,945	-2,287	3,658
	20,844	-18,710	2,134
Offset within countries	-5,116	5,116	0
	15,728	-13,594	2,134
2021			
Tangible assets	1,676	-4,479	-2,803
Intangible assets	81	-7,735	-7,654
Inventories	3,659	-298	3,361
Provisions	7,252	-291	6,961
Share options	249	0	249
Tax loss carryforward	196	0	196
Other	4,009	-1,277	2,732
	17,122	-14,080	3,042
Offset within countries	-6,591	6,591	0
	10,531	-7,489	3,042

Note 9 Intangible assets

DKK million	Goodwill	Patents, licenses and know-how	Other intangibles	Total
2022				
Costs at the beginning of year	18,225	48,744	9,085	76,054
Effect of exchange rate adjustments	195	979	-3	1,171
Additions during the year from acquisition of companies	14,350	10,370	3,585	28,305
Additions during the year	232	1,377	1,619	3,228
Disposals during the year	-1,185	-155	-64	-1,404
Transfer and reclassifications	0	1	-1	0
Transferred to assets classified as held for sale	0	0	-145	-145
Cost at the end of the year	31,817	61,316	14,076	107,209
Amortisation/depreciations and impairment losses at the beginning of the year	175	8,389	4,514	13,078
Effect of exchange rate adjustments	0	80	19	99
Amortisation/depreciations for the year	0	1,872	845	2,717
Impairment losses for the year	0	788	2	790
Amortisation/depreciation and impairment losses reversed on disposals during the year	0	-153	-29	-182
Transferred to assets classified as held for sale	0	0	-59	-59
Amortisation/depreciation and impairment losses at the end of the year	175	10,976	5,292	16,443
Carrying amount at the end of the year	31,642	50,340	8,784	90,766
2021				
Costs at the beginning of year	5,377	27,209	6,714	39,300
Effect of exchange rate adjustments	106	273	-13	366
Additions during the year from acquisition of companies	12,742	20,408	2,050	35,200
Additions during the year	0	611	716	1,327
Disposals during the year	0	-6	-129	-135
Transfer and reclassifications	0	249	-253	-4
Cost at the end of the year	18,225	48,744	9,085	76,054
Amortisation/depreciations and impairment losses at the beginning of the year	175	6,431	3,950	10,556
Effect of exchange rate adjustments	0	172	-12	160
Amortisation/depreciations for the year	0	1,191	599	1,790
Impairment losses for the year	0	600	0	600
Amortisation/depreciation and impairment losses reversed on disposals during the year	0	-5	-23	-28
Transfer and reclassifications	0	0	0	0
Amortisation/depreciation and impairment losses at the end of the year	175	8,389	4,514	13,078
Carrying amount at the end of the year	18,050	40,355	4,571	62,976

Impairment tests of the values of the goodwill at 31 December 2022 was performed. The tests concluded that there was no need for further write-down of the goodwill.

When performing the impairment tests, the value of each cash-generating unit's discounted cash flow is compared to the carrying amount of the unit. The Group has applied discount rates in the interval of 5 - 12% to calculate the discounted cash flow. Trading multiples and quoted stock prices are also used.

The Group's goodwill relates to underlying cash generating units in Sonion Group, Xellia Group, Novo Nordisk Group, NNIT Group, Novozymes Group, Altasciences Group, BBI Group, KabaFusion Group, Medical Knowledge Group and Ritedose Group. The increase in the carrying amount of goodwill compared to 2021 mainly relates to the acquisition of KabaFusion Group, Medical Knowledge Group and Ritedose Group. The goodwill can be specified on sub-groups as follows:

DKK million	2022	2021
Novo Nordisk Group	5,092	4,346
Novozymes Group	2,007	2,020
NNIT Group	696	842
Altasciences Group	3,525	3,274
BBI Group	2,956	4,114
KabaFusion Group	3,818	0
Medical Knowledge Group	7,399	0
Ritedose Group	2,671	0
Sonion Group	2,643	2,620
Xellia Group	835	834
Carrying amount at the end of the year	31,642	18,050

Accounting policy

Goodwill

Goodwill arising from business combinations is recognised and measured as the difference between the total of the fair value of the consideration transferred compared to the fair value of identifiable net assets on the date of acquisition.

Goodwill is not amortised, but the carrying amount is tested at relevant cash generating unit level (CGU-level) for impairment once a year. Goodwill is written down to its recoverable amount through the income statement if lower than the carrying amount.

Patents, licenses and other intangible assets

Patents and licences, including patents and licences acquired for research and development projects, are carried at historical cost less accumulated amortisation and any impairment loss. Upfront fees and acquisition costs are capitalised and subsequent milestone payments payable on achievement of a contingent event will be capitalised on the contingent event being probable of being achieved.

Amortisation is based on the straight-line method over the estimated useful life. This means the legal duration or the economic useful life depending on which is shorter, and not exceeding 15 years. The amortisation of patents and licences begins after regulatory approval has been obtained.

Internal development of software for internal use are recognised as intangible assets if the recognition criteria are met, for example a significant business system where the expenditure leads to the creation of a durable asset. Amortisation is based on the straight-line method over the estimated useful life of 3-15 years. The amortisation begins when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by Management.

Acquisition of entities

On acquisition of companies, the identifiable assets acquired, and the liabilities and contingent liabilities assumed are recognised at their fair values at the acquisition date. The consideration transferred includes the fair value at the acquisition date of any contingent consideration arrangement.

Goodwill may subsequently be adjusted for changes in the fair value of the consideration transferred and/or changes in the fair value of the identifiable net assets acquired until 12 months after the acquisition date, to the extent such changes relate to facts and circumstances present at the acquisition date. Acquired companies are consolidated from the date of acquisition.

Research and development projects

For acquired research and development projects, patents and licences, the likelihood of obtaining future commercial sales is reflected in the cost of the asset, and thus the probability recognition criteria are always considered to be satisfied. As the cost of acquired research and development projects can often be measured reliably, these projects fulfil the capitalisation criteria as intangible assets on acquisition. Subsequent milestone payments payable on achievement of a contingent event (e.g. commencement of phase 3 trials) are accrued and capitalised into the cost of the intangible asset when the achievement of the event is probable. Development costs incurred subsequent to acquisition are treated consistently with internal project development costs.

Key accounting estimates and judgements

Management assesses the risk of impairment of the Group's intangible assets. This requires judgment in relation to the identification of cash-generating units (CGUs) and the underlying assumptions in the Group's impairment models. Intangible assets with indefinite useful life and intangible assets not yet available for use are not subject to amortization. They are tested annually for impairment, irrespective of whether there is any indication that they may be impaired.

If there is any indication of impairment, value in use is estimated and compared with the carrying amount. The calculation of value in use is based on the discounted cash flow method using estimates of future cash flows from the continuing use. The key parameters are the expected revenue streams and the rate used to discount the cash flows.

Management makes judgements related to intangible assets when assessing whether a transaction is a business combination or an asset acquisition. An asset acquisition will arise when substantially all the transaction value is concentrated in a single asset or when there are no substantive business processes in the acquired entity. Judgements are also made in evaluating whether payments under collaboration arrangements are acquisition of assets or prepayments of R&D services.

Note 10 Tangible assets

DKK million	Land and buildings	Plant and machinery	Other equipment	Assets under construction	Total
2022					
Cost at the beginning of the year	51,986	50,954	11,758	12,932	127,630
Effect of exchange rate adjustments	516	708	48	690	1,962
Additions during the year from acquisition of companies	720	385	79	80	1,264
Additions during the year	907	364	966	16,143	18,380
Disposals during the year	-486	-275	-804	-40	-1,605
Transfer and reclassifications	1,134	1,640	345	-3,119	0
Transferred to assets classified as held for sale	-393	0	-704	-19	-1,116
Cost at the end of the year	54,384	53,776	11,688	26,667	146,515
Amortisation/depreciations and impairment losses at the beginning of the year	19,430	30,411	7,112	78	57,031
Effect of exchange rate adjustments	-49	248	78	3	280
Amortisation/depreciations for the year	2,746	2,681	1,345	0	6,772
Impairment losses for the year	16	17	3	119	155
Amortisation/depreciation and impairment losses reversed on disposals during the year	-445	-253	-790	-33	-1,521
Transfer and reclassifications	0	10	-10	0	0
Transferred to assets classified as held for sale	-142	0	-499	0	-641
Amortisation/depreciation and impairment losses at the end of the year	21,556	33,114	7,239	167	62,076
Carrying amount at the end of the year	32,828	20,662	4,449	26,500	84,439
Leased assets included in the end of the year	3,914	87	681	0	4,682

2021

Cost at the beginning of the year	47,503	45,064	10,518	12,307	115,392
Effect of exchange rate adjustments	1,412	1,297	251	628	3,588
Additions during the year from acquisition of companies	761	226	77	15	1,079
Additions during the year	1,151	1,236	793	5,606	8,786
Disposals during the year	-437	-223	-530	-42	-1,232
Transfer and reclassifications	1,596	3,354	649	-5,582	17
Cost at the end of the year	51,986	50,954	11,758	12,932	127,630
Amortisation/depreciations and impairment losses at the beginning of the year	17,030	27,642	6,176	59	50,907
Effect of exchange rate adjustments	350	668	174	4	1,196
Amortisation/depreciations for the year	2,379	2,262	1,195	0	5,836
Impairment losses for the year	56	32	54	56	198
Amortisation/depreciation and impairment losses reversed on disposals during the year	-407	-190	-486	-41	-1,124
Transfer and reclassifications	22	-3	-1	0	18
Amortisation/depreciation and impairment losses at the end of the year	19,430	30,411	7,112	78	57,031
Carrying amount at the end of the year	32,556	20,543	4,646	12,854	70,599
Leased assets included in the end of the year	3,813	93	628	0	4,534

Accounting policy

Property, plant and equipment is measured at historical cost less accumulated depreciation and any impairment loss. The cost of self-constructed assets includes costs directly and indirectly attributable to the construction of the assets.

Any subsequent cost is included in the asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is based on the straight-line method over the estimated useful lives of the assets:

- » Buildings, 12-50 years
- » Plant and machinery: 5-25 years
- » Other equipment: 3-18 years

Land is not depreciated.

The depreciation commences when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. If an asset's carrying amount is higher than its estimated recoverable amount, it is written down to the recoverable amount.

Plant and equipment with no alternative use developed as part of a research and development project are expensed. However, plant and equipment with an alternative use or used for general research and development purposes are capitalised and depreciated over the estimated useful life as research and development costs.

Note 11 Leases

DKK million	2022	2021			
Amounts recognised in the income statement					
Total amounts recognised in the income statement	1,663	1,548			
Total paid amount related to leases	1,613	1,517			
	Within 1 year	1-3 year	3-5 year	More than 5 year	Total
Undiscounted lease commitments	1,245	1,834	938	1,563	5,580

Accounting policy

The Group mainly leases office buildings, warehouses, laboratories and vehicles. The right-of-use asset is presented in property, plant and equipment and the lease liability in borrowings.

For contracts which are or contain a lease, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, being the initial amount of the lease liability. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term. The right-of-use asset is periodically adjusted for certain remeasurements of the lease liability and reduced by any impairment losses.

The lease term determined by the Group is the non-cancellable period of a lease, together with extension/termination option if these are reasonably certain to be exercised.

When determining the term, Management considers multiple factors that create economic incentives to exercise an option to extend the lease or not to terminate the lease, including termination penalties, potential relocation costs and whether significant leasehold improvements have been capitalised on the lease, with a remaining useful life which exceeds the fixed minimum duration of the lease.

For contracts with a rolling term (evergreen leases), the Group estimates the leasing period to be equal to the termination period if no probable scenario exists for estimating the leasing period.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date, discounted using the incremental borrowing rate. The lease liability is measured using the effective interest method. Variable lease payments not based on an index or a rate are recognised as an expense in the income statement as incurred. Residual value guarantees that are expected to be paid are included in the initial measurement of the lease liability.

The lease liability is remeasured when there is a change in future lease payments, typically due to a change in index or rate (e.g. inflation) on property leases, or if there is a reassessment of whether an extension or termination option will be exercised. A corresponding adjustment is made to the right-of-use asset, or in the income statement when the right-of-use asset has been fully depreciated.

New lease contracts with a lease term of 12 months or less and lease of low value assets are not recognised on the balance sheet. These are expensed on a straight-line basis over the lease term or another systematic basis. Lease of low value assets include personal computers, telephones and small items of office equipment.

Note 12 Investment property

Accounting policy

Investment properties are measured upon initial recognition at cost price, which includes the purchase price of the property and any directly associated costs. Investment properties are subsequently measured at estimated fair value. The measurement is made by using a 10-annual discounted cash flow model (DCF model), where the future cash flows from ownership of the investment properties are discounted back to present value. The return requirement (discounting factors) is determined property by property.

Costs that add to an investment property, in the form of new or improved features compared to the time of acquisition and thereby improve or ensure the property's future return, are added as an improvement. Costs that do not add new or improved features to an investment property are expensed in the income statement. Housing projects are also measured at fair value from the expected value at the time of commissioning weighted by assessed degree of completion. Investment properties have like other tangible assets, except for reasons, a limited life. The impairment that takes place as an investment property becomes obsolete, is reflected in the investment property's ongoing valuation at fair value. Systematic depreciation is therefore not carried out over the useful life of the investment properties.

Value adjustments are entered via the income statement.

DKK million	2022	2021
Cost at the beginning of the year	0	0
Additions during the year from acquisition of companies	27,738	0
Additions during the year	399	0
Disposals during the year	-629	0
Cost at the end of the year	27,508	0
Value adjustments at the beginning of the year	0	0
Value adjustments during the year	-420	0
Value adjustments at the end of the year	-420	0
Fair value at the end of the year	27,088	0

Investment property relates to the Dades Group.

The properties' average weighted return requirement

	2022	2021
Investment properties, Dades Group	4.82	N/A

Changes in yield requirements are a significant element that affects property value. The sensitivity and the connection between net worth in the group and various requirements for the property's return:

Change in required return and property value

Change	Change in Average return in %	Carrying amount
-0.50	4.32	30,355
-0.25	4.57	28,624
Basis	4.82	27,088
0.25	5.07	25,716
0.50	5.32	24,482

The distribution of applied rates of return on the entire portfolio as well as the average price per m²

Interval	Share of portfolio	Average rate of return	Average price per m2 in DKK
Rate of return: 7.50% - 7.99%	0.0	7.5	10,107
Rate of return: 7.00% - 7.49%	2.0	7.2	11,147
Rate of return: 6.50% - 6.99%	7.0	6.6	16,359
Rate of return: 6.00% - 6.49%	2.0	6.2	14,171
Rate of return: 5.50% - 5.99%	20.0	5.8	23,111
Rate of return: 5.00% - 5.49%	7.0	5.7	18,841
Rate of return: 4.50% - 4.99%	16.0	4.7	26,139
Rate of return: 4.00% - 4.49%	22.0	4.1	27,466
Rate of return: 3.50% - 3.99%	21.0	3.7	38,841
Rate of return: 3.00% - 3.49%	3.0	2.8	23,070

Most significant unobservable assumptions used when calculating the fair value

	Rent per m2 per year in DKK	Rental percentage %	Average rate of return in %
31 December 2022	1,357	94.7	4.82

Note 13 Business acquisitions

DKK million	Novo Nordisk	Novo Holdings	Novo Holdings	Novo Holdings	Novo Holdings	Total	
	Forma Therapeutics	Dades	MKG	Ritedose	KabaFusion Others		
2022							
Intangible assets excluding goodwill	6,258	0	999	2,684	4,074	29	14,044
Tangible assets	0	3	40	825	271	2	1,141
Financial assets	77	27,805	53	0	0	9	27,944
Inventories	0	0	0	190	428	50	668
Trade and other receivables	0	92	371	314	819	21	1,617
Cash at bank and cash equivalents	1,027	419	83	46	210	17	1,802
Current and deferred tax liabilities, net	-1,233	-2,608	-278	0	-962	58	-5,023
Financial and other liabilities	0	-14,791	-2,817	-2,462	-3,698	-71	23,839
Other net assets	1,449	-627	0	0	-684	-124	14
Acquired net assets	7,578	10,293	-1,549	1,597	458	-9	18,368
Non-controlling interest	0	-4,688	-2,746	-1,630	-1,105	-3	10,172
Group's share	7,578	5,605	-4,295	-33	-647	-12	8,196
Goodwill	524	0	6,830	2,511	4,138	165	14,168
	8,102	5,605	2,535	2,478	3,491	153	22,364

Purchase price:

Cash	8,102	556	2,535	2,478	3,491	-6	17,156
Settlement of pre-existing relationships	0	0	0	0	0	0	0
Fair value of existing shareholdings	0	5,049	0	0	0	153	5,202
Contingent considerations	0	0	0	0	0	6	6
Deferred considerations	0	0	0	0	0	0	0
Total purchase price	8,102	5,605	2,535	2,478	3,491	153	22,364

Cash flow for acquisitions:

Cash payment	8,102	556	2,535	2,478	3,491	-6	17,156
Less cash and cash equivalents in acquired business	-1,027	-419	-83	-46	-210	-17	-1,802
Cash outflow for acquisitions	7,075	137	2,452	2,432	3,281	-23	15,354

DKK million	Novo Nordisk		Novozymes		Novo Holdings	Novo Holdings		Total
	Dicerna Pharmaceuticals	Pharmaceuticals	Microbiome Labs	Synergia Life Sciences	Altasciences	BBI	Others	
2021								
Intangible assets excluding goodwill	18,711	718	991	1,145	597	1	22,163	
Tangible assets	0	6	84	113	185	0	388	
Financial assets	31	0	0	0	0	0	31	
Other non-current assets	0	0	0	0	0	3	3	
Inventories	0	21	8	174	175	0	378	
Trade and other receivables	0	30	44	411	184	12	681	
Cash at bank and cash equivalents	3,033	8	112	47	54	13	3,267	
Current and deferred tax liabilities, net	-3,480	0	-236	50	-182	0	-3,848	
Financial and other liabilities	0	-14	-83	-1,934	-2,300	-27	-4,358	
Other net assets	-607	0	0	0	0	0	-607	
Acquired net assets	17,688	769	920	6	-1,287	2	18,098	
Non-controlling interest	0	0	-368	0	0	0	-368	
Group's share	17,688	769	552	6	-1,287	2	17,730	
Goodwill	4,346	338	507	2,247	4,023	256	11,717	
	22,034	1,107	1,059	2,253	2,736	258	29,447	

Purchase price:

Cash / consideration transferred	21,316	769	982	2,253	2,736	228	28,284
Settlement of pre-existing relationships	145	0	0	0	0	0	145
Fair value of existing shareholdings	573	0	0	0	0	0	573
Contingent considerations	0	338	0	0	0	30	368
Deferred considerations	0	0	77	0	0	0	77
Total purchase price	22,034	1,107	1,059	2,253	2,736	258	29,447

Cash flow for acquisitions:

Cash payment / consideration transferred	21,316	769	982	2,253	2,736	228	28,284
Less cash and cash equivalents in acquired business	-3,033	-8	-112	-47	-54	-13	-3,267
Cash outflow for acquisitions	18,283	761	870	2,206	2,682	215	25,017

Accounting policy

When accounting for business combinations, the acquisition method is applied in accordance with IFRS 3.

Upon acquisition of new entities, the acquired assets, liabilities, and contingent liabilities are measured at fair value at the date when control was achieved.

The consideration transferred as payment for the acquiree consist of the fair value of assets transferred, liabilities incurred to former owners of the acquiree, and equity instruments issued. Contingent considerations dependent on future events or the performance of contractual obligations are also recognised at fair value and form part of the total consideration transferred. Fair value changes in contingent considerations are recognised in the income statement until final settlement.

Identifiable intangible assets are recognised if they arise from a contractual right or can otherwise be separately identified.

Deferred tax is recognised for identifiable tax benefits existing at the date of acquisition and from the perspective of the new combined Group in compliance with local tax legislation.

The differences between the fair value of the acquisition cost and the fair value of the acquired identifiable net assets is recognised as goodwill.

Transaction costs are recognised as operating costs as they are incurred. If measurement of the identifiable net assets is uncertain at the date of acquisition, initial recognition is done based on provisional amounts. Measurement period adjustments to the provisional amounts may be done up to 12 months following the date of acquisition.

Business acquisitions in 2022

Business acquisitions in 2022 in Novo Nordisk

Forma Therapeutics Holdings

On 14 October 2022, Novo Nordisk acquired all outstanding shares of the publicly held US company Forma Therapeutics Holdings, Inc. at a price of 20 USD per share via a cash tender offer, equal to a total purchase price of DKK 8,102 million. Novo Nordisk had no pre-acquisition ownership stake in, or pre-existing collaboration with Forma Therapeutics Holdings, Inc.

About Forma Therapeutics Holdings, Inc.

Forma Therapeutics Holdings, Inc., including its two fully owned subsidiaries Forma Therapeutics, Inc. and Forma Securities Corp, (Collectively Forma Therapeutics) is a clinical-stage biopharmaceutical company focused on the research, development and commercialisation of novel therapeutics to transform the lives of patients with rare haematological diseases.

Strategic rationale

The acquisition of Forma Therapeutics, including its lead development candidate, etavopivat, is aligned with Novo Nordisk's strategy to complement and accelerate its scientific presence and pipeline in haemoglobinopathies, a group of disorders in which there is abnormal production or structure of the haemoglobin protein in the red blood cells. Etavopivat, an investigational oral, once-daily, selective pyruvate kinase-R (PKR) activator, is being developed to improve anaemia and red blood cell health in people with sickle cell disease (SCD), a seriously debilitating, life-threatening and life shortening disease.

Details of the acquisition

The purchase price allocated to goodwill, intellectual property rights, other intangible assets, and deferred tax assets and liabilities, is considered provisional due to uncertainty on key assumptions which require detailed analysis which has not been possible to conclude as of 31 December 2022. Adjustments may be applied to the purchase price allocation for a period of up to 12 months from the acquisition date. The goodwill is primarily attributable to the highly skilled workforce in place at Forma Therapeutics. The goodwill is fully allocated to the rare disease business segment and is not deductible for tax purposes.

Transaction costs of DKK 51 million are included in other operating income and expenses in the income statement for 2022.

Business acquisitions in 2021 in Novo Nordisk

On 28 December 2021, Novo Nordisk acquired all outstanding shares of the publicly held US company Dicerna Pharmaceuticals, Inc. via a cash tender offer. Before the acquisition, Novo Nordisk held 2.9% of the shares in Dicerna Pharmaceuticals, Inc. at a fair value of DKK 573 million.

The total purchase price amounts to DKK 22,034 million, which has been settled by the fair value of existing shareholdings of DKK 573 million, settlement of a pre-existing relationship of DKK 145 million and a cash consideration of DKK 21,316 million. The goodwill is primarily attributable to the highly skilled workforce and expected synergies generated from Novo Nordisk's know-how and commercialisation abilities within protein and peptide based medicines and Dicerna Pharmaceuticals, Inc.'s know-how within RNAi technology. The goodwill is not deductible for tax purposes.

Transaction costs of DKK 124 million are included in other operating income and expenses in the income statement for 2021.

At end of 2021, the purchase price allocation for the acquisition of Dicerna Pharmaceuticals, Inc. was provisional. The allocation was finalised in 2022 without any adjustments.

Business acquisitions in 2022 in Novozymes

No acquisitions were made in 2022.

Adjustment to prior-year business acquisitions

The fair value and allocation of acquired assets, liabilities and non-controlling interests in Synergia Life Sciences was finalised in 2022, which led to a reduction of goodwill of DKK 2 million at the acquisition date. The final opening balance mainly includes changes to Property, plant and equipment, Deferred tax liabilities and Financial and other liabilities as provisionally presented in the 2021 Annual Report.

In 2021, the most probable sales and EBITDA related to PrecisionBiotics Group were reassessed. This has led to an increase of DKK 44 million in fair value of contingent consideration and goodwill at the acquisition date.

Business acquisitions in 2021 in Novozymes

Synergia Life Sciences

On December 10, 2021, Novozymes acquired 60% of the shares in Synergia Life Sciences.

Synergia Life Sciences is a leading player within spore probiotics and vitamin K2-7. Synergia Life Sciences has a global footprint and adds strong developing and manufacturing capabilities in spore probiotics and vitamin K2-7 from three production sites in India. Synergia Life Sciences is the producer and supplier to Microbiome Labs, which was acquired by Novozymes early in 2021.

The vitamin K2-7 portfolio is a strong complementary enabler to support growth in Novozymes' BioHealth platform. The acquisition offers a scientifically proven spore strain portfolio that strengthens Novozymes' human health business and accelerates its functional food offerings.

The purchase price led to the recognition of goodwill of DKK 505 million and intangible assets of DKK 991 million. Goodwill is attributable to expected synergies with Novozymes' existing business operations and technologies within spore probiotics for human health and is highly synergistic to the previous acquisition of Microbiome Labs within the human health business. The goodwill is not tax deductible.

The following valuation techniques have been applied in the fair value assessment of significant assets acquired:

- » Technology; the Relief from Royalty (RfR) method
- » Customer relationships; The Multi-period Excess Earnings method (MEEM)
- » Brands; The Relief from Royalty (RfR) method

The remaining 40% of the shares in Synergia Life Sciences are held by non-controlling interests. The non-controlling interests are recognised at their proportionate share of the acquired net identifiable assets and amount to DKK 371 million.

The remaining 40% are to be acquired in 2025. Reference is made to Note 6.5 in the Annual Report for Novozymes concerning non-controlling interests.

The purchase price includes a deferred consideration of DKK 77 million, which was paid in 2022.

Microbiome Labs

On January 7, 2021, Novozymes acquired all shares in Microbiome Labs at a purchase price of DKK 1,107 million. Microbiome Labs offers a comprehensive suite of proprietary probiotic and microbiome solutions targeting gastrointestinal, immune, metabolic and cognitive health. The solutions are marketed under both the company's own supplement brands and in private label products. The branded products are sold exclusively through the company's access to an extensive network of healthcare practitioners predominately consisting of medical doctors, nutritionists and naturopaths.

The purchase price led to the recognition of goodwill of DKK 338 million and intangible assets of DKK 718 million at the acquisition date. The consideration is contingent on the achievement of sales targets for 2022 and is recognised at the acquisition date. Fair value is assessed by using the earn-out from the most probable sales estimates in 2022 discounted at a rate of 8%.

Business acquisitions in 2022 in Novo Holdings

Medical Knowledge Group

On 1 February 2022, Novo Holdings acquired Medical Knowledge Group ("MKG"), a U.S. provider of tech enabled commercialisation solutions to biopharma, diagnostics, and medical device companies.

About Medical Knowledge Group

MKG was founded in 2004 by Leon Behar and over the past 18 years has grown to over 600 employees and four offices across New York, New Jersey, and Georgia.

MKG is an analytics, medical communications, and market research provider to biopharma, with a particular focus on helping biopharma interact with healthcare providers ("HCPs"). Underpinning MKG's commercialisation services is a proprietary analytics platform – 81qd – that utilises real-world data (e.g. claims data), demographics and industry relationships, academic activities, and digital/social media behaviour in order to provide actionable insights to biopharma to maximise commercial outcomes.

Strategic rationale and synergies

MKG's industry-leading analytics platform positions it well to benefit from strong sector growth driven by biopharma's evolving commercialisation requirements. MKG also leverages the Group's extensive expertise in pharma services and industry relationships.

Transaction costs of DKK 121 million have been recognised as expenses in 2022.

The accounting for the MKG acquisition is considered provisional at 31 December 2022.

Earnings impact

From the acquisition date to 31 December 2022, MKG contributed net sales of DKK 1,712 million and a net loss of DKK 63 million. If the acquisition had occurred on 1 January 2022, the full year impact on the Group's net sales and net profit would have been DKK 1,861 million and DKK 4 million respectively.

Ritedose

On 18 February 2022, Novo Holdings acquired The Ritedose Corporation ("Ritedose"), a U.S. CDMO focusing on blow-fill-seal ("BFS") technology.

About Ritedose

Ritedose is a leading sterile pharmaceutical manufacturer, specialising in the use of BFS technology. Ritedose provides outsourced development and manufacturing of ophthalmology drugs, respiratory drugs, and vaccines. In addition, Ritedose develops and markets its own portfolio of generic drugs and is an emerging player in the outsourced sterile compounding market. The company is headquartered in Columbia, South Carolina and employs over 500 people.

Strategic rationale and synergies

Ritedose is focused on continuing its leadership in the BFS market through its best-in-class sterile manufacturing operations. The company is well positioned to grow in the outsourced sterile compounding market given increasing industry regulatory scrutiny, which plays to Ritedose's strength as a leader in sterile manufacturing. Ritedose also leverages the Group's extensive expertise in pharma services and industry relationships.

Transaction costs of DKK 94 million have been recognised as expenses in 2022.

The accounting for the Ritedose acquisition is considered provisional at 31 December 2022.

Earnings impact

From the acquisition date to 31 December 2022, The Ritedose Corporation contributed net sales of DKK 1,278 million and net profit of DKK 25 million. If the acquisition had occurred on 1 January 2022, the full year impact on the Group's net sales and net profit would have been DKK 1,417 million and DKK -58 million respectively.

KabaFusion

On 1 November 2022, the Group acquired KabaFusion, a U.S. specialty pharmacy and provider of home infusion therapies.

About KabaFusion

KabaFusion is a national provider of essential chronic and acute home infusion therapies, licensed to serve patients in 44 states through its nationwide network of home infusion pharmacies and home health agencies. The Company was founded in 2010 by Dr Sohail Masood, a pioneer in patient-focused intravenous immunoglobulin infusion therapies with more than 30 years of clinical experience. KabaFusion is dedicated to working proactively with patients, healthcare practitioners, and payors to provide comprehensive support before, during and after treatment.

Strategic rationale and synergies

KabaFusion is a differentiated platform in the attractive immunoglobulin home infusion market, with a strong track record of organic growth and a proven ability to execute on accretive M&A. KabaFusion is differentiated through its clinical expertise, service reputation, and extensive understanding of IG, which allow it to serve as a true partner to physicians, firmly integrated into patient care workflows. KabaFusion leverages the Group's expertise in provider marketing and network of payor relationships.

Transaction costs of DKK 167 million have been recognised as expenses in 2022.

The accounting for KabaFusion acquisition is considered provisional at 31 December 2022.

Earnings impact

From the acquisition date to 31 December 2022, KabaFusion contributed net sales of DKK 925 million and net loss of DKK 260 million. If the acquisition had occurred on 1 January 2022, the full year impact on the Group's net sales and net profit would have been DKK 4,765 million and -109 million respectively.

Dades

On 29 April 2022, Novo Holdings acquired additional shares in Dades, a Danish real estate company.

About Dades

Dades A/S is one of Denmark's largest privately-owned real estate investment companies. The real estate portfolio is diversified across retail, office and residential assets in Denmark with a primary focus on Copenhagen and Aarhus.

Strategic rationale and synergies

Continued long-term ownership of quality and diversified real estate portfolio in Denmark. Focus on realising value enhancing potential across the existing portfolio and new investments.

Transaction costs of DKK 0 million have been recognised as expenses in 2022.

The accounting for the Dades acquisition is considered provisional at 31 December 2022.

Earnings impact

From the acquisition date to 31 December 2022, Dades contributed a net profit of DKK 554 million. If the acquisition had occurred on 1 January 2022, the impact on the Group's net profit would have been DKK 1,261 million.

Business acquisitions in 2021 in Novo Holdings**BBI Group**

On 5 August 2021, Novo Holdings acquired BBI Group ("BBI"), a UK-based developer and manufacturer of immunoassay reagents and point of care ("PoC") tests for the global in vitro diagnostics ("IVD") industry.

The total purchase price amounted to 2,736 million which was settled by a cash consideration. The goodwill of DKK 4,023 million is primarily attributable to the highly skilled workforce and a platform to integrate future purchases of companies within the same segment.

Transaction costs of DKK 109 million has been recognised as expenses in 2021.

At the end of 2021, the purchase price allocation for the acquisition of the was provisional. The allocation was finalised in 2022 without any adjustments.

Altasciences Group

On 25 March 2021, Novo Holdings acquired Altasciences, a Canadian based, fully integrated early drug development service platform.

The total purchase price amounted to 2,253 million which was settled by a cash consideration. The goodwill of DKK 2,247 million is primarily attributable to the highly skilled.

Transaction costs of DKK 78 million has been recognised as expenses in 2021.

At the end of 2021, the purchase price allocation for the acquisition of the was provisional. The allocation was finalised in 2022 without any adjustments.

Note 14 Associated companies

DKK million	2022	2021
Cost at the beginning of the year	12,865	16,413
Effect of exchange rate adjustments	2	0
Additions during the year from acquisition of companies	271	0
Additions during the year	0	30
Disposals during the year	-1,579	0
Transferred to investments	0	-3,578
Cost at the end of the year	11,559	12,865
Value adjustment at the beginning of the year	-2,075	-3,832
Effect of exchange rate adjustment	-89	146
Share of result for the year	582	1,682
Reversal of impairment losses for the year	0	63
Received dividend	-371	-532
Disposals during the year	362	0
Other adjustments	-191	68
Transferred to investments	0	330
Value adjustments end of year	-1,782	-2,075
Carrying amount at the end of the year	9,777	10,790
Fair value of shares in listed stocks in associated companies		
Chr. Hansen Holding A/S	14,483	14,938
ConvaTec Group PLC	8,197	7,191

Accounting policy

Investments in associated companies are recorded under the equity method, using the respective share of the net values in the associated companies using the Group accounting principles. Goodwill related to associated companies is included in the value of investments in associated companies.

Note 15 Financial assets

DKK million	2022				2021			
	Life science investments	Securities	Other financial assets	Total	Life science investments	Securities	Other financial assets	Total
Investments								
Cost at the beginning of the year	36,818	64,160	1,288	102,266	24,023	57,294	1,086	82,403
Transferred from associated companies	0	0	0	0	3,578	0	0	3,578
Additions and transfers from acquisition of companies	0	-3,100	15	-3,085	0	0	0	0
Additions during the year, net	5,369	2,089	1,481	8,939	9,217	6,866	202	16,285
Cost at the end of the year	42,187	63,149	2,784	108,120	36,818	64,160	1,288	102,266
Value adjustments at the beginning of the year	17,006	23,938	-592	40,352	12,250	16,399	-206	28,443
Effect of foreign exchange adjustments	0	-4	0	-4	0	0	0	0
Transferred from associated companies	0	0	0	0	-330	0	0	-330
Additions and transfers from acquisition of companies	0	437	0	437	0	0	0	0
Appreciations to fair value, net	-13,018	-9,957	-43	-23,018	5,086	7,539	-386	12,239
Value adjustments at the end of the year	3,988	14,414	-635	17,767	17,006	23,938	-592	40,352
Fair value at the end of the year	46,175	77,563	2,149	125,887	53,824	88,098	696	142,618
Split on asset classes								
Public Equity	9,966	35,579	0	45,545	16,502	41,792	0	58,294
Private Equity	22,148	3,621	0	25,769	21,977	2,899	0	24,876
Venture capital	14,059	2,364	0	16,423	15,345	1,472	0	16,817
Credit	2	12,192	0	12,194	0	11,240	0	11,240
Real assets	0	6,731	2,149	8,880	0	8,396	696	9,092
Bonds	0	17,076	0	17,076	0	22,299		22,299
Financial assets	46,175	77,563	2,149	125,887	53,824	88,098	696	142,618
Fair value measurement by hierarchy								
Level 1	14,252	46,055	0	60,307	21,548	55,082	0	76,630
Level 2	0	17,019	0	17,019	0	19,097	0	19,097
Level 3	31,923	14,489	2,149	48,561	32,276	13,919	880	46,891
	46,175	77,563	2,149	125,887	53,824	88,098	880	142,618
Change in the value not based on observable market data (level 3)								
At the beginning of the year	32,276	13,919	696	46,891	21,631	5,638	880	28,149
Additions during the year	5,268	4,138	1,608	11,014	8,086	5,341	216	13,643
Disposals during the year	-2,069	-226	-127	-2,422	-3,802	-377	-14	-4,193
Gains through profit and loss	-2,456	599	-43	-1,900	10,101	3,317	-386	13,032
Change in hierarchy due to investments that completed an IPO during the year	-1,096	0	0	-1,096	-3,740	0	0	-3,740
Transferred	0	-3,941	15	-3,926	0	0	0	0
	31,923	14,489	2,149	48,561	32,276	13,919	696	46,891

Accounting policy

The Group divides the financial assets into two main types: Life Science Investments and securities, and two minor types: other financial assets and contract assets.

Life Science Investments are defined as direct or indirect investments in financial assets that are primarily related to either healthcare or bioindustrial segments.

Investments that do not meet the definition of the above category are defined as securities.

Financial assets that fall into the category of either Life Science Investments or securities are recognised in accordance with IFRS 9 at fair value through profit and loss. Investments are initially recognised at fair value and subsequently adjusted to fair value.

Key accounting estimates and judgements

Life Science investments and Securities

Life Science Investments and Securities are valued at fair value if this can be determined with a sufficient degree of reliability. By nature, uncertainties exist regarding fair value assessment of investments not based on observable market data. Consequently, preparation of the financial statements requires the application of certain estimates and judgements. Management reviews and assesses the value of the individual investments on an ongoing basis with specific and planned reviews of the total investment portfolio on a quarterly basis. Investments are initially recognised at fair value and subsequently adjusted to fair value.

Fair value estimation

Fair value is the price that would be received by selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group has implemented fair value guidelines and procedures which ensure a consistent fair value measurement of each individual investment over time. Moreover, the fair value guidelines provide a framework for reasonable, consistent and transparent selection of valuation methodologies for valuing the investments. The selection criteria are in line with the value hierarchy in IFRS 13.

Hierarchy of fair value inputs

Investments measured at fair value are classified according to a fair value hierarchy depending on the inputs used in the valuation method. The fair value hierarchy distinguishes between observable and unobservable inputs, which are classified at one of the following levels:

Level 1: Unadjusted quoted market prices for identical assets in an active market.

Level 2: Inputs other than quoted market prices included within level 1, which are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). Quoted prices for similar assets are level 2 inputs.

Level 3: Inputs for the asset that are not based on observable market data.

Securities traded on active markets are classified at level 1. Securities traded on inactive markets are generally classified at level 2. Securities in private unlisted operating companies are generally classified at level 3.

Investments in private investment companies are classified at level 2 or level 3, depending on the nature of their investment portfolios, their ability to liquidate their underlying investments and any other restrictions on the disposition of the investments. If the investment can be redeemed at the reported net asset value on the measurement date or in the near future, the investment is classified at level 2. Otherwise, the investment is classified at level 3.

Policy for determining when transfers between levels are deemed to have occurred

Transfers to level 3 occur when quoted market prices (level 1) or other observable inputs (level 2) are no longer available. Transfers out of level 3 occur if quoted market prices (level 1) or other observable inputs (level 2) become available (e.g. when a private company goes public through an IPO,) equity investments in the company transfers from level 3 to level 1 as the shares can be valued using the quoted market price (level 1).

Valuation method and inputs

The general principle applied in the selection of valuation approach maximises the use of observable inputs and minimises the use of unobservable inputs.

If a security trades in an active market, the closing price is applied. An active market is defined as one in which transactions for the security occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Should a security not trade in an active market, it is initially booked and held at cost in the first twelve months succeeding the investment, unless any material events occur within this timeframe. Beyond the twelve months window, the valuation methodology follows the following hierarchy:

When independent broker quotes representing contemporaneous trades exist, these will be applied in estimating the fair value of the security. If a portfolio company has carried out any financing rounds within the last twelve months and the pricing in the financing round is likely to represent a fair value, the fair value estimate is based on the price obtained in the financing round.

If neither independent broker quotes nor pricing from financing rounds are available, the fair value will be based on application of a modelling approach, which again follows a strict hierarchy:

1. If the company runs an established business with an identifiable stream of continuing earnings or cash flows that are considered to be maintainable, and it is possible to identify comparable companies in terms of risk attributes and earnings growth prospects, the fair value shall be based on application of the market approach (i.e. relevant multiples based on a set of comparable companies);
2. If no comparable companies in terms of risk attributes and earnings growth prospects can be identified, the fair value shall be based on application of an income approach (i.e. a discounted cash flow model);
3. If the company does not run an established business with an identifiable stream of continuing earnings or cash flows that are considered to be maintainable, the fair value shall be based on a value trigger approach, by which the fair value changes based on the occurrence of value triggering events.

Fair value measurement by hierarchy

Overview of investments by category at 31 December 2022:

DKK million	Level 1	Level 2	Level 3	Total
Public Equity	39,946	5,599	0	45,545
Private Equity	19	0	25,750	25,769
Venture capital	4,287	0	12,136	16,423
Credit	4,258	6,141	1,795	12,194
Real assets	0	0	8,880	8,880
Bonds	11,797	5,279	0	17,076
Total investments	60,307	17,019	48,561	125,887
Total Life Science Investments	14,252	0	31,923	46,175
Total securities	46,055	17,019	14,489	77,563
Total other financial assets	0	0	2,149	2,149
Total	60,307	17,019	48,561	125,887

Overview of investments by category at 31 December 2021:

DKK million	Level 1	Level 2	Level 3	Total
Public Equity	53,670	4,624	0	58,294
Private Equity	50	0	24,826	24,876
Venture capital	5,046	0	11,771	16,817
Credit	3,744	6,294	1,202	11,240
Real estate and real assets	0	0	9,092	9,092
Bonds	14,120	8,179	0	22,299
Total investments	76,630	19,097	46,891	142,618
Total Life Science Investments	21,548	0	32,276	53,824
Total securities	55,082	19,097	13,919	88,098
Total other financial assets	0	0	696	696
Total	76,630	19,097	46,891	142,618

For the investments in unquoted equities, estimations of fair value rely substantially on non-observable input (level 3) such as pro forma adjusted operating income multiplied by relevant multiples (e.g. EV/EBITDA) for a set of comparable companies less net interest-bearing debt. If comparable companies are not available or applicable, fair value estimation will rely on other inputs such as projected cash flows discounted with a weighted average cost of capital (WACC).

Valuation approach	Valuation methodology	Estimation and assumptions	Value DKK million 2022	Value DKK million 2021
Income-based approaches	Discounted cash flows	Cash flows and discount rates	4,496	8,077
Market-based approaches	Trading multiples	Selection of comparable companies, trading multiples, sales and profit forecast	7,203	9,346
Value trigger approach	Relative adjustments based on pre-defined value triggers	Relative adjustment to previous valuation	6,262	4,546
Financing round approach	Price at recent financing round	N/A	3,976	3,784
LP approach	Adjusted reported NAV	Latest reported NAV adjusted for capital calls, capital returns and pricing development (if relevant)	23,284	18,249
Cost approach	Cost at recent transaction	N/A	3,340	2,889
Total			48,561	46,891

Management reviews and assesses the value of the individual investments on an ongoing basis with specific and planned reviews of the total investment Portfolio on a quarterly basis.

The discount rates used range from 5% to 14% whereas the EV/EBITDA multiples are in the range from 15x to 20x. These ranges should be seen as a result of our diversified investment portfolio.

The following table details the applied valuation methods for determination of fair value for each asset class:

Asset class	Valuation methodology used	Unobservable input used	Sensitivity in fair value in case of changes in unobservable input
Public Equity	<ul style="list-style-type: none"> Closing prices according to exchange markets Estimated market price based on observable input* 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
Private Equity (direct)	<ul style="list-style-type: none"> Discounted cash flows Trading multiples Cost at recent transaction 	<ul style="list-style-type: none"> Cash flows and discount rates Trading multiples Cost at recent transaction 	<ul style="list-style-type: none"> If trading multiples decreased by 10%, the fair value would decrease by DKK 1,142 million (2021: DKK 1,373 million) If the WACC increased by 0.25pp, the fair value would decrease by DKK 3 million (2021: DKK 134 million)
Private Equity (LP)	<ul style="list-style-type: none"> Adjusted reported NAV 	<ul style="list-style-type: none"> Latest reported NAV adjusted for capital calls, capital returns and pricing development (if relevant) 	<ul style="list-style-type: none"> N/A
Venture Capital (Public)	<ul style="list-style-type: none"> Closing prices according to exchange markets 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
Venture Capital (Private – direct)	<ul style="list-style-type: none"> Discounted cash flows Trading multiples Relative adjustment based on pre-defined value triggers 	<ul style="list-style-type: none"> Cash flows and discount rates Trading multiples Value trigger assumptions Cost at recent transaction Price at financing round 	<ul style="list-style-type: none"> If trading multiples decreased by 10%, the fair value would decrease by DKK 17 million (2021: DKK 0) If the WACC increased by

	<ul style="list-style-type: none"> • Cost at recent transaction • Financing round 		0.25pp, the fair value would decrease by DKK 0 (2021: DKK 0)
Venture Capital (Private - LP)	<ul style="list-style-type: none"> • Adjusted reported NAV 	<ul style="list-style-type: none"> • Latest reported NAV adjusted for capital calls, capital returns and pricing development (if relevant) 	• N/A
Credit	<ul style="list-style-type: none"> • Closing prices according to exchange markets • Estimated market price based on observable input 	• N/A	• N/A
Credit (Private - LP)	<ul style="list-style-type: none"> • Adjusted reported NAV 	<ul style="list-style-type: none"> • Latest reported NAV adjusted for capital calls, capital returns and pricing development (if relevant) 	• N/A
EM debt	<ul style="list-style-type: none"> • Closing prices according to exchange • Estimated market price based on observable input 	• N/A	• N/A
Real Assets (Private – Direct)	<ul style="list-style-type: none"> • Discounted cash flows • Cost at recent 	<ul style="list-style-type: none"> • Cash flows and discount rates • Price at financing round 	• If the WACC increased by 0.25pp, the fair value would decrease by DKK 142 million (2021: DKK 142 million)
Real Assets (Private – LP)	<ul style="list-style-type: none"> • Adjusted reported NAV 	<ul style="list-style-type: none"> • Latest reported NAV adjusted for capital calls, capital returns and pricing development (if relevant) 	• N/A
Bonds	<ul style="list-style-type: none"> • Closing prices according to exchange markets • Estimated market price based on observable input 	• N/A	• N/A

* The fair value of certain total return swaps and bonds included as collateral under Public Equity is estimated based on observable input.

Note 16 Inventories

DKK million	2022	2021
Raw materials	7,816	5,231
Work in progress	15,387	13,532
Finished goods	9,340	7,520
Write-downs at year-end	-1,957	-2,453
Total inventories	30,586	23,830
Write-down at the beginning of the year	2,453	2,347
Write-downs during the year	1,242	989
Utilisation of write-downs	-1,523	-707
Reversal of write-downs	-215	-176
Write-downs at the end of the year	1,957	2,453
Indirect production costs included in the work in progress and finished goods	11,716	9,908

Accounting policy

Inventories are stated at cost or net realisable value, whichever is lower.

Cost is determined using the first-in, first-out method. Cost comprises direct production costs such as raw materials, consumables and labour as well as indirect production costs.

Production costs for work in progress and finished goods include indirect production costs such as employee costs, depreciation, maintenance, etc. If the expected sales price less completion costs to execute sales (net realisable value) is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value.

Inventory manufactured prior to regulatory approval (prelaunch inventory) is capitalised but immediately provided for, until there is a high probability of regulatory approval for the product. A write-down is made against inventory, and the cost is recognised in the income statement as research and development costs. Once there is a high probability of regulatory approval being obtained, the write-down is reversed, up to no more than the original cost.

Key accounting estimates and judgements

Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined using the first-in, first-out method. Cost comprises direct production costs such as raw materials, consumables and labour as well as indirect production costs. Production costs for work in progress and finished goods include indirect production costs such as employee costs, depreciation, maintenance, etc.

Indirect production costs are measured using a standard cost method. This is reviewed regularly to ensure relevant measures of capacity utilisation, production lead time, cost base and other relevant factors, hence inventory is valued at actual cost. When calculating total inventory, Management must make judgements about cost of production, standard cost variances and idle capacity in estimating indirect production costs for capitalisation. Changes in the parameters for calculation of indirect production costs could have an impact on the gross margin and the overall valuation of inventories.

Note 17 Trade receivables

DKK million	2022	2021
Gross carrying amount	59,116	46,917
Loss allowance	-2,024	-1,609
Carrying amount at the end of the year	57,092	45,308
Movements in allowance for doubtful trade receivables		
Carrying amount at the beginning of the year	1,609	1,552
Reversal of allowance on realised losses	-59	-102
Change of allowance during the year	310	151
Effect of exchange rate adjustments	-111	10
Realised loss	-35	-4
Additions from acquisition of companies	310	2
Allowance at the end of the year	2,024	1,609
Not yet due	55,330	43,386
Due between 1-90 days	1,213	1,494
More than 90 days due	549	428
Carrying amount at the end of the year	57,092	45,308

Accounting policy

Trade receivables are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful trade receivables. The allocation of trade receivables and allowance for trade receivables is based on the location of the customer.

Allowance for expected credit loss for trade receivables

Trade receivables are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful trade receivables. The allocation of trade receivables and allowance for trade receivables is based on the location of the customer.

The allowance for expected credit losses for trade receivables and contract assets is based on historical credit loss experience combined with forward-looking information on macroeconomic factors affecting the credit risk. The expected loss rates are updated at each reporting date.

Note 18 Other provisions

	DKK million					2022	2021
	Provisions for sales rebates	Provisions for product returns	Retirement benefit obligations	Provisions for legal disputes	Other provisions	Total	Total
At the beginning of the year	50,872	858	1,343	2,229	2,418	57,720	41,257
Additional provisions, including increases to existing provisions	206,366	600	9	409	502	207,886	157,324
Amount used during the year	-189,580	-437	0	-106	-225	-190,348	-142,870
Adjustments, including unused amounts reversed during the year	-1,143	10	-532	-252	-292	-2,209	-1,049
Effect of exchange rate adjustment	3,044	8	0	128	-137	3,043	3,058
At the end of the year	69,559	1,039	820	2,408	2,266	76,092	57,720
Non-current liabilities	322	412	762	2,095	1,880	5,471	5,807
Current liabilities	69,237	627	58	313	386	70,621	51,913
At the end of the year	69,559	1,039	820	2,408	2,266	76,092	57,720

For non-current liabilities, provisions for sales rebates are expected to be settled after one year, provisions for product returns will be utilised in 2023 and 2024. In the case of provisions for legal disputes, the timing of settlement cannot be determined.

Provisions for sales rebates

Provisions for sales rebates are related to US Managed Care, Medicare, Medicaid, 340B drug pricing program and other types of US rebates, as well as rebates in a number of European countries and Canada.

Provision for retirement benefit obligations

The Group operates a number of defined contribution plans throughout the world. Group companies' contributions to the defined contribution plans are charged to the income statement in the year to which they relate. The yearly costs for defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees to the valuation dates and is based on actuarial assumptions primarily regarding discount rates used in determining the present value of benefits and projected rates of remuneration growth. Discount rates are based on the market yields of high-rated corporate bonds in the country concerned.

The net obligation recognised in the balance sheet is reported as non-current liabilities.

Other provisions

Other provisions consists of various types of provisions, including obligations in relation to employee benefits such as jubilee benefits, company-owned life insurance, etc.

Accounting policy

Provision for sales rebates

Provisions for sales rebates and discounts granted to government agencies, wholesalers, retail pharmacies, Managed Care and other customers are recorded at the time the related revenues are recorded or when the incentives are offered. Provisions are calculated based on historical experience and the specific terms in the individual agreements. Unsettled rebates are recognised as provisions when the timing or amount is uncertain. Where absolute amounts are known, the rebates are recognised as other liabilities.

Provision for product returns

The Group issues credit notes for expired goods as a part of normal business. Where there is historical experience or a reasonably accurate estimate of expected future returns can otherwise be made, a provision for estimated product returns is recorded. The provision is measured at gross sales value.

Retirement benefit obligations

The Group operates a number of defined contribution plans throughout the world.

The costs for the year for defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees to the valuation dates and is based on actuarial assumptions primarily regarding discount rates used in determining the present value of benefits and projected rates of remuneration growth. Discount rates are based on the market yields of high-rated corporate bonds in the country concerned.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Past service costs are recognised immediately in the income statement. Pension plan assets are only recognised to the extent that the Group is able to derive future economic benefits such as refunds from the plan or reductions of future contributions.

Costs recognised for retirement benefits are included in cost of goods sold, sales and distribution costs, research and development costs, and administrative costs. The net obligation recognised in the balance sheet is reported as non-current liabilities.

Actuarial valuations are performed annually for all major defined benefit plans. Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each country. Other assumptions such as medical cost trend rate and inflation are also considered in the calculation. Significant actuarial assumptions for the determination of the retirement benefit obligation (not considering plan assets) are discount rate and expected future remuneration increases. The sensitivity analysis has been determined based on reasonably likely changes in the assumptions occurring at the end of the period.

The net obligation recognised in the balance sheet is reported as non-current liabilities.

Provision for legal disputes

Provisions for legal disputes are recognised where a legal or constructive obligation has been incurred as a result of past events and it is probable that there will be an outflow of resources that can be reliably estimated. In this case, the Group arrives at an estimate based on an evaluation of the most likely outcome. Disputes for which no reliable estimate can be made are disclosed as contingent liabilities.

Provisions are measured at the present value of the anticipated expenditure for settlement. This is calculated using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision for interest is recognised as a financial expense

Key accounting estimates and judgements

Provisions for legal disputes consist of various types of provision linked to ongoing legal disputes. Management makes estimates regarding provisions and contingencies, including the probability of pending and potential future litigation outcomes. These are by nature dependent on inherently uncertain future events. When determining likely outcomes of litigation etc., Management considers the input of external counsels on each case as well as known outcomes in case law.

Although Management believes that the total provisions for legal proceedings are adequate based on currently available information, there can be no assurance that there will not be any changes in facts or matters, or that any future lawsuits, claims, proceedings or investigations will not be material.

Note 19 Borrowings

DKK million	2022	2021
Within 1 year	9,150	17,512
2-5 years	31,240	15,032
More than 5 years	37,838	11,801
Total	78,228	44,345
Carrying amount at the end of the year	64,949	41,241
Non-current liabilities	57,411	25,016
Current liabilities	7,538	16,225
Carrying amount at the end of the year	64,949	41,241
Fair value of borrowings at the end of the year	62,874	41,187

The increase in borrowings from 2021 to 2022 mainly relates to the acquisition of Dades, KabaFusion, Medical Knowledge Group and Ritedose.

Note 20 Other liabilities

Other liabilities primarily comprise employee cost payables, payables related to non-current assets, and sales rebates.

Note 21 Other non-cash items

DKK million	2022	2021
Unrealised (gain)/loss on securities	17,586	-24,783
Increase(decrease) in provisions	19,076	16,583
Share-based payment costs	1,666	1,138
Other	1,108	-4,648
Total other non-cash items	39,436	-11,710

Note 22 Cash and cash equivalents

DKK million	2022	2021
Cash and cash equivalents at the end of the year	15,949	13,070
Credit facility at the end of the year (overdrafts)	-24	-2
Cash and cash equivalents at the end of the year in the cash flow statement	15,925	13,068

Accounting policy

The cash flow statement is presented in accordance with the indirect method commencing with net profit for the year. Cash flows in foreign currencies are translated to DKK at the average exchange rate for the respective year.

Cash from operating activities converts income statement items from the accrual basis of accounting to cash basis. As such, starting with net profit, non-cash items are reversed and actual payments included. The change in working capital is also taken into account, as this shows the development in money tied up in the balance sheet.

Cash from investing activities shows payments related to the purchase and sale of long-term investments. This includes fixed assets such as construction of new production sites, intangible assets such as patents and licenses, and financial assets.

Cash and cash equivalents consist of cash offset by short-term bank overdrafts. Where short-term bank overdrafts are consistently overdrawn, they are excluded from cash and cash equivalents. The movement in such facilities is presented under financing activities in the cash flow statement.

Financial reserves comprise the sum of cash and cash equivalents at the end of the year and undrawn committed credit and loan facilities, with a maturity of more than 12 months, less loans and bank overdrafts classified as liabilities arising from financing activities contractually obliged for repayment within 12 months of the balance sheet date.

Note 23 Derivative financial instruments

DKK million	2022			2021		
	Contract amount at year-end	Positive fair value at year-end	Negative fair value at year-end	Contract amount at year-end	Positive fair value at year-end	Negative fair value at year-end
Forward contracts, cash flow hedges						
Forward contracts, net:						
USD	63,293	1,648	949	45,249	17	1,802
JPY, GBP, CHN and other	10,762	373	62	9,307	45	122
	74,055	2,021	1,011	54,556	62	1,924
Currency and interest rate swaps:						
EUR/EUR	174	16	0	0	0	0
DKK/DKK	0	0	0	953	5	13
USD/USD	924	32	0	1,465	8	0
	1,098	48	0	2,418	13	13
Forward contracts, fair value hedges						
Forward contracts:						
USD	38,660	639	1,962	30,843	1,607	284
Other	4,169	152	38	8,513	104	120
	42,829	791	2,000	39,356	1,711	404
Total derivative financial instruments	117,982	2,860	3,011	96,330	1,786	2,341
Recognised in the income statement		797	2,000		1,718	408
Recognised in other comprehensive income		2,063	1,011		68	1,933
Included in the balance sheet as:						
Derivative financial instruments		2,860	3,011		1,786	2,341

The Group uses financial instruments to reduce the impact of foreign exchange on financial results. The derivative financial instruments are used to manage the exposure to market risk. None of the derivatives are held for trading. The Group uses forward exchange contracts and to a lesser extent, currency options to hedge forecast transactions, asset and liabilities. The overall policy is to hedge the majority of total currency exposure. Net investments in foreign subsidiaries are currently not hedged.

The table above states the fair value of the Group's derivative financial instruments divided into types of hedges and main currencies.

On initiation of the contract, the Group designates each derivative financial contract that qualifies for hedge accounting as either hedges of fair value of a recognised asset or liability (fair value hedge) or hedges of the fair value of a forecast financial transaction (cash flow hedge). All contracts are initially recognised at fair value and subsequently remeasured at fair value at the end of the reporting period.

The Group uses financial instruments to reduce the impact of foreign exchange on financial results. the derivative financial instruments are used to manage the exposure to market risk. None of the derivatives are held for trading. The Group uses forward exchange contracts and to a lesser extent, currency options to hedge forecast transactions, asset and liabilities. The overall policy is to hedge the majority of total currency exposure. Net investments in foreign subsidiaries are currently not hedged.

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On initiation of the contract, the Group designates each derivative financial contract that qualifies for hedge accounting as either hedges of fair value of a recognised asset or liability (fair value hedge) or hedges of the fair value of a forecast financial transaction (cash flow hedge). All contracts are initially recognised at fair value and subsequently remeasured at fair value at the end of the reporting period.

Accounting policy

The Group uses financial instruments to reduce the impact of foreign exchange on financial results.

Use of derivative financial instruments

The derivative financial instruments are used to manage the exposure to market risk. None of the derivatives are held for trading.

The Group uses forward exchange contracts and, to a lesser extent, currency options to hedge forecast transactions, assets and liabilities. The overall policy is to hedge the majority of total currency exposure.

Net investments in foreign subsidiaries are currently not hedged.

Initial recognition and measurement

On initiation of the contract, the Group designates each derivative financial contract that qualifies for hedge accounting as one of:

- » hedges of the fair value of a recognised asset or liability (fair value hedge);
- » hedges of the fair value of a forecast financial transaction (cash flow hedge).

All contracts are initially recognised at fair value and subsequently remeasured at fair value at the end of the reporting period.

Fair value hedges

Value adjustments of fair value hedges are recognised in the income statement along with any value adjustments of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges

Value adjustments of the effective part of cash flow hedges are recognised directly in other comprehensive income. The cumulative value adjustment of these contracts is transferred from other comprehensive income to the income statement when the hedged transaction is recognised in the income statement.

For cash flow hedges of foreign currency risk on highly probable non-financial asset purchases, the cumulative value adjustments are transferred directly from the cash flow hedge reserve to the initial cost of the asset when recognised.

Discontinuance of cash flow hedging

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement under financial income or financial expenses.

Fair value determination

The fair value of derivative financial instruments is measured on the basis of quoted market prices of financial instruments traded in active markets. If an active market exists, the fair value is based on the most recently observed market price at the end of the reporting period.

If a financial instrument is quoted in a market that is not active, the Group bases its valuation on the most recent transaction price.

Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar financial instruments assumed to be motivated by normal business considerations. If an active market does not exist, the fair value of standard and simple financial instruments, such as foreign exchange forward contracts, interest rate swaps, currency swaps and unlisted bonds, is measured according to generally accepted valuation techniques. Market-based parameters are used to measure the fair value.

Note 24 Commitments and contingent liabilities

DKK million	2022	2021
Purchase obligations, tangible assets	4,065	1,895
The purchase obligations primarily relate to purchase agreements regarding tangible assets. The Group expects to fund these commitments with existing cash and cash flow from operations.		
Purchase obligations, financial assets	21,193	13,261
The purchase obligations primarily concern purchase agreements in connection with investments in financial fixed assets etc. The Group expects to fund these commitments through cash flow from operations.		
Purchase obligation medical equipment and consumer goods	37,217	21,498
The purchase obligations concern purchase agreements regarding medical equipment and consumer goods. The Group expects to fund these commitments with existing cash and cash flow from operations.		
Purchase obligation research and development	26,555	21,510
The Group is engaged in research and development projects with a number of external companies.		
Other guarantees	1,829	2,161
Other guarantees primarily relate to performance guarantees.		
Collateral	436	444
Booked value of property, plant and equipment.		

Contingent liabilities

The Group is currently involved in pending litigations, claims and investigations arising out of the normal conduct of its business. While provisions that Management deems to be reasonable and appropriate have been made for probable losses, there are uncertainties connected with these estimates.

In connection with the proposed merger of Novozymes and Chr. Hansen, the Group have made certain commitments under given terms and conditions in support of the merger. Please also see note 7 in the Financial Statements for the Parent Foundation.

Pending litigation against Novo Nordisk

In January 2021, Novo Nordisk made changes to its policy in the US related to facilitating delivery of its discounted medicines to commercial pharmacies that contract with covered entities participating in the 340B Drug Pricing Program. Novo Nordisk is currently engaged in litigation against the government seeking a declaration that its 340B policy is consistent with relevant US laws. On 30 January 2023, the U.S. Court of Appeals for the Third Circuit issued a ruling holding that Novo Nordisk's drug distribution policy meets the requirements of the 340B statute. This ruling, as well as other expected rulings in related matters pending before the U.S. Courts of Appeals for the Seventh and DC Circuits, may be subject to

further discretionary appellate review before the US Supreme Court. Depending on the outcome of any subsequent appeals in this and related matters, there may be a material impact on Novo Nordisk's financial position, net sales and cash flow.

Mosaic Health Inc. and Central Virginia Health Services, Inc. (both 340B covered entities) filed a putative class action lawsuit in NY Federal Court against Novo Nordisk US, Eli Lilly, Sanofi and AstraZeneca alleging a conspiracy among the manufacturers to artificially fix prices of diabetes medications through changes to their policies relating to the distribution of 340B drugs through contract pharmacy arrangements. The lawsuit was subsequently dismissed by the Court on 2 September 2022, and the plaintiffs have sought leave to file an amended complaint. Novo Nordisk does not expect this matter to have a material impact on Novo Nordisk's financial position, operating profit or cash flow.

Novo Nordisk is currently defending fourteen lawsuits, including three putative class actions, relating to the pricing of diabetes medicines. Four of these cases are pending in New Jersey federal court; four are pending in federal courts in Mississippi, Arkansas, Montana and New York and the remaining six are pending in state courts in Kansas, Illinois, Kentucky, California, Missouri and Puerto Rico. All pending matters also name as defendants Eli Lilly and Company and Sanofi, while certain matters also name Pharmacy Benefit Managers (PBMs) and related entities. Plaintiffs generally allege that the manufacturers and PBMs colluded to artificially inflate list prices paid by consumers for diabetes products, while offering reduced prices to PBMs through rebates used to secure formulary access. Novo Nordisk does not expect the lawsuits to have a material impact on Novo Nordisk's financial position, operating profit or cash flow.

In 2016, Novo Nordisk US received a Civil Investigative Demand from the US Department of Justice ("DOJ CID") relating to potential off-label marketing of NovoSeven® (including high dose and for prophylactic use) and interactions with physicians and patients. The DOJ investigation was likely prompted by a lawsuit filed in 2015 by a former Novo Nordisk US employee (the "Relator") in the Western District of Oklahoma. Relator alleges Novo Nordisk US caused the submission of false claims to Medicare, Medicaid, Federal Employees Health Benefits Program and private insurers in California as a result of the same conduct that was the subject of the DOJ CID. In 2019, the DOJ and 28 state AGs declined to intervene in the Relator's lawsuit. The State of Washington chose to intervene, and a consolidated complaint was filed and unsealed by the court on 28 May 2020. Novo Nordisk moved to dismiss the complaint, which resulted in certain claims being dismissed and certain claims remaining at this stage of the case. This matter is in the early stages of discovery and Novo Nordisk does not expect the lawsuit to have a material impact on Novo Nordisk's financial position, operating profit or cash flow.

Pending claims against Novo Nordisk and Investigations involving Novo Nordisk US has received Civil Investigative Demands (CIDs) or subpoenas from several US authorities including Attorneys General from the states of Washington, New Mexico, New York, Colorado, Vermont, Illinois, Texas, Ohio and the US Federal Trade Commission that call for the production of documents and information relating to, among other things, the company's trade practices relating to its insulin and GLP-1 products. Novo Nordisk is cooperating with the relevant government authorities in each of these investigative matters and does not expect these matters to have a material impact on Novo Nordisk's financial position, operating profit or cash flow.

In December 2021, Novo Nordisk US received a CID from the United States Department of Justice relating to the company's financial relationships with healthcare professional and prescriptions for Ozempic® and Rybelsus® during the period of 1 January 2016 to present. Novo Nordisk is cooperating with Department of Justice in this investigation and does not expect this matter to have a material impact on Novo Nordisk's financial position, operating profit or cash flow.

Novo Nordisk is one of several pharmaceutical companies that received requests for information involving pricing practices for its diabetes products from several committees of the United States House of Representatives and/or United States Senate. Novo Nordisk has responded to the various committees in response to their requests. Novo Nordisk does not expect the inquiries to have a material impact on Novo Nordisk's financial position, operating profit or cash flow.

Other contingent liabilities

In addition to the above, the Group is engaged in certain litigation proceedings and various ongoing audits and investigations. In the opinion of Management, neither settlement or continuation of such proceedings, nor such pending audits and investigations, are expected to have a material effect on the Group's financial position, operating profit or cash flow.

Note 25 Share-based payment schemes

Novo Nordisk Foundation Group operates share-based payment schemes in Novo Nordisk, Novozymes, NNIT, Sonion, Xellia and other sub-groups in order to motivate and retain a qualified management and to ensure common goals for management and shareholders. The sharebased payment schemes in Sonion, Xellia and other sub-groups are not material for the Group as a whole.

The allocation of share options/restricted stock units under the Group's share-based payment schemes is conditional on the fulfilment of shareholder value targets, as defined by the Boards in accordance with the companies' long-term financial targets. The exercise price for options in the listed companies corresponds to the market share price at the time of issue/establishment of the scheme.

The schemes are primarily equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of shares is recognised as an expense and allocated over the vesting period.

Long-term share-based incentive programme

Novo Nordisk, Novozymes and NNIT.

There are schemes for management board and management group.

DKK million	2022	2021
Fair market value share options - conditions Novo Nordisk		
The fair value is fixed at the grant date and adjusted for expected dividends during the vesting period. Adjustments relating to prior years are included in the income statement in the year of adjustment.		
Expensed in the income statement, DKK million	1,539	1,040
Fair market value share options - conditions Novozymes		
The fair value is measured using the Black-Scholes option-pricing model.		
Expensed in the income statement, DKK million	127	78
Fair market value share options - conditions NNIT		
Shares are recognised over the four-year vesting period at the market value at the grant date. Value adjustments are recognised as financial items.		
Expensed in the income statement, DKK million	1	8

Number of outstanding share options/restricted stock units(RSU)	Novo Nordisk A/S (RSU) million	Novozyymes A/S (share options)	NNIT A/S (RSU) thousand
Outstanding at the beginning of the year 2022	9.9	7,010,328	190
Allocated in the year	2.9	1,112,554	17
Allocation adjustment	0.0	70,884	0
Released allocated shares	-1.8	-637,323	-62
Cancelled allocated shares	-0.3	0	0
Forfeited	0.0	-263,388	-7
Expired	0.0	-16,798	0
Retention program	0.0	0	3
Outstanding at the end of the year 2022	10.7	7,276,257	141
Outstanding at the beginning of the year 2021	8.6	7,143,271	319
Allocated in the year	2.2	1,255,563	64
Released allocated shares	-1.1	-1,229,932	-162
Cancelled allocated shares	-0.3	0	0
Forfeited	0.0	-153,986	-31
Expired	0.0	-4,588	0
Performance adjustment	0.5	0	0
Outstanding at the end of the year 2021	9.9	7,010,328	190

Number of awarded and outstanding shares

Novo Nordisk

	Restricted units to employees		Shares for Management Board		Shares for management group below Management Board		Shares allocated to individual employees			
	2022	2021	2022	2021	2022	2021	2022	2021		
Number of shares awarded in the year (million)	0.4	0.0	0.4	0.5	1.7	1.6	0.4	0.1		
Value per share at launch (DKK)	0.0	0.0	639.0	423.0	639.0	423.0	743.0	538.0		
Total marked value at launch (DKK million)	0.0	0.0	234.0	223.0	1,062.0	649.0	316.0	71.0		
Performance and vesting period			2022 to 2024	2021 to 2023	2022 to 2024	2021 to 2023	2022 to 2025	2021 to 2024		
Allocated to recipients			Feb 2025	Feb 2024	Feb 2025	Feb 2024	2025	2024		
Vesting period			3 years	3 years	3 years	3 years	3 years	3 years		
	Total		Restricted units to employees	Shares for Management Board	Shares for management group below Management Board		Shares allocated to individual employees			
DKK million	2022	2021	2022	2021	2022	2021	2022	2021		
Outstanding at the beginning of the year	9.9	8.6	2.0	2.1	2.2	1.8	5.5	4.5	0.2	0.2
Released allocated shares	-1.8	-1.1	0.0	-0.1	-0.5	-0.3	-1.2	-0.6	-0.1	-0.1
Cancelled allocated shares	-0.3	-0.3	0.0	0.0	-0.1	0.0	-0.2	-0.3	0.0	0.0
Allocated in the year	2.9	2.2	0.4	0.0	0.4	0.5	1.7	1.6	0.4	0.1
Performance adjustment	0.0	0.5	0.0	0.0	0.0	0.2	0.0	0.3	0.0	0.0
Outstanding at the end of the year	10.7	9.9	2.4	2.0	2.0	2.2	5.8	5.5	0.5	0.2

Accounting policy

Novo Nordisk operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of shares is recognised as an expense and allocated over the vesting period.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted, excluding the impact of any non-market vesting conditions. The fair value is fixed at the grant date and adjusted for expected dividends during the vesting period. Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. At the end of each reporting period, the Group revises its estimates of the number of shares expected to vest. The Group recognises the impact of the revision of the original estimates, if any, in the income statement and in a corresponding adjustment to equity (change in proceeds) over the remaining vesting period. Adjustments relating to prior years are included in the income.

Note 26 Financial risks

Due to its global activities, a number of financial risk factors affect the Novo Nordisk Foundation Group's income and balance. The Group has centralised the control of its financial risks in Novo Nordisk A/S, Novozymes A/S and Novo Holdings A/S. The respective boards of these companies have established and approved the general framework for the financial risk management described in the companies' financial and investment policies.

Foreign exchange risk

Currency risk arises due to imbalances between income and costs in each individual currency and because the Group has more assets than liabilities in foreign currencies in connection with global operations. The overall objective of foreign exchange risk management is to reduce the short-term negative impact of exchange rate fluctuations on earnings and cash flow, thereby contributing to the predictability of the financial results.

The Group hedges existing assets and liabilities in key currencies as well as future expected cash flows up to a maximum of 24 months forward. Hedging is managed by entering into derivatives such as forward contracts, currency options and swaps. Hedge effectiveness is assessed on a regular basis.

The foreign exchange risk is most significant in USD, GBP and CNY, while the EUR exchange rate risk is regarded as low because of Denmark's fixed exchange rate policy towards EUR.

The sensitivity analysis below shows the impact on net profit of a 5% change in DKK versus the key currencies to which the Group was exposed at end of year:

	2022	2021
USD	7,203	5,908
GBP	921	833
CNY	500	360

For all other currencies together, a change of 5% would impact the net profit by less than DKK 560 million.

Average hedge rate

The average hedge rate for USD cash flow hedges is 699 at the end of 2022 (628 at the end of 2021).

Interest rate risk

Interest rate exposure arises in relation to interest-bearing investments and there is the risk of financial loss from a change in interest rates.

The Group's policy is to allocate the majority of the interest-bearing asset exposure to Danish government bonds and domestic mortgage credit bonds, and a minority to high yield debt. The interest rate risk is not hedged through derivatives, but the duration of the portfolio is adjusted to a desired exposure.

Credit risk

Credit risk occurs in relation to bonds and other contractual obligations and is the risk of financial loss from the failure of a counterparty to meet the contractual obligations.

The Group's policy is to limit the risk of financial loss from counterparty default by having most of the interest-bearing investments in Danish government bonds and domestic mortgage credit bonds with low credit risk and a minor share in high yield debt with lower credit rating. Credit ratings are considered and monitored by the investment teams to evaluate the risk of loss from default. Investments are made across a variety of issuers to reduce the concentration of credit risk. Based on individual consideration of each asset, it is decided whether the credit risk should be hedged through derivatives. The Group has no significant concentration of credit risk related to trade receivables or other receivables and prepayments, as the exposure in general is spread over a large number of counterparties and customers.

Liquidity risk

The liquidity risk is considered to be low. The Group ensures the availability of the required liquidity through a combination of cash management, highly liquid investment portfolios and both uncommitted and committed credit facilities.

Price risk

Price risk is the risk that the value of the investment portfolio will fluctuate due to changes in the market price, caused by factors specific to the individual investment, the sector in which the investment operates or factors generally affecting all similar investments traded in the market. In order to minimise the price risk while still achieving an attractive return, the investment portfolio is allocated to a predefined set of risk tolerances levels with specific risk measures. The defined risk measures and portfolio allocation are monitored on a monthly basis.

Note 27 Related party transactions

Novo Holdings A/S, the Novo Nordisk Group, the Novozymes Group, the NNIT Group, the Xellia Group, the Sonion Group, the Altasciences Group, the BBI Group, the Ritedose Group, the Medical Knowledge Group, the KabaFusion Group, the Dades Group, other subsidiaries, associated companies and the boards and executive managements of these companies, including the Novo Nordisk Foundation, are considered to be related parties. There have not been any significant transactions with related parties. Fees to the executive management are stated in note 3 of the Group Annual Report. All agreements have been negotiated on market-based terms, and the majority of the agreements are valid for one year.

Note 28 Subsidiaries with significant non-controlling interest

2022 (DKK million)	Novo Nordisk A/S	Novozyms A/S	Other non-controlling interests	Total
Non-controlling interest	71.6%	74.0%		
Total comprehensive income:				
Net sales	176,954	17,553		
Net profit for the year	55,525	3,686		
Other comprehensive income	4,778	253		
Total comprehensive income	60,303	3,929		
Non-controlling share of total comprehensive income	43,159	2,907	198	46,264
Balance				
Non-current assets	133,063	18,742		
Current assets	108,194	9,241		
Non-current liabilities	36,831	6,792		
Current liabilities	120,940	6,963		
Non-controlling share of equity	59,751	10,630	10,861	81,242
Dividends				
Dividends	25,303	1,525		
Non-controlling share of dividends	18,096	1,129	93	19,318
Cash flow				
Cash flow from operating activities	78,887	4,006		
Cash flow from investing activities	-24,918	-2,672		
Cash flow from financing activities	-51,797	-1,250		

2021	Novo Nordisk A/S	Novozyms A/S	Other non-controlling interest	Total
Non-controlling interest	71.6%	74.1%		
Total comprehensive income:				
Net sales	140,800	14,951		
Net profit for the year	47,757	3,145		
Other comprehensive income	-670	562		
Total comprehensive income	47,087	3,707		
Non-controlling share of total comprehensive income	33,700	2,745	-47	36,398
Balance:				
Non-current assets	108,913	16,944		
Current assets	85,595	7,823		
Non-current liabilities	24,246	6,888		

Current liabilities	99,516	5,673		
Non-controlling share of equity	50,633	9,137	845	60,615
Dividends				
Dividends	21,517	1,465		
Non-controlling share of dividends	15,400	1,085	35	16,520
Cash flow				
Cash flow from operating activities	55,000	4,062		
Cash flow from investing activities	-31,605	-2,747		
Cash flow from financing activities	-25,493	-1,586		

Note 29 Assets held for sale

DKK million	2022
Intangibles assets	86
Tangible assets	475
Deferred taxes	19
Deposits	7
Transition cost	80
Trade receivables	234
Work in progress	82
Prepayments	68
Cost at the end of the year	1,051
Employee benefit obligations	1
Prepayments received, transition cost	46
Prepayments received, work in progress	30
Employee costs payables	85
Tax payables	22
Other current liabilities	15
Liabilities directly associated with the assets classified as held for sale	199
Net assets classified as held for sale	852

Assets and liabilities directly associated with assets classified as held for sale relates to NNIT.

Accounting policy

Assets classified as held for sale comprise assets and liabilities for which it is highly likely that the value will be recovered through a sale within 12 months rather than through continued use. Assets and liabilities classified as held for sale are measured at the lower of the carrying amount and fair value less cost to sell at the classification date as "held for sale". Assets held for sale are not depreciated. Impairment losses arising on first classification as "held for sale" and gains and losses from the subsequent measurement is recognized in the income statement under the items they concern.

Note 30 Events after the reporting date

No events of importance to the consolidated financial statements have occurred after the reporting date.

Annex A

Novo Nordisk Foundation Group Corporate Social Responsibility

(a part of management's review)

This appendix is the Novo Nordisk Foundation Group's reporting on corporate social responsibility, cf. section 99a and section 99b of the Danish Financial Statements Act. The statement first reviews the corporate social responsibility for the Novo Nordisk Foundation's grant-awarding activities and then the corporate social responsibility for the Foundation Group's commercial activities. Finally, the diversity policy for the Novo Nordisk Foundation and Novo Holdings A/S is reviewed.

Novo Nordisk Foundation

Risks related to societal responsibility

The main risks of the Novo Nordisk Foundation Group in relation to its economic, social and environmental responsibility are connected to the risks of the companies in the Group and include issues such as climate impact, diversity, human rights and anti-corruption. The economic, social and environmental risks of the Foundation's funding activities are small and limited through observance of the Foundation's article of association and its various policies for acting responsibly and maintaining a responsible role in society (see below). The Novo Nordisk Foundation's philanthropic activities will continue to have Denmark as their centre of gravity, while we at the same time will increase our international reach and activity level, leveraging international collaboration opportunities to build scale and impact and catalyse changes that can benefit people and society globally. The Foundation's corporate activities remain international in accordance with the separate strategies of the companies in the Group.

Code of conduct, including anti-corruption and Whistleblower scheme

The Novo Nordisk Foundation ("the Foundation") wishes to promote an organisation-based culture driven by respectful and ethical behaviour. All individuals affiliated with the Foundation, including Novo Holdings A/S, members of the Board of Directors and employees of the Foundation and Novo Holdings A/S, all grant recipients and their employees fully or partially funded by the Foundation, members of the Foundation's committees, as well as individuals, institutions and organisations that collaborate with the Foundation, Novo Holdings A/S, the BII Foundation and the LIFE Foundation, are obligated to safeguard

and comply with the principles described in the Foundation's Code of Conduct as it is adopted by the Foundation's Board of Directors in 2020. In return, they must be able to work in a safe and healthy working environment. The Code of Conduct is part of the Foundation's general terms and conditions for grant awarding and thus for the individual grant agreement. Read more at: <https://novonordiskfonden.dk/da/code-of-conduct/>

Together with the Code of Conduct, the Novo Nordisk Foundation and Novo Holdings A/S have implemented a whistleblower scheme that gives individuals the opportunity to anonymously inform the Foundation of any violations of the Foundation's Code of Conduct. In the event of violations, the Foundation can, among other things, give a warning or demand that a grant be repaid. The Whistleblower scheme aims to ensure transparency and increase accountability in the Foundation's own as well as its partners' behavior. Read more at: <https://novonordiskfonden.dk/da/%20whistleblower/>

In 2022, the Foundation received 9 submissions in the Foundation's Whistleblower Scheme regarding potential breaches of our code of conduct, all of which have been subject to thorough assessment. Going forward we expect to continue working with and promoting our Code of Conduct, anticorruption agenda and Whistleblower Scheme.

Economic and scientific responsibility

In 2022, the Foundation awarded DKK 7.5 billion in new grants while its payouts amounted to DKK 5.2 billion. The foundation's grant-awarding activities funded, in whole or in part, the employment of around 9,300 people within scientific fields of education, research and innovation, mainly at universities, educational institutions and hospitals

in Denmark and the Nordic countries. In addition, Foundation grants helped fund employees in social and humanitarian projects in Denmark and abroad. Grant-awarding activities and payouts are described in more detail in The Novo Nordisk Foundation Grant Report 2022: <https://novonordiskfonden.dk/app/uploads/Novo-Nordisk-Foundation-Annual-Grant-Report-2022.pdf>. Societal impacts are described in more details in the Novo Nordisk Foundation Impact Report 2022: <https://novonordiskfonden.dk/app/uploads/Annual-Impact-Report-2022.pdf>

The Foundation supports free and independent research, primarily within biomedicine, public health, biotechnology and natural and technical sciences at public research institutions. The institutions contribute to generations of new knowledge, education and innovation. The research results and any patents belong to the researchers and the public universities and hospitals that employ the researchers. No company in the Novo Nordisk Foundation Group or other privately held companies has preferential access to the research results funded by grants from the Foundation.

The Foundation measures and monitors the effects of its grant-giving activities based on the grant recipients' systematic reporting. In 2022 alone, the Foundation's grant recipients reported more than 27,000 activities, of which more than 4,100 were various scientific publications. 90% of publications are articles published in international journals. Nearly three out of five of the journal articles are published as collaborations between grant holders and international co-authors, over half take place in interdisciplinary collaborations, and every ninth journal article is published together with industry researchers. The proportion of grant recipients' international journal articles that are among the top 10% most cited worldwide was 23% in 2018-2021. Overall, the Foundation's contributions increase the volume of excellent research and training of researchers in Denmark. In addition, a significant contribution is made to the internationalisation of Danish and Nordic research as well as to the researchers' collaboration with researchers internationally and in the industry.

Read more at:

- Grant Report 2022: <https://novonordiskfonden.dk/app/uploads/Novo-Nordisk-Foundation-Annual-Grant-Report-2022.pdf>
- 2022 Annual Impact Report: <https://novonordiskfonden.dk/app/uploads/Annual-Impact-Report-2022.pdf>
- The NNF Dashboard: www.nvonordiskfonden.dk/facts-and-figures/

Social responsibility

The Foundation contributes to the creation and development of dynamic research environments at universities and hospitals. For society, this means strengthening research-based education and increasing the supply of talented university graduates, researchers and clinicians, and attracting highly qualified researchers and graduates from outside Denmark.

The Foundation has funded the establishment of Steno Diabetes Centers in each of the five Danish administrative regions as well as in Greenland and Faroe Islands. Each centre makes an important contribution to research hospital activities in the field of diabetes, including

specialised services for diabetic patients within treatment, education, and health promotion. The centres treated approximately 29,000 people with diabetes in 2022.

The Foundation wishes to support a sustainable societal development. Sustainability includes climate and environmental issues as well as social, humanitarian and health considerations, including that employees work in a healthy and safe working environment and that people as well as animals are treated in the best possible way and in accordance with current rules. The Novo Nordisk Foundation contributes to social, humanitarian and health initiatives in Denmark by supporting a wide range of activities, including initiatives that focus on education and competence development for vulnerable citizens. The Foundation also supports humanitarian efforts globally. The social and humanitarian grant-giving amounted to DKK 0.6 billion in 2022, and the public health and medical science grant-giving amounted to DKK 3 billion in 2022.

As an example of the Foundation's support for humanitarian efforts globally, the Foundation has supported a consortium of five national and international organisation led by Plan Børne Fonden with at DKK 200 million grant. The project was initiated in 2022 and aims at empowering 48.000 Syrian refugees and conflict affected youth, in Jordan to become economic, social viable actors in an inclusive, healthy, protective, and gender responsive environment.

In 2022, the Danish Ministry of Health and the Novo Nordisk Foundation decided to establish the Centre for Childhood Health with a DKK 1 billion grant from the Foundation for a 10-year period. The Centre opened in January 2023. The primary purpose of Centre for Childhood Health is to provide new evidence-based solutions that can promote healthy weight and well-being among children. Such knowledge will be translated into practice in the form of initiatives involving children, their families, and professionals as well as the environments in which the children live. The initiatives will promote well-being, be destigmatising and prevent a weight development that can adversely influence the physical and mental health of the children.

Environmental responsibility

The Foundation helps to build and strengthen Denmark's positions within environmental sustainability. The Foundation recognizes that there is an urgent need to tackle climate change and unsustainable food production.

In the Foundation's 2030 strategy, the long-term goal of the sustainability mission is to "Advance knowledge and solutions to support the green transition in society". In the strategy period, the Foundation focuses within its sustainability mission on the following four themes and ambitions to promote environmental sustainability:

- *Theme 1. Sustainable and high yield agriculture:*
 - *Ambition: Advance research and innovation in agricultural production by understanding, controlling and utilising ecosystems*
- *Theme 2. Sustainable food for healthy diets:*
 - *Support the transformation of our food systems towards improved planetary and human health through research and translation within sustainable production and consumption*
- *Theme 3. High-impact climate change mitigation technologies:*
 - *Ambition: Eliminate greenhouse gas emissions from high-carbon production and remove*

atmospheric CO₂ by supporting and driving research for scalable climate change mitigation technologies

- *Theme 4. Supporting society in the green transition:*
 - *Ambition: Build knowledge, networks and systems to help support the green transition in society.*

In 2022, the Novo Nordisk Foundation awarded a grant of DKK 127 million for the establishment of an Open Innovation in Science platform called Plant2Food focusing on research collaboration across the various sectors within plant and food science, so as to accelerate the overall development of plant-based foods. The grant for Plant2Food is part of the Novo Nordisk Foundation's work to advance the sustainability of society and the planet, one of three focus areas in the Foundation's 2030 strategy.

In 2022, the Novo Nordisk Foundation has committed a total amount of DKK 841 million for research grants and paid out DKK 673 million for research activities in the field of biotechnology.

Table A and B in this annex shows figures for the Novo Nordisk Foundation Group's social and environmental footprint.

The Novo Nordisk Foundation as a workplace

The Foundation strives to be an attractive workplace where employees prosper and realise their professional potential. The Foundation's policy is to create a healthy, safe, collaborative, and flexible working environment.

The Foundation emphasises diversity among its staff, cf. the section on the Foundation's diversity policy: <https://novonordisk-fonden.dk/en/diversity-policy/>.

The commercial activities of the Foundation

The following description of Corporate Social Responsibility at group level applies to all the companies in the Novo Nordisk Foundation Group. The Foundation's Board of Directors has adopted a common set of values, "Charter for companies in the Novo Group", which all companies in the Novo Group must demonstrate a willingness, ability and resolve to fulfil. The criteria are:

- Company products and services make a significant difference in improving the way people live and work.
- The company is perceived to be an innovator – in technology, in products, in services and/or in market approach.
- The company is among the best in its business and a challenging place to work.
- The company delivers competitive financial performance.

Companies in the Novo Group commit to:

- Value-based management
- Open and honest dialogue with its stakeholders
- Continuous improvement of
 - financial performance
 - environmental performance
 - social performance
- Reporting in accordance with relevant, internationally approved conventions.

Based on the charter, the companies in the Novo Group have formulated their own policies for social responsibility and publish independent reports of their work with these, e.g., policies for economic, environmental and social responsibility (including anti-corruption), compliance with conventions (e.g., human rights), value-based management and open and honest dialogue with its stakeholders. On the basis of the charter, Novo Holdings A/S has defined its own values, which are the basis for the company's investments in and collaborations with other companies. The values can be found at www.novoholdings.dk

Risks in relation to societal responsibility

The main risks of the Novo Nordisk Foundation Group in relation to economic, social and environmental responsibility are related to the risks of the companies in the Group. The risks are minimised through the Charter for the companies in the Group as well as the companies' own policies for responsibility, as described in the companies' independent corporate social responsibility reports. Read more about the Novo Nordisk Foundation's role as a committed owner here: <https://novonordiskfonden.dk/en/about-the-foundation/ownership/>

The companies' main risks are particularly linked to the international development in the financial and economic markets, including exchange rate uncertainty, uncertainty in international trade policy and thus the development in the global sales markets, uncertainty with share and bond prices, etc. Companies seek to address these risks

through portfolio diversification in the areas of investment, trading and financial transactions, price hedging and investments in innovation and research and development.

Novo Holdings A/S includes information about its policies in relation to responsible investments in the company's annual report. Novo Nordisk A/S includes information about the company's social and environmental responsibility in its annual report, while Novozymes A/S publishes a supplement to its annual report. The three annual reports are available at: <https://www.novoholdings.dk/wp-content/uploads/Novo-Holdings-Annual-Report-2022.pdf>, <https://www.novonordisk.com/investors/annual-report.html> and <https://report2022.novozymes.com/#home>².

Anti-corruption

Novo Holdings A/S

Novo Holdings A/S's management approach to handling anti-corruption and business integrity is an integral part of the company's guiding principles and values, which are based on Novo Holdings A/S' mission. Novo Holdings A/S strives to be a respected company and is subject to the Foundation's Code-of-Conduct and Whistleblower scheme.

Novo Nordisk A/S

Novo Nordisk A/S keeps a close eye on compliance with all applicable local and international anti-corruption laws, regulations and standards, such as the US Foreign Corruption Practices Act and the UK Bribery Act. These requirements are spelled out in the company's Business Ethics Compliance Framework. Any suspected breaches of the company's standards can be reported anonymously by employees and external parties through the Compliance Hotline. Breaches are investigated and, if substantiated, action is taken immediately.

Novozyymes A/S

Novozyymes A/S' management approach to addressing anti-corruption and business integrity is embedded in the company's corporate values and policies. Novozyymes A/S has a dedicated compliance function handling business integrity-related matters, including training of employees. Moreover, Novozyymes A/S works proactively to prevent, detect and respond to fraud. An internal control system enables the identification of fraud cases and concerns raised, either through Novozyymes' whistleblower scheme or other reporting channels.

Economic and scientific responsibility

Novo Holdings A/S

In 2022, the Novo Nordisk Foundation Group paid DKK 9 billion in corporation tax in Denmark, of which Novo Nordisk A/S accounted for by far the largest share. A large part of the Foundation's income via Novo Holdings A/S are dividends from Novo Nordisk A/S and Novozyymes A/S, which primarily earn their profits outside Denmark. By end of 2022, Novo Holdings A/S had 151 employees.

² Companies in which Novo Holdings A/S has a controlling interest either report on their social and environmental responsibility in accordance with the Danish Financial Statements Act or refer to the Novo Nordisk Foundation's annual report.

Novo Holdings A/S' other investments in life-science and biotech companies result in thousands of jobs worldwide. The Novo Group and the life-science portfolio employed 125,000 in 2022, an 15% increase compared to 2020, where 107,000 were employed.

Novo Nordisk A/S

Novo Nordisk A/S had sales of DKK 177 billion in 2022, North America accounted for 52%, Europe, the Middle East and Africa for 25%, China for 9% and the rest of the world for 14% of total revenue. For Novo Nordisk A/S, less than one percent of the revenue is realized in Denmark. In 2022, Novo Nordisk A/S had 55,185 employees worldwide. The number of employees increased in most areas with the highest growth in Product Supply, Quality & IT, and in the North America Operations. The employee turnover rate decreased from 11.0% in 2021 to 8.2% in 2022. The company investment in research and development increased by 14% to DKK 24 billion reflecting more late-stage clinical trial activity compared to 2021 and increased activities within serious chronic diseases and the GLP-1 area. Cost also increased for operating costs and amortisations related to Dicerna Pharmaceuticals Inc. which was acquired in the fourth quarter of 2021.

In the European Commission's 2022 overview of industrial R&D investments (<https://iri.jrc.ec.europa.eu/scoreboard/2021-eu-industrial-rd-investment-scoreboard>) on the world's 2,500 largest companies' investments in R&D. Novo Nordisk A/S ranks as number 21 in Europe and as number 90 globally.

Novozymes A/S

Novozymes A/S' turnover in 2022 was DKK 17,553 million. 65% from activities outside Europe, the Middle East and Africa, of which the United States alone accounts for 33%. Novozymes A/S realized 98.8% of revenue outside Denmark. The company has 6,781 employees. In 2022, Novozymes A/S invested DKK 2 billion in R&D. Novozymes A/S is ranked as number 128 in Europe and 675 globally on R&D investments.

Social Responsibility

Novo Holdings A/S

Novo Holdings A/S has a Responsible Investment Process which is anchored in the Environmental, Social and Governance (ESG) policies. The aim is both to reduce risks and responsibilities and to create opportunities. Prior to an investment, Novo Holdings A/S examines among other things whether the entity's actions are compliant with the Novo Nordisk Foundation Group's charter. If it is a direct investment, it is Novo Holdings A/S' responsibility to ensure that the entity does not act irresponsibly at the social or environmental level. If an investment is made through a third party, it is also Novo Holdings A/S' task to ensure that the third party is not socially or environmentally irresponsible in its actions. Each investment undergoes this process, and if it is deemed that a company or third party does not meet the criteria, the investment is rejected. As Novo Holdings A/S wishes to act as an active and responsible shareholder, through employees Novo Holdings A/S are represented on the boards of Novo Nordisk A/S, Novozymes A/S, and with a few exceptions in all other portfolio companies.

Novo Nordisk A/S

The value-based management in Novo Nordisk A/S is formalised in the "Novo Nordisk Way", which includes the principle of balancing financial, social and environmental considerations - The Triple Bottom Line. The company's articles of association state that Novo Nordisk A/S will "strive to conduct its activities in a financially, environmentally, and socially responsible way", which frames Novo Nordisk A/S' long-term strategy of being a sustainable business. It commits employees in the company to always consider how decisions and actions can affect people, society and the environment. The goal is to ensure long-term profitability by limiting any negative effects that may also pose business risks while maximising the positive contribution to society from the company's global activities. Novo Nordisk A/S supports the UN's Sustainable Development Goals.

Novo Nordisk A/S has been an active participant to the UN Global Compact since 2002 and works according to its 10 principles for responsible business. The company strives to contribute to global UN goals and joins partnerships to solve major, systemic societal challenges.

Novo Nordisk A/S' global practice for responsible management focuses on due diligence and follow-up, which ensures that the company's standards are respected throughout the entire value chain. This includes among other things that the company's standards for business ethics and respect for human rights, bioethics, accountability in the supply chain and global labour rights are observed. A compliance hotline enables employees and external stakeholders to anonymously report suspected irregularities such as non-compliance with the Novo Nordisk Way, financial crime, conflicts of interest, corruption and other forms of unregulated behaviour.

Novozymes A/S

Novozymes A/S works with transparency and responsibility across all its business activities, and proactively shares information with stakeholders via various platforms and information channels, e.g., by reporting annually on its progress toward implementing the UN Global Compact's Ten Principles in the company's Communication on Progress report.

Novozymes is recognised for its sustainability leadership and performance by many leading rating agencies, including CDP, MSCI, Sustainalytics, Ecovadis and more. In 2022, Novozymes is one of a small number of companies that was named on CDP's Climate Change A List for their commitment to environmental transparency and action on climate change. Novozymes also received A- for their water security disclosures, which recognizes good water management practices.

Novozymes are committed to high standards and ambitious actions to improve their climate footprint across scopes 1, 2 and 3 with the aim of reaching net-zero by 2050. Novozymes was among the first companies in the world to receive validation of its net-zero targets by SBTi. Novozymes commits to reach net-zero GHG emissions across the value chain by 2050 from a 2018 base year. Read more about Novozymes' approach to sustainability at: <https://www.novozymes.com/en/about-us/positions-policies>.

Health responsibility

Novo Nordisk A/S

Novo Nordisk's business is based on the promise to help people with serious chronic diseases to have a better and healthier life and a firm decision to increase patients' access to medical treatment and improve the quality of treatment. In 2022, Novo Nordisk delivered medical treatment to approximately 36.3 million people with diabetes worldwide, a 5% increase compared to the 34.6 million people with diabetes reached in 2021.

The Novo Nordisk A/S Access to Insulin Commitment guarantees the supply of low-priced human insulin to least developed countries and other low-income countries as well as to organisations providing relief in humanitarian settings. Under this commitment, Novo Nordisk provides human insulin in vials at a guaranteed ceiling price. From 1 August 2020 the ceiling price was set at USD 3.00 per vial for 76 Least Developed Countries as defined by the United Nations, other low-income countries as defined by the World Bank and middle-income countries where large low-income populations lack sufficient health coverage. These countries are home to 124 million people with diabetes.

In 2022, the estimated number of patients with diabetes reached with Novo Nordisk's human insulin vials through the Access to Insulin Commitment was 1.8 million, compared to 1.7 million in 2021. Novo Nordisk A/S also sold human insulin vials below the ceiling price of USD 3 in countries outside the commitment, reaching an estimated additional 2.5 million patients in 2022. This represents a total of 4.3 million patients with diabetes reached with human insulin in vials below USD 3 per vial globally. In addition to offering insulin at a low price, supply chain improvements and capacity building are also important levers in ensuring access to affordable care for vulnerable patients.

Through the Changing Diabetes® in Children programme, Novo Nordisk A/S reached 41,033 children with type 1 diabetes in 26 low-resource countries by the end of 2022, compared to 31,846 in 2021. More than half of the 9,187 newly enrolled children were reached through expansion of the programme in Ethiopia, Sudan, Kenya and Uganda. The programme aims to reach 100,000 children by 2030.

The world's vulnerable population groups are in focus in Novo Nordisk's humanitarian programme. Novo Nordisk A/S continues to supply insulins and glucagon kits to humanitarian organisations in other parts of the world, reaching more than 210,000 people. Through the Partnering for Change programme with the International Committee of the Red Cross, the Danish Red Cross and other organisations, the company aims to ensure treatment for people with diabetes and other chronic diseases in humanitarian crises.

In 2022, Novo Nordisk A/S donated DKK 93 million to humanitarian and social causes via the World Diabetes Foundation (WDF). WDF is an independent fund established by Novo Nordisk in 2002 with the aim of promoting diabetes prevention and treatment in low- and middle-income countries. Across 595 partnership projects in 119 countries, WDF's support has ensured diabetes screening of around 16 million people since its establishment. More than 8.8 million patients have received treatment at the over 24,000 clinics that has been supported by the WDF. Finally, through its partnerships, WDF has trained more than 3.8 million children, parents, teachers, and Health Care Professionals in Diabetes care and/or prevention. Read more at <https://www.worlddiabetesfoundation.org/>

Novo Nordisk A/S provides financial support to improve global access to haemophilia treatment. In 2022, the company agreed to donate DKK 33 million to the Novo Nordisk Haemophilia Foundation established in 2005. Read more at www.nnhf.org

Novozymes A/S

As a UN Global Compact LEAD member, Novozymes A/S is strongly involved in several UN-led initiatives as well as in local UNGC networks in Brazil, China, Denmark, India and the USA. At the UN General Assembly in New York in September 2015, Novozymes A/S joined the rest of the world in welcoming the 17 UN Sustainable Development Goals (World Goals for Sustainable Development). By 2030, countries and multinationals are expected to use these goals to implement policies, allocate funding and drive change that will help build a fair and more sustainable world for all.

Novozymes A/S was among the first to adapt its strategy to the Sustainable Development Goals by applying cutting-edge biotechnological solutions that have the potential to address some of the global challenges. For Novozymes A/S, the goals are a frame of reference for guiding decisions, managing risks, and securing future business opportunities. More information about how Novozymes A/S delivers on the Sustainable Development Goals can be found in the company's CSR reporting, which can be downloaded at: <https://report2022.novozymes.com/#home>

Environmental and climate responsibility

Resource utilisation

Novo Nordisk A/S

Novo Nordisk A/S has a target of reaching net-zero emissions by 2045. More near term, the company has pledged to reach zero emissions from its operations and transportation by 2030. As Novo Nordisk A/S has reduced Scope 1 and 2 CO₂ emissions by 43% since 2019, 96% of its emissions are Scope 3, meaning they are not in the company's direct control but rather include in particular the consequences of goods and services procured from its 60,000+ suppliers.

In 2022, production sites consumed 3.9 million m³ of water, an increase of 12% compared to 2021 due to higher production volumes and ramp-up activities within production sites. Novo Nordisk continues to focus on ways to be more energy efficient, and energy-saving projects implemented in 2022 within production sites resulted in annual savings of 63,000 GJ. 100% of the electricity consumption at production plants came from renewable sources such as biomass, wind and hydropower. Reducing water consumption continues to be a focus area - especially in areas of water scarcity.

The amount of waste increased by 18% compared to 2021 due to an increase in production volumes, expansion and ramp-up activities within production sites. 95% of the total waste was either recycled, used for biogas production or incinerated at plants where energy is used for heat and power production.

Novozymes A/S

With increasing pressure on global resources, Novozymes A/S is focused on optimizing operations from year to year in order to reduce the consumption of natural resources and reduce the negative

environmental consequences of production. Long-term efficiency targets for energy, CO₂ and water have been set to optimize production processes, thereby reducing the consumption of limited resources and reducing costs.

Novozymes strives to decouple environmental impact from business growth. In 2022, water consumption in Novozymes increased by 2% compared to 2021, while energy consumption increased by 3%. 50% of energy consumption in 2022 came from renewable energy - an improvement compared to 42% in 2021.

Climate

Novo Nordisk A/S

In 2018, the company committed itself to a set of long-term environmental targets for the share of energy derived from renewable energy sources as well as its energy consumption and water consumption. The overall goal is net zero emissions across the company's entire value chain by 2045 and along the way to achieve zero CO₂ emissions from all operations and transport by 2030. The long-term environmental goals support the long-term financial results by taking into account both responsibility and earnings. The purpose is to create long-term value for shareholders and other stakeholders. The goals reflect the strategic priorities of being a sustainable business that aims to manage the use of natural resources with respect for ecosystems and not interfere with ecosystems and societies.

Novo Nordisk's climate programme aims to eliminate CO₂ emissions throughout the value chain. Currently, there is focus on energy consumption in connection with production, procurement of products and services as well as transport such as company cars, business travel by air and product distribution.

There are inherent challenges in reducing emissions at a time when demand for Novo Nordisk A/S' life-changing medicines is growing rapidly, resulting in increased manufacturing and more product shipments. Nonetheless, by switching its global production network to sourcing 100% renewable power (in 2020) and by leveraging biogas in two of its production sites (2022), Novo Nordisk A/S decreased production-related Scope 1 and 2 CO₂ emissions by 8% in 2022 compared to 2021.

CO₂ emissions from operations and transportation were 25% higher in 2022 than in 2021, partly reflecting the impact of COVID-19 on 2021 activities (in 2022, CO₂ emissions from operations and transportation decreased by 29% compared to 2019), but especially due to increased emissions from transportation, as supply chain constraints have forced the company to increase use of airfreight to ensure timely delivery of its medicines to patients globally.

Read more about Novo Nordisk's environmental results in the Annual Report: <https://www.novonordisk.com/annual-report.html>

Novozymes A/S

Sustainability plays a central role in the strategy of Novozymes A/S. Many of Novozymes A/S' biological solutions enable the company's customers to reduce their environmental footprint compared to the use of conventional technologies. The solutions create higher quality products with lower costs and allow customers to reduce their CO₂

emissions. For more than 10 years, Novozymes A/S has used life cycle assessments (LCA) to document the environmental consequences of the company's biological solutions. The LCA studies are usually completed in collaboration with customers and based on data from customers' specific applications of Novozymes' technology. As part of the journey towards becoming a CO₂-neutral company in 2050, Novozymes will in 2030 have reduced the absolute CO₂ emissions from production by 50% compared to the starting point in 2018. By 2030, Novozymes will exclusively buy electricity from renewable sources. On the way towards that goal, 82% of the company's total electricity consumption in 2022 was derived from renewable sources. Novozymes' CO₂ emissions (Scope 1+2) in 2022 were 161,000 tonnes, which was a decrease of 26% compared to 218,000 tons in 2021.

The Novo Group as a workplace

The Novo Nordisk Foundation Group puts emphasis on offering a committed and professional workplace where the employees thrive, are challenged and have opportunities to develop their potential. It involves an inclusive culture with respect for the individual, continuous development, health and safety.

Novo Nordisk Foundation

In the Novo Nordisk Foundation, a high level of engagement among employees is vital. The Foundation is continuously growing, both in terms of new employees and activities in our programme areas. To support the development goals of the Foundation, it is crucial that the organisation continuously strive to be an inspiring and attractive workplace with highly engaged employees.

At the start of October 2022, the Novo Nordisk Foundation carried out an employee engagement survey, in which 99% of the employees participated. The results were generally very positive and significantly higher than the average in other international organisations, especially within the categories: Purpose, Engagement and Inclusion. The Novo Nordisk Foundation will continue to strive to be an excellent workplace, always aiming to achieve our purpose and live out our values.

Novo Holdings A/S

At Novo Holdings A/S, maintaining a high level of engagement among employees is a key priority. Given the continuous growth, both in terms of additional employees and geographical expansion, it is crucial that Novo Holdings remains an inspiring and attractive workplace.

In January 2022, Novo Holdings A/S carried out a survey focused on employee engagement survey, in which 96% of the employees participated. The results were very positive, especially within the categories: Company Culture, Pride in Company, Trust & Respect and Diversity & Inclusion. Novo Holdings A/S will continue to strive to be an excellent workplace, always aiming to achieve our purpose and live out the Novo Holdings Way of Performance, Respect and Responsibility.

Novo Nordisk A/S

In 2021, Novo Nordisk A/S' engagement survey "Evolve" was entirely redesigned to support the company's strategic goals. The 2022 Evolve revealed an increase in the already high overall engagement, bringing it to 85% favourable compared to 84% favourable in 2021. Novo Nordisk A/S continues to score in the top decile against external organisations when it comes to providing a purpose-driven workplace.

During 2022, Novo Nordisk A/S launched an aspirational target of achieving a balanced gender representation across all managerial levels with a minimum of 45% for both women and men in senior leadership positions by the end of 2025. By the end of 2022, 56% of all leadership positions are held by men and 44% are held by women. Across senior leadership positions, the gender split is 61% men and 39% women. To ensure a strong recruitment base of talented candidates to management positions, the company strives for increased diversity in all management teams.

Novozymes A/S

Novozymes A/S focus on employee development throughout the organization. The focus is supported and driven by management, as a key element in relation to improving employee satisfaction and motivation. In the annual engagement survey, the overall score achieved was 83 exceeding the target of a minimum score of 81.

Novozymes' proactive attitude to avoid discrimination and promote equal opportunities is reflected in specific goals for managers in relation to gender. In 2022, 33% of the senior management (directors or higher) were women.

Diversity policy in the Novo Nordisk Foundation Group

Section 99b of the Danish Financial Statements Act requires that Danish companies of a certain size report on diversity.

The Novo Nordisk Foundation Group welcomes and promotes diversity among its staff, managements and boards, as diversity in relation to gender, age, education, cultural background and international experience helps to ensure a broad range of skills, which in turn contributes to development, renewal, and quality in work efforts. Furthermore, it lays the foundation for an inclusive culture with respect for individuals, ongoing personal development, health and safety. Diversity is promoted through the recruitment processes in the Group.

In 2019, the Board of Directors of the Foundation approved a diversity policy for the Novo Nordisk Foundation and Novo Holdings A/S. The Foundation Group's two commercial companies have formulated their own diversity policies in line with the Foundation's policy. Novo Nordisk A/S: <https://www.novonordisk.com/sustainable-business/esg-portal/principles-positions-and-policies/diversity-inclusion-policy.html> Novozymes A/S: <https://www.novozymes.com/en/about-us/positions-policies>

Diversity policy for the Novo Nordisk Foundation and Novo Holdings A/S

The diversity policy reflects the core values of the Novo Nordisk Foundation and Novo Holdings A/S. The policy sets the goals, defines the scope and provides guiding principles for the work with diversity. The Novo Nordisk Foundation and Novo Holdings A/S follow international standards and procedures and in some case take a lead. The diversity policy is an important part of the decision-making process related to recruitments, to ensure diversity across all departments. The Novo Nordisk Foundation and Novo Holdings A/S also have a joint Personnel and Organisation department as well as a joint Impact Assessment department which provides diversity analyses on recruitments and the Foundation's grant-giving and commercial activities, including their measured effects. The Novo Nordisk Foundation thus collaborates with the Danish universities to promote diversity, for example in relation to employees fully or partly funded by the Foundation's grants. Read more at: <https://novonordiskfonden.dk/wp-content/uploads/NNF-Diversity-Policy-2020.pdf>

Diversity in the Novo Nordisk Foundation

In 2015, the Foundation's Board of Directors decided on a gender diversity goal for its board members. The goal was to have at least two board members of each gender elected in accordance with the articles of association by 2019. The Board met this goal in 2018 and has achieved equal representation in accordance with the goal. By 2022, 33% of the board members were women and 67% were men. No further gender diversity targets have been formulated. In 2022, the management team consisted of 29% women and 71% men, 60% of the employees were women, and 40% were men, and 18% came from countries other than Denmark

Diversity in Novo Holdings A/S

In 2016, the Board of Directors of Novo Holdings A/S decided on a gender diversity goal for its board members. The goal was to have at least one board member of each gender by 2020. The composition of the board met this goal by 2019. The management team consists of nine people in total and is represented by a person with a background

other than Danish and two female members. In 2022, 36% of the employees were women, and 64% were men, and 48% came from countries other than Denmark. Efforts are being made continuously to be able to attract more female talent. Based on the guiding principle in the diversity policy adopted by the Board of Directors of the Novo Nordisk Foundation, Novo Holdings A/S will in 2023 continue the work that supports the development towards more diversity.

Policy on data ethics

Section 99d of the Danish Financial Statements Act requires that Danish companies of a certain size report on their policy on data ethics.

The Novo Nordisk Foundation Group welcomes and promotes ethical use of data. In 2020, the Novo Nordisk Foundation Group initiated the work on formulating policies on data ethics for each of the companies in the group. In 2022, the focus was on training to secure compliance with the principles of the policies.

Novo Nordisk Foundation

The Novo Nordisk Foundation complies with both Danish and EU law on data and privacy protection. In addition, the Foundation recognises that the fast pace of technological development, along with evolving risks and benefits from large scale data use, requires thoughtful and responsible decision-making where existing laws and regulations do not necessarily provide clear ethical guidance. The Foundation has developed a policy on data ethics based on six principles for how to handle data in an ethical way. The rules describe how the Novo Nordisk Foundation must use and process both personal data and non-identifiable (e.g., anonymised, aggregated, non-personal) data as well as data and information that applicants submit when applying for a grant using the Foundation's application system. Read more at: <https://novonordisk-fonden.dk/app/uploads/Novo-Nordisk-Foundation-Annual-Grant-Report-2022.pdf>

Novo Holdings A/S

To cope with the challenges that arise from the fast-moving technological development, along with evolving risks and benefits from large scale data use, Novo Holdings has developed a policy on how to use and handle data in an ethical way. Read more at: https://www.novo-holdings.dk/wp-content/uploads/NovoHoldings_Policy-on-data-ethic.pdf

Novo Nordisk A/S

In 2021, data ethics principles were enhanced and implemented through policies and trainings across the organisation in 2022. The data ethics principles support ethical decision-making when using data across the value chain. The integration of data protection and human rights risks into the business ethics risk management processes has been further strengthened. Read more on: <https://www.novo-nordisk.com/data-privacy-and-user-rights/data-ethics.html>

Novozymes A/S

In 2021, Novozymes has adopted a policy, which sets the overall principles for the ethical management of data in Novozymes and supplements our general commitment to integrity and compliance. In 2022, the focus was on training the various stakeholders to secure

compliance with the principles. Link to data ethics report. Read more on: <https://www.novozymes.com/en/about-us/positions-policies>.

Table A: Sustainability indicators - Social footprints

Indicators	Novo Nordisk Fonden			Novo Holdings A/S			Novo Nordisk A/S			Novozymes A/S		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Employees												
Number of employees 31.12	167	131	187	152	132	122	55,185	48,478	45,323	6,781	6,527	6,185
Average number of employees in the year (FTE) ⁽¹⁾	160	131	173	93	89	78	51,046	46,171	43,759	6,690	6,240	6,099
Gender (Women %)												
- Board of Directors	22	33	33	25	14	14	46	33	38	29	29	29
- Committee members ⁽²⁾	42	41	38	-	-	-	-	-	-	-	-	-
- Management	29	38	41	22	29	13	44	43	22	33	33	33
- All employees	60	59	55	36	38	36	49	49	49	39	38	38
Country of origin (%)												
- Denmark	81	89	89	52	61	64	42	35	36	43	43	43
- European Union other than Denmark	11	8	8	9	9	11	8	11	10	2	2	57
- Outside the European Union	7	3	3	39	30	25	50	49	49	55	55	
Human capital												
Sick leave (%)	2	2	1	1	0	0	-	-	-	3	2	2
Turnover (%)	12	8	13	11	11	6	8	11	8	11	12	9
Employee satisfaction ⁽³⁾	89	91	6	89	96	-	85	84	N/A	83	82	82
Research & Development												
Number of journal articles ^{(4),(7)}	4,097	4,130	3,900	-	-	-	437	427	402	59	67	57
Number of patents and patents applications ⁽⁵⁾	291	229	182	-	-	-	18225	17827	17446	16997	16496	15857
Number of R&D personnel ⁽⁶⁾	9,367	6,552	4,500	-	-	-	8,426	6,867	6,307	1,279	1,330	1,411
PhD students	1,701	1,183	889	-	-	-	-	-	-	-	-	-
Post Doc fellows	1,657	970	1,034	-	-	-	-	-	-	-	-	-

⁽¹⁾ Novo Nordisk Foundation calculates the number of employees as full-time equivalents (FTEs). For Novo Holdings the number of full-time equivalents does not include Global subsidiary companies.

⁽²⁾ Committee members are both internal experts and externals used for peer review.

⁽³⁾ In 2021, the engagement survey conducted in both Novo Nordisk and in the Novo Nordisk Foundation was entirely redesigned to support the strategic goals of the organisations. As a result, comparison to previous surveys is not possible. In 2021, Novo Holdings conducted a company culture survey and not an engagement survey, hence the results cannot be compared with previous results.

⁽⁴⁾ Number of journal and review articles reported by grant recipients of the Novo Nordisk Foundation.

⁽⁵⁾ Number of patents and patent applications reported by grant recipients of the Novo Nordisk Foundation. Counted on NNF and centres from 2013 and onwards. The source Novo Nordisk A/S and Novozymes A/S number of patents and patents applicants has been changed to Digital Science - Dimensions compared to last year increasing the coverage in jurisdictions and the resulting number shown.

⁽⁶⁾ Employees partly or fully financed by grants from the Novo Nordisk Foundation.

⁽⁷⁾ The yearly number of publications includes an estimation of the total number of publications reported in subsequent years.

Table B: Sustainability indicators - Environmental footprints

Indicators	Novo Nordisk Fonden ⁽⁹⁾			Novo Holdings A/S ⁽⁹⁾			Novo Nordisk A/S			Novozymes A/S		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Energy (1,000 GJ)	3	3	4	3	3	2	3,677	3,191	2,993	4,840	4,475	4,574
Renewable energy (%)	100	-	-	100	-	-	100 ⁽¹²⁾	100 ⁽¹²⁾	100 ⁽¹²⁾	50 ⁽¹²⁾	42 ⁽¹²⁾	43 ⁽¹²⁾
CO2 equivalent emission (1,000 tonnes)⁽⁸⁾												
Scope 1 Total	-	-	-	-	-	-	76	77	75	46	43	37
Scope 2 Total	-	-	-	-	-	-	16	16	15	115	175	197
Purchased goods and services	-	-	-	-	-	-	1,251	-	-	545	510	492
Fuel and energy related activities	-	-	-	-	-	-	55	-	-	109	108	65
Upstream transportation and distribution	-	-	-	-	-	-	123	71	61	67	59	59
Waste generated in operations	-	-	-	-	-	-	5	-	-	7	6	8
Business travel	-	-	-	-	-	-	55	10	19	6	1	2
Capital goods	-	-	-	-	-	-	477	-	-	-	-	-
Employee commuting	-	-	-	-	-	-	35	-	-	-	-	-
End-of-life treatment of sold products	-	-	-	-	-	-	3	-	-	-	-	-
Downstream transportation and distribution	-	-	-	-	-	-	37	-	-	-	-	-
Scope 3 total	-	-	-	-	-	-	2,041	-	-	734	684	626
Total scope 1+2+3 emission	-	-	-	-	-	-	2,133	-	-	895	902	860
Water (1,000 m3)												
Water consumed	1	1	1	1	1	1	3,918	3,368	3,149	8,720	7,998	7,845
Waste												
Waste (1,000 tonnes)	0.03	0.02	0.03	0.03	0.02	0.01	214 ⁽¹⁰⁾	181 ⁽¹⁰⁾	141 ⁽¹⁰⁾	21 ⁽¹¹⁾	15 ⁽¹¹⁾	15 ⁽¹¹⁾
Waste recyclable (%)	98	-	-	98	-	-	84 ⁽¹⁰⁾	-	-	63 ⁽¹³⁾	62 ⁽¹³⁾	48 ⁽¹³⁾

⁽⁸⁾ Scope 1: Direct GHG emissions that occur from sources controlled or owned by an organisation. Scope 2: indirect GHG emission associated with purchased energy. Scope 3: All other GHG emissions resulting from activities not owned or controlled by the company, but which form part of the value chain.

⁽⁹⁾ Office at Tuborg Havnevej 19, DK-2900 Hellerup. Consumption is based on invoices from suppliers.

⁽¹⁰⁾ Waste from production sites.

⁽¹¹⁾ Solid waste, excluding biomass where 99% is recycled.

⁽¹²⁾ Share of renewable power for production sites

⁽¹³⁾ Percentage of solid waste (non-biomass waste) recycled

