

Novo Nordisk Finance (Netherlands) B.V.

in Amsterdam

Annual Report 2021

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FINANCIAL REPORT 2021

REPORT OF THE MANAGING DIRECTORS

General information

Objective and core activities

The main objective and activities of the company is to provide financial services to the Novo Nordisk Group through attraction of external funds.

Legal structure

The company is incorporated on 12 April 2021, as such, the results for 2021 will not reflect 12 months. The company is fully owned and controlled by Novo Nordisk Region Europe A/S (incorporated in Denmark). The company is operated by the executive management and overseen by the board of directors. The company does not employ any employees.

The ultimate parent company is Novo Nordisk A/S (Denmark).

Financial information

The developments throughout the financial year

In 2021 the company generated revenue of €149.589 and a net profit of € 73.775. 2021 is the first financial year for the company hence the financial statements does not include comparative figures.

The company launched an Eurobond issuance under its newly established Euro Medium Term Note programme of in total € 5.000.000.000. During the financial year, two tranches were issued with an aggregate principal amount of € 1.300.000.000. Subsequently, the full amount was lent out to ultimate parent company Novo Nordisk A/S. The interest and similar income during the year amounts to € 1.574.042, while the interest and similar expenses during the year amounts to € 1.574.613.

Risks and uncertainties

Currency risk is considered low, as all transactions are incurred in Euro which is the functional currency of Novo Nordisk Finance (Netherlands) B.V.

Interest rate risk is considered low, as all ingoing and outgoing financing agreements are based on fixed interest rates.

Receivables of the company are centered around a few well consolidated counterparties. All receivable counterparties are within the Novo Nordisk group, and hence the credit risk is assessed low.

The company had end of 2021 a bank balance of € 183.213, which is deemed sufficient for the future operation of the company. Hence liquidity risk is considered low. Loan receivables and borrowings mature at the same time, hence liquidity is not a significant risk in relation to re-payment of borrowings.

Corporate Governance

The shareholders of Novo Nordisk Finance (Netherlands B.V. exercise their rights at the general meeting, which is the supreme governing body of the company. The General meeting, amongst other things, adopts the company's Article of Associations, approves the annual report and elects the Board of Directors.

Novo Nordisk Finance (Netherlands B.V. lives up to the Novo Nordisk Groups high standards for Corporate Governance and Ethical Business Conduct. This is underlined by the commitment to the Novo Nordisk groups essentials called "The Novo Nordisk Way".

The Novo Nordisk Way is a set of guiding principles which underpins every decisions we make, which amongst others are that we "Never compromise on quality and business ethics". Please find more on The Novo Nordisk Way at this link: <https://www.novonordisk.com/about/who-we-are.html>

Complementary information concerning the corporate governance of the Novo Nordisk Group can be found at this link: <https://www.novonordisk.com/about/corporate-governance.html>

Social responsibility and underrepresented gender

The company does not have equal gender representation on the Board of directors as at balance sheet date. The reason for that is that all positions of the Board of directors are already fulfilled to satisfaction by the current members who have assumed their role from incorporation of the company.

If and when a Board position becomes available the company will aspire to obtain gender equality on the Board.

Audit committee

The company qualifies as a public interest entity (Organisatie van Openbaar Belang within the meaning of Article 1, par 1, sub 1 "Wet toezicht accountantsorganisaties" and following the Royal Decree of July 26, 2008, concerning the implementation of Article 41 of EC directive 2006/43 the company is required to have an Audit Committee. The company uses the exception granted in Article 3 of this Royal Decree, which stipulates that the Royal Decree is not applicable for consolidated companies in cases where the ultimate parent company has instituted an Audit Committee, which is the case as at December 31, 2021.

Future-oriented paragraph

Expected business developments

As part of the € 5.000.000.000 Medium Term Note programme, Novo Nordisk Finance (Netherlands B.V. issued additional three bond tranches on 31 March 2022 with an aggregate principle amount of € 1.500.000.000. Subsequently, the full amount was lent out to ultimate parent company Novo Nordisk A/S.

It is the management boards expectation, that the company in 2022 will also generate a positive result.

Post balance sheet events

Novo Nordisk Finance (Netherlands B.V. does not have any activity or investments in Ukraine or Russia, and hence is not effected by the conflict between Russia and Ukraine which has escalated during 2022.

Bagsværd, 16 May 2022

Karsten Munk Knudsen
Director, Chairman

Peter Bøggild
Director

Linette Tangsgaard Nielsen
Director

Tomas Haagen
Director

FINANCIAL STATEMENTS 2021

BALANCE SHEET AS AT 31 DECEMBER 2021
(before appropriation of result)

	31 December 2021	
	€	€
ASSETS		
Fixed assets		
Financial fixed assets	(1)	
Loans to group companies		1.298.285.466
Current assets		
Trade and other receivables	(2)	
Receivable from group companies		526.457
Cash and cash equivalents	(3)	183.213
		<u>1.298.995.136</u>

	31 December 2021	
	€	€
EQUITY AND LIABILITIES		
Shareholders' equity	(4)	
Issued share capital	100.000	
Unappropriated result	73.775	173.775
Non-current liabilities	(5)	1.298.285.466
Current liabilities	(6)	
Taxes and social securities	20.808	
Accruals and deferred income	515.087	535.895

1.298.995.136

**PROFIT & LOSS ACCOUNT FOR THE PERIOD 12 APRIL 2021 UP TO AND INCLUDING 31
DECEMBER 2021**

	12 April 2021 - 31 December 2021	
	€	€
Net turnover		149.589
Costs		
Other operating expenses	(8)	54.435
Operating result		95.154
Interest and similar income	(9)	1.574.042
Interest and similar expenses	(10)	-1.574.613
Financial income and expenses		-571
Result before tax		94.583
Taxation	(11)	-20.808
Result after tax		73.775

NOTES TO THE STATEMENTS

GENERAL

The company qualifies as a public interest entity (Organisatie van Openbaar Belang) within the meaning of Article 1, par 1, sub 1 "Wet toezicht accountantsorganisaties" and following the Royal Decree of July 26, 2008, concerning the implementation of Article 41 of EC directive 2006/43 the company is required to have an Audit Committee. The company uses the exception granted in Article 3 of this Royal Decree, which stipulates that the Royal Decree is not applicable for consolidated companies in cases where the ultimate parent company has instituted an Audit Committee, which is the case as at December 31, 2021.

Due to the legislation for OOB, the company prepares the annual report based on a large sized company.

Activities

The main objective of Novo Nordisk Finance (Netherlands) B.V. is to act as a finance company for the Novo Nordisk group.

Registered office, legal form and registration number at the chamber of commerce

The visiting address of Novo Nordisk Finance (Netherlands) B.V. is Flemingweg 8, in Alphen aan den Rijn. The registered office is in Amsterdam.

The Management Board of Novo Nordisk Finance (Netherlands) B.V. is located at Novo Alle 1, 2880 Bagsværd Denmark.

The company is registered at the Chamber of Commerce under number 82510148.

Group structure

The registered shareholder of the company is Novo Nordisk Region Europe A/S in Bagsvaerd, Denmark.

The company is part of a group of companies lead by Novo Nordisk A/S in Bagsvaerd, Denmark. The financial statements of the company are consolidated into the annual report of Novo Nordisk A/S. The consolidated annual report of Novo Nordisk A/S can be obtained on their website: www.novonordisk.com.

Related parties

The company is engaged in the financing of its shareholder by issuing bonds secured by its ultimate parent company. The conditions of these loans are all at arm's length.

Solvency

The company acts as a group financing company. As such, the company is economically and organizationally linked to Novo Nordisk A/S. Therefore the solvency of the ultimate parent company should be included when assessing the company's solvency.

Going concern

These financial statements have been prepared on a going concern basis.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Dutch Accounting Standards.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Accounting period

The company is incorporated on 12 April 2021. The current period runs from 12 April 2021 up to and including 31 December 2021.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Novo Nordisk Finance (Netherlands) B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under section 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

Financial instruments

Under financial instruments the monetary assets and liabilities, such as receivables and liabilities, and the financial derivatives are included. For a description of the accounting principles of the monetary assets and liabilities, reference is made to the notes per balance sheet item.

Translation of foreign currency

The financial statements of the company are presented in euros, which is the company's functional currency.

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates at transaction date. The exchange differences are recognised in the profit and loss account as financial income or expenditure respectively.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets

The receivables from and loans to parents and associates and other receivables are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value, after deduction of any provisions if necessary. Financial fixed assets are amortised to the settlement amount using the effective interest method.

The company reviews financial fixed assets at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is determined. The recoverable amount is the higher of net realizable value and value in use. An impairment charge is recognized if the carrying amount of the asset is greater than its recoverable amount.

Trade and other receivables

Trade and other receivables are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value, after deduction of any provisions if necessary.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value.

Liabilities

Non-current liabilities are recognised initially at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost. Non-current liabilities are amortised to the settlement amount using the effective interest method.

Current liabilities are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value. Accruals are valued at its face value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from services performed on one hand and on the other hand the costs and expenses for that year, valued at historical costs.

Net turnover

The net turnover consists of revenue from services during the reporting period.

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial result

Financial income and expenses comprise interest income and expenses on loans as accounted for in the current reporting period.

Taxation

Corporate income tax expense comprises current tax. Corporate income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

As per the paragraph 360.104 of the guideline for annual Reporting in the Netherlands, the company is not required to prepare a cash flow statements since the cash flow statement is included in the annual report of the ultimate parent company Novo Nordisk A/S which is publicly available on the internet on website: www.novonordisk.com.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2021

1. Financial fixed assets

	31-12-2021
	€
Loans to group companies	
Novo Nordisk A/S - 3 year loan	652.846.941
Novo Nordisk A/S - 7 year loan	645.438.525
	1.298.285.466

	2021
	€
<i>Novo Nordisk A/S - 3 year loan</i>	
Balance as at 12 April	-
Initial recognition	653.536.000
Amortisation of issuance costs	-689.059
Balance as at 31 December	652.846.941

On 4 June 2021, Novo Nordisk Finance (Netherlands) B.V. issued a loan to Novo Nordisk A/S of nominal € 650.000.000. The loan has a maturity date of 4 June 2024. The loan was financed by the net proceeds from bonds (refer to Note 5).

The loan bears annual nominal interest of zero % and was issued at a premium of 0,669%.

On December 31, 2021, the market value of the loan was € 652.223.000 (based on directly or indirectly observable market data).

<i>Novo Nordisk A/S - 7 year loan</i>	
Balance as at 12 April	-
Initial recognition	645.027.500
Amortisation of issuance gain	411.025
Balance as at 31 December	645.438.525

On 4 June 2021, Novo Nordisk Finance (Netherlands) B.V. issued a loan to Novo Nordisk A/S of nominal € 650.000.000. The loan has a maturity date of 4 June 2028. The loan was financed by the net proceeds from bonds (refer to Note 5).

The loan bears annual nominal interest of 0,125% and was issued at a discount of 0,590%.

On December 31, 2021, the market value of the loan was € 644.702.500 (based on directly or indirectly observable market data).

2. Trade and other receivables

Trade and other receivables have a maturity of less than one year. The fair value approximates the nominal value.

	31-12-2021
	€
Receivable from group companies	
Novo Nordisk A/S	526.457

The receivable from group companies bears no interest and/or securities.

3. Cash and cash equivalents

Cash and cash equivalents is at the company's free disposal.

4. Shareholders' equity

Issued share capital

100.000 ordinary shares at a par value of € 1	100.000
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During the financial year 100.000 ordinary shares at a par value of € 1 were paid in full.

	2021
	€
Unappropriated result	
Balance as at 12 April	-
Allocations	73.775
Balance as at 31 December	73.775

Proposal for profit appropriation

The General Meeting will be asked to approve that the 2021 result amounting to € 73.775 is added to the other reserves.

Awaiting the approval of the proposition of the 2021 result by the General Meeting, the proposition is not recognised in the financial statements but included under unappropriated result.

5. Non-current liabilities

	31-12-2021
	€
Bonds	
ISIN XS2348030268	652.846.941
ISIN XS2348030425	645.438.525
	1.298.285.466
	2021
	€
<i>ISIN XS2348030268</i>	
Balance as at 12 April	-
Issued bond	653.536.000
Amortisation of issuance gain	-689.059
Long-term part as at 31 December	652.846.941

On 4 June 2021, the company issued a € 650.000.000 bond at zero % due on 4 June 2024, which is secured by a guarantee given by Novo Nordisk A/S. The proceeds of the bond were loaned to Novo Nordisk A/S (refer to Note 1).

The bond is listed on the Euronext Dublin Regulated Market of the Irish Stock Exchange and is part of a Euro Medium Term Note programme issuance of € 5.000.000.000.

On December 31, 2021, the market value of the bond was € 652.223.000 (based on active market data).

	2021
	€
<i>ISIN XS2348030425</i>	
Balance as at 12 April	-
Issued bond	645.027.500
Amortisation of issuance costs	411.025
	645.438.525
Long-term part as at 31 December	645.438.525

On 4 June 2021, the company issued a € 650.000.000 bond at 0,125% due on 4 June 2028, which is secured by a guarantee given by Novo Nordisk A/S. The proceeds of the bond were loaned to Novo Nordisk A/S (refer to Note 1).

The bond is listed on the Euronext Dublin Regulated Market of the Irish Stock Exchange and is part of a Euro Medium Term Note programme issuance of € 5.000.000.000.

On December 31, 2021, the market value of the bond was € 644.702.500 (based on active market data).

6. Current liabilities

Current liabilities have a maturity of less than one year. The fair value approximates the nominal value.

	31-12-2021
	€
Taxes and social securities	
Corporate income tax	20.808
	20.808
Accruals and deferred income	
Accrued interest bonds	473.959
Other accruals	41.128
	515.087

Contingent liabilities

The company is jointly taxed with the Danish companies in the Novo Holdings A/S Group. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax.

The companies included in joint taxation are jointly and individually liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

Financial risk paragraph

Foreign currency risk

The currency risk is considered low, as all transactions are incurred in Euro which is the functional currency of Novo Nordisk Finance (Netherlands) B.V.

Interest rate risk

The interest rate risk is considered low, as all ingoing and outgoing financing agreements are based on fixed interest rate.

Credit risk

Receivables in the company are centered around a few well consolidated counterparties. All receivable counterparties are within the Novo Nordisk group, and hence the credit risk is assessed low

Liquidity risk

Liquidity risk is considered low. Loan receivables and borrowings mature at the same time, hence liquidity is not a significant risk in relation to re-payment of borrowings.

NOTES TO THE PROFIT & LOSS ACCOUNT FOR THE PERIOD 12 APRIL 2021 UP TO AND INCLUDING 31 DECEMBER 2021

	12 April 2021 - 31 December 2021
	€
7. Net turnover	
Service fee	149.589
	149.589

Net turnover relates to fee cross charged in relation to the service agreement dated 4 June 2021 with Novo Nordisk A/S.

Remuneration of directors

The directors of Novo Nordisk Finance (Netherlands) B.V. received no remuneration during the financial year. This is not in accordance with the at arm's length principle.

Staff

During the 2021 financial year the company has no employees, and hence incurred no wages, salaries, or related social securities.

8. Other operating expenses

In accordance with Section 2:382a, audit fees are disclosed at group level in the financial statements of Novo Nordisk A/S.

Financial income and expenses

9. Interest and similar income

Interest and similar income from group companies	884.984
Interest and similar income from bonds	689.058
	1.574.042

10. Interest and similar expenses

Interest and similar expenses from group companies	689.058
Interest and similar expenses from bonds and other external parties	885.555
	1.574.613

11. Taxation

Corporate income tax	20.808
	20.808

The company is taxable for corporate income tax in Denmark. The effective and applicable tax rate is 22%, which is in line with the effective tax rate for Novo Nordisk Finance (Netherlands) B.V.

Refer to paragraph Contingent liabilities for information related to the joint taxation in which the company takes part.

12. Transactions with related parties

Transactions with Novo Nordisk A/S	
Issued loan to Novo Nordisk A/S:	€ 1.298.563.500
Services provided by Novo Nordisk Finance (Netherlands) B.V. :	€ 149.589
Services provided by Novo Nordisk A/S:	€ 13.036
Interest income on loan receivables towards Novo Nordisk A/S	€ 884.984
Interest expense on loan receivables towards Novo Nordisk A/S	€ 689.058

All transactions with related parties has occurred on arm's length principles, and no receivables from related parties are overdue as of the balance sheet date.

There has been no transactions between Novo Nordisk Finance (Netherlands) B.V. and the Board of Directors of Novo Nordisk Finance (Netherlands) B.V., or Board members in other related parties.

Post balance sheet events

As part of the € 5.000.000.000 Medium Term Note programme, Novo Nordisk Finance (Netherlands) B.V. issued additional three bond tranches on 31 March 2022 with an aggregate principle amount of € 1.500.000.000. Subsequently, the full amount was lent out to ultimate parent company Novo Nordisk A/S.

Novo Nordisk Finance (Netherlands) B.V. does not have any activity or investments in Ukraine or Russia, and hence is not effected by the conflict between Russia and Ukraine which has escalated during 2022.

Signature directors

Bagsværd, 16 May 2022

Karsten Munk Knudsen
Director, Chairman

Peter Bøggild
Director

Linette Tangsgaard Nielsen
Director

Tomas Haagen
Director

OTHER INFORMATION

Provisions in the Articles of Association governing the appropriation of profit

Article 11 of the company's statutes:

11.1.1. The General Meeting allocates the profit by adopting the annual accounts, determines how a deficit is accounted for and defers interim distributions from the profit and/or determines distributions from the reserves.

11.1.2. When calculating the distributions from the profit, the share capital should not be considered, unless a pledge or a right of usufruct rests as a result of which the right to payment accrues to the pledgee or usufructuary.

11.1.3. Distributions are due and payable four weeks after they have been determined, unless the General Meeting proposal of the Board determines otherwise.

11.1.4. The General Meeting may decide that distributions are, wholly or partly, settled in other form than in cash.

Independent auditor's report

To the shareholders of Novo Nordisk Finance (Netherlands) B.V.

Report on the audit of the financial statements the period of inception until 31 December 2021 included in the annual report

Our opinion

We have audited the accompanying financial statements the period of inception until 31 December 2021 of Novo Nordisk Finance (Netherlands) B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Novo Nordisk Finance (Netherlands) B.V. as at 31 December 2021, and of its result for the period of inception until 31 December 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The balance sheet as at 31 December 2021.
2. The profit and loss account for the period of inception until 31 December 2021.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Novo Nordisk Finance (Netherlands) B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 12,900,000. The materiality is based on 1% of the total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with management that misstatements in excess of EUR 645,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the board exercises oversight, as well as the outcomes. We refer to the management report for management's fraud risk assessment. We note that management has not formalized its fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the following fraud risks and performed the following specific procedures:

- Management override of controls:
 - o we have reviewed journal entries made and evaluated whether these include elements that could relate to fraud and management override;
 - o we have identified and obtained an understanding of the business rationale for significant or unusual transactions that are outside the normal course of business;
 - o we have evaluated whether the judgments and decisions made by management in making the estimates included in the financial statements, even if they are individually reasonable, indicate a possible bias on the part of the entity's management.

- Revenue: interest income:
 - o we have reviewed loan agreements and evaluated the used parameters in the interest calculation prepared by client;
 - o we have reconciled the interest income calculated with the general ledger.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or noncompliance.

We considered available information and made enquiries of relevant management.

We evaluated whether the selection and application of accounting policies by the company, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2 of the financial statements. Impairment testing of fixed assets is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment. Reference is made to the section 'Our key audit matters'.

For significant transactions such as Issuing loans we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach fraud risks compliance with laws and regulations

We assessed the laws and regulations relevant to the Company through discussion with management, reading minutes. As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax law and financial reporting regulations, the requirements under Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of Novo Nordisk Finance (Netherlands) B.V.'s business and the complexity of the Company, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Company's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Executive Board and others within Company as to whether the Company is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the Management Board, are outlined under the prevailing standards in the 'Description of responsibilities regarding the financial statements' section below. The Management Board has assessed the going concern assumption, as part of the preparation of the financial statements, and as disclosed in the financial statements (Note 'Going concern' on page 6 of the financial statements), the Management Board believes that no events or conditions, including the COVID-19 pandemic and the Russia/Ukraine Crisis, give rise to a material uncertainty about the ability of the group to continue in operation for at least twelve months after reporting date. The economic impact of the Russia/Ukraine-Crisis is currently uncertain which could impact the group's future profitability and liquidity. This uncertainty has been disclosed in the financial statements in note 'Going concern' on page 8 of the financial statements.

We have obtained management's assessment of the entity's ability to continue as a going concern, and have assessed the going concern assumption applied. As part of our procedures, we evaluated whether sufficient appropriate audit evidence has been obtained regarding, and have concluded on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements. Based on these procedures, we did not identify any reportable findings related to the company's ability to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to management. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Key audit matter is the risk associated with the possible impairment of the receivables from the group companies. Reference is made to note 1 and 2 of the financial statements of Novo Nordisk Finance (Netherlands) B.V. as per 31 December 2021. The receivables from the group company including the related interest comprise a significant part of the financial statements of the company. The loans are valued at amortized cost using the effective interest rate method. Inaccurate calculation of the amortized cost value of the loan could have a material impact on the valuation of the loan and the accuracy and/or completeness of the related interest income. Furthermore, there is a risk of potential impairment of these receivables.

How our audit addressed the matter

We performed the following procedures to audit the valuation of the receivables from group companies:

- We recalculated the amortized cost value and the related interest income based on the effective interest method.
- We reviewed the most recent financial information of the group companies, analyzed the financial performance and evaluated valuation of the receivables from group companies.
- We obtained confirmations of the outstanding loans from the group companies.

The receivables from the group company consist of a loan to Novo Nordisk a/s. The risk of potential impairments is identified as a result of the significant part of the financial statements and the fact that it only relates to one counterparty.

Key observations

Based on the procedures performed, as described above, we did not identify any material reportable matters in management's assessment of the recoverability of the receivables from the group companies.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Report of the managing directors.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by management as auditor of Novo Nordisk Finance (Netherlands) B.V. on February 21, 2022, as of the audit for the year 2021.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee (on ultimate parent level) in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

That were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, May 16, 2022

Deloitte Accountants B.V.

Signed on the original: J. Penon