

NNE A/S

# Annual Report 2022

Advanced pharma  
engineering projects  
enabling our customers  
to bring products to  
patients.

**nne**<sup>®</sup>



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## MORE NNE



### Explore our work

We are leading pharma engineers, enabling pharmaceutical companies to bring products to patients by designing, building, qualifying and optimising their facilities. We deliver engineering services for around 1,300 projects a year covering all relevant disciplines within the framework of good manufacturing practice.



### Meet us

Browse our events to find out when we will be exhibiting or speaking near you. We also offer various courses and training programmes.



### Sustainability

We want to deliver innovative engineering solutions that help our customers achieve their sustainability targets. We are committed to developing our Company to balance the needs of our people, our projects and the planet to become a sustainable business. We integrate sustainability in our services and the Company, both to fulfil our responsibility to our stakeholders and because it is the right thing to do.

## CHAIRMAN AND CEO STATEMENT

# Robust growth driven by major pharma engineering projects to increase production capacity, enabling our customers to bring products to patients

**Revenue increased by 34% to DKK 1,899 million, exceeding expectations for the year.**

Operating profit increased to DKK 273 million, while the operating profit margin remained at 14%. We continue to focus on our core segment, delivering innovative and sustainable pharma engineering solutions to our customers, based on new technology and high execution predictability. In 2022, we embarked on some of the largest pharma projects in NNE's history, both in terms of new manufacturing facilities and expansion of existing facilities. We are designing and constructing state-of-the-art production technologies and factories that will require fewer resources to operate.

In 2022, the Danish pharma engineering market was further strengthened by a positive revenue impact, primarily from active product ingredient manufacturing projects. The geopolitical tensions in Ukraine and Russia required an immediate response in the face of soaring raw material prices and supply chain challenges, which were effectively handled by partnering with clients and

international subcontractors to safeguard project execution.

We could not have delivered these results without our dedicated employees. Our employees and their dedication, knowledge and technical expertise, are the core of our Company.

The market for engineering services in Denmark is growing and the fight for talent has intensified, so continuing to successfully attract, retain and develop the best employees is key. The combination of the largest pharma projects in Denmark and our successful onboarding programme has ensured that our ability to attract new employees remains high. We have successfully grown our workforce organically and maintained our productivity. We welcomed 260 new employees in 2022, reaching a total of 958 talented employees in Denmark.

We continue to improve our ability to collaborate and engage digitally

– internally, by creating more efficient engineering and design processes, but also externally, by delivering innovative solutions to our customers. Further, we aim to accelerate the green transition of our customers by integrating their sustainability ambitions into all our project phases: from decisions made in the conceptual design phase to designing carbon-reducing solutions.

### Expectations for 2023

In 2023, the level of investment in pharma production facilities in Denmark is expected to increase. Our order backlog is strong, and we will work with partners to deliver on projects and bring value to our customers.

Geopolitical unrest and global inflation mean we are experiencing a period of economic uncertainty that requires continuous adaptation. In spite of this, we expect organic revenue growth of 30–35%, with an operating profit margin of 11–13% in 2023.

## Business strategy

At NNE, we focus solely on the good manufacturing practice (GMP) regulated pharma industry. We support pharmaceutical companies to bring products to patients by designing, building, qualifying and optimising their pharma production facilities.

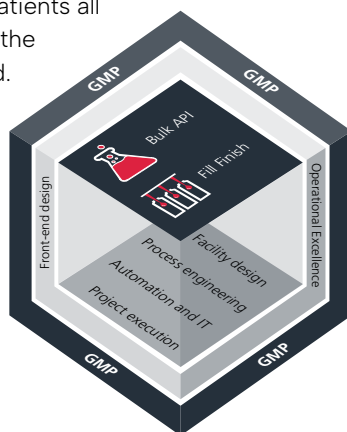
Our ambition is to build advanced technological pharma facilities for our customers and sustain our position as the leading pharma engineering company in Denmark. With our technical competences and pharma industry insight we are uniquely positioned to act as an advisor and engineering partner for our customers by delivering flexible production facilities, seamless GMP compliance and future-proof technological solutions, while ensuring predictable project execution.

The pharma engineering cube (see figure to the right) describes the combination of our customers' needs, our areas of expertise and the delivery of expert pharma

engineering services throughout the entire manufacturing and project life cycle.

We are positioned to help our customers reduce their carbon footprint by ensuring energy-efficient pharmaceutical production facilities, while also focusing on reducing our own carbon footprint.

We have built a solid foundation to deliver consistently robust results, thanks to our customer collaboration and our employees' passion for finding the best solutions to complex challenges. Together, we design and build pharma facilities that are essential for patients all over the world.



Jesper Kløve  
CEO and President

Karsten Munk Knudsen  
Chairman of the NNE Board

## KEY FIGURES

INCOME STATEMENT (DKK MILLION)	2022	2021	2020	2019	2018
Revenue	1,899	1,420	1,041	983	1,261
Operating profit	273	197	105	67	94
Net profit/(loss)	224	192	87	141	56

## ASSETS & EQUITY (DKK MILLION)

Total assets	997	808	680	626	723
Total equity	398	365	251	212	214

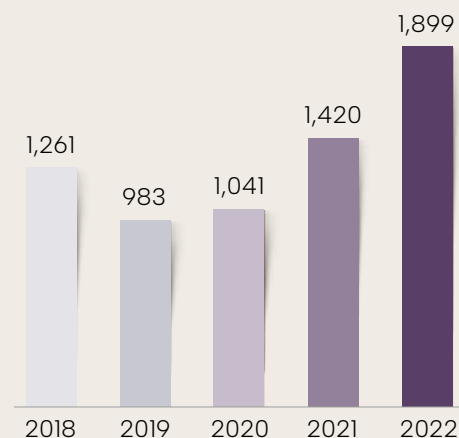
## FINANCIAL RATIOS

Operating profit margin (EBIT margin)	14%	14%	10%	7%	7%
Return on equity	59%	62%	38%	66%	24%
Solvency ratio	40%	45%	37%	34%	30%

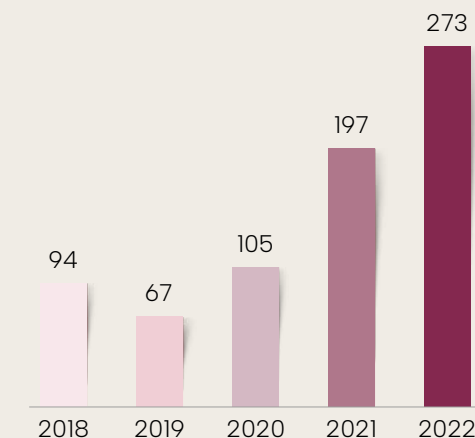
## PEOPLE

Number of employees at year-end (FTE)	958	844	733	664	810
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## REVENUE DKK MILLION



## OPERATING PROFIT DKK MILLION



## PEOPLE DEVELOPMENT

# Unleashing our people potential

At NNE, we believe that everyone has talents to be developed and that talent development should be prioritised as a key element of our work. We believe that development takes place every day in the tasks we execute and our interaction with others. At NNE, we encourage our employees to take the lead on their own development.

To strengthen our competences, we offer several internal development opportunities to empower each and every one of our employees, thus making it possible to unleash their full potential:

- We invest in the development of our talents with our Sprouthouse talent programme.
- We invest in the development of our leadership. One key driver in developing our leadership skills is our internal programme LEAD, which strengthens our managers' ability to set direction, motivate teams and provide feedback.
- We have a strategic focus on talent development called "NNE as a Talent Factory". Through this, we aim to build a strong succession pipeline for our key positions, as well as secure the development of all our employees.

These initiatives support our people development strategy, enabling each individual to develop their competences and skills.

## Keeping our employees engaged

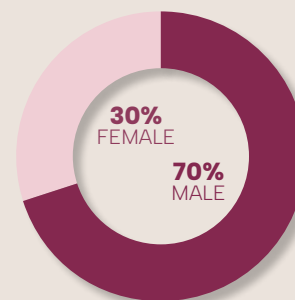
In a highly competitive market, it is extremely important to ensure we have engaged and motivated employees – that is one of the top priorities in our people strategy. When employees are engaged, they are more productive, stay in the organisation longer and generate higher customer ratings. It is quite simple: we want to establish the best foundation for NNE to remain a successful organisation.

## Diversity & inclusion

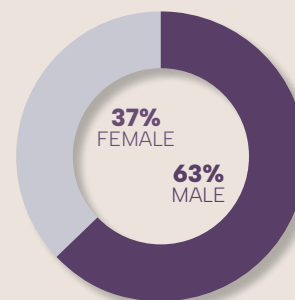
Our ambition moving towards 2024 is unchanged. We will continue our efforts to develop a diverse and inclusive workplace and culture where our differences nurture innovation and where our employees unleash their potential in a bias-conscious environment.

In 2022, we saw the first tangible results of our D&I strategy. By way of example, we have improved our gender balance within technical leadership roles and at senior management level and will continue our efforts to improve the overall gender balance at NNE. To support this aspiration, a major change was made to our parental leave policy in 2022, offering equal rights to salary during parental leave.

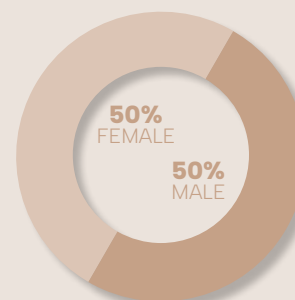
### All employees



### Managers



### Senior management



## Gender

In 2022, our Board – excluding employee-elected members – comprised four members: three male and one female, and Senior Management comprised four male and four female members. As such, the gender diversity at Board and Senior Management level required by Section 99B of the Danish Financial Statements Act was achieved.

The gender split in 2022 for all management positions was 37% female and 63% male. This means the percentage of women in management positions exceeds the overall gender split across all employees. NNE's ambition is to have a balanced gender split, and the Company strives to include female candidates in the recruitment process for all positions.

All management teams, from entry level upwards, are expected to focus on enhanced diversity, with the aim of ensuring a robust pipeline of talent for management positions.

## Social responsibility

For the statutory statement on corporate social responsibility, please refer to the Annual Report 2022 for the Novo Nordisk Group, CVR no. 24256790, "Purpose and sustainability (ESG)".

## Data ethics

For the statutory statement on data ethics, please refer to the Annual Report 2022 for the Novo Nordisk Group, CVR no. 24256790, "Purpose and sustainability (ESG)".

## CORPORATE GOVERNANCE AND RISK MANAGEMENT

# A solid risk management and compliance structure

**We aim to be a sustainable business by continuously improving our financial, environmental and social performance. Additional guidance and commitments include our business ethics and quality management system.**

## Ownership

As a fully owned subsidiary of Novo Nordisk A/S, NNE A/S and subsidiaries are included in the consolidated financial statements of Novo Nordisk A/S and comply with the same principles of corporate governance. The ultimate parent company is the Novo Nordisk Foundation.

## Board of Directors

NNE's Board of Directors is elected every year at the Annual General Meeting. The six members consist of two representatives from the parent company, two external members and two employees elected by NNE employees for a term of four years.

## Project execution

For major projects, a governance structure including a risk assessment procedure is established during the proposal process and maintained throughout project delivery. Project steering committees and management representatives ensure continuous focus on project performance and risk mitigation. Project portfolio risks are assessed and mitigated on a recurring basis.

## Financial risk management

NNE's objectives and policies for financial risk management follow the Novo Nordisk risk management guideline (please refer to the Annual Report of Novo Nordisk). It is NNE's policy to monitor and mitigate all major financial risks affecting financial performance. The risk profile, including all identified significant risks and mitigating actions, is reported monthly to the NNE Management and Board of Directors.

## Foreign exchange risk

As the income and costs for the individual projects are predominately undertaken in the same currency, the foreign exchange risk from the Company's activities is low. NNE A/S mainly has a currency risk in relation to intercompany receivables.

## Counterparty risk

A credit rating, supplied by a leading provider, is used to evaluate major customers and manage credit risk on an ongoing basis. Furthermore, the main part of the revenue is with well-established pharma companies with a generally limited counterparty risk.

## Liquidity risk

Liquidity is managed using short-term credit facilities with Novo Nordisk.

## Enterprise risk management structure

Project and business risks are assessed on a recurring basis. Furthermore, a global compliance programme is in place to reduce the risk of NNE employees violating business ethics, laws and regulations, including training, guidance and reporting facilities for employees and business partners.

NNE employees are obliged and committed to comply with the business ethics principles in their day-to-day business.

This commitment also applies to NNE's internal consultants, suppliers and other business partners.

NNE's global compliance programme includes e-learning on business ethics. All employees and internal consultants must complete this e-learning once a year. Other activities to support compliance include audits and training in NNE-specific procedures.



## BOARD OF DIRECTORS AND NNE MANAGEMENT

# NNE has a two-tier structure: the Board of Directors and NNE Management

## Board of Directors



**Karsten Munk  
Knudsen**

Chairman and  
member of the  
NNE Board  
since 2017

Karsten Munk Knudsen, CFO and EVP, Finance, Legal and Global Solutions at Novo Nordisk A/S. He joined Novo Nordisk in 1999 and has held various senior management positions over the years. In addition, Karsten is a member of the board of directors and Chairman of the audit committee of Hempel A/S.



**Birgit W.  
Nørgaard**

Vice Chairman  
of the NNE Board  
since 2014 and  
member since 2011

Birgit Nørgaard has worked as a full-time board member since 2010. Prior to this, she was CEO of Grontmij | Carl Bro A/S and COO of Grontmij NV, CEO of the Carl Bro Group 2003–2006 and CFO 2001–2003. Previously, Birgit Nørgaard held executive positions at TDC and Danisco.



**Lis  
Thodberg**

Employee-elected  
member of the NNE  
Board since 2018

Lis Thodberg has been Director of the Health, Safety & Environment department at NNE since 2013. She is also responsible for driving corporate sustainability management in NNE.



**Jesper  
Kløve**

CEO and  
President

Jesper Kløve was appointed CEO and President of NNE on 1 September 2015. Prior to joining NNE, Jesper had been Senior Vice President of Device R&D at Novo Nordisk since 2009. He had previously held various management positions within Novo Nordisk since joining the Company in 2003.



**Sofie  
Mørck  
Jarl**

CFO and  
Corporate  
Vice President

Sofie Mørck Jarl was appointed CFO of NNE on 1 January 2021. Sofie joined NNE in 2017, before which she had held various positions at Novo Nordisk since joining the Company in 2007.



**Michael  
Hallgren**

Member of the  
NNE Board  
since 2018

Michael Hallgren is Senior Vice President of Diabetes Active Pharmaceutical Ingredients at Novo Nordisk A/S, which he joined in 1994. In addition to his NNE Board role, Michael is Chairman of Kalundborg Symbiosis.



**Klaus Steen  
Mortensen**

Member of the  
NNE Board  
since 2018

Klaus Steen Mortensen has worked as a full-time board member since 2020. Prior to this, he was CEO of Bladt Industries A/S from 2018 to 2020 and held executive positions at Vestas from 2007 to 2018.



**Inés  
Aréizaga  
Esteva**

Employee-elected  
member of the NNE  
Board since 2021

Inés Esteva started working at NNE in 2006 as part of the graduate programme and has progressed in the organisation to her current position as Manager in the Active Products department. She has worked as process lead in several major projects for customers across Europe.



**Steen  
Kristensen**

Corporate  
Vice President

Steen Kristensen was appointed CVP of NNE on 1 June 2020. Steen is responsible for Project Execution and has held various management positions at NNE since joining the Company in 1994. He had previously held various project management positions in other engineering companies.

## NNE management

# Financial review 2022

## Revenue and operating performance

NNE A/S reported revenue of DKK 1,899 million in 2022 (2021: DKK 1,420 million), an increase of DKK 479 million or 34% compared to 2021.

Operating profit in 2022 was DKK 273 million (2021: DKK 197 million), which corresponds to an operating profit margin of 14% (2021: 14%).

The expectation for 2022 was a growth in revenue of 10–15% and an operating profit margin of 11–14%. As such, revenue for the year exceeded the expectation, whereas the operating profit margin was within the expected interval.

## Profit before income taxes

The profit before income taxes in 2022 was DKK 278 million (2021: DKK 229 million), impacted by the increased level of activity in 2022.

## Income taxes and net profit

Total tax for the year was an expense of DKK 54 million (2021: DKK 37 million), giving an effective tax rate of 19% for the year (2021: 16%).

Net profit was DKK 224 million, an increase of DKK 32 million compared to 2021.

## Balance sheet

Total assets at 31 December 2022 amounted to DKK 997 million (2021: DKK 808 million).

Non-current assets decreased to DKK 202 million (2021: DKK 237 million), impacted by a decrease in the non-current portion of marketable securities of DKK 38 million and an increase in the deferred tax asset of DKK 9 million, mainly due to higher deferred tax on other payables.

Current assets increased to DKK 795 million (2021: DKK 571 million), mainly explained by an increase in receivables from related parties and an increase in the current portion of marketable securities because of the impending payout from the share programme to all employees in February 2023.

Total liabilities increased to DKK 599 million (2021: DKK 443 million).

Non-current liabilities decreased to DKK 123 million (2021: DKK 146 million), explained by a decrease in other payables of DKK 23 million, mainly due to the share-based payment obligation to all employees now being classified as a current liability.

Total current liabilities increased to DKK 475 million (2021: DKK 297 million). Other payables were up DKK 147 million, explained by the increase in employee costs and accruals due to the higher level of activity and the increase in the current portion of the share-based payment obligation. The share-based payment obligation is now presented as other payables, whereas in 2021 it was presented as provisions. Finally, trade payables increased by DKK 31 million due to the higher level of activity.

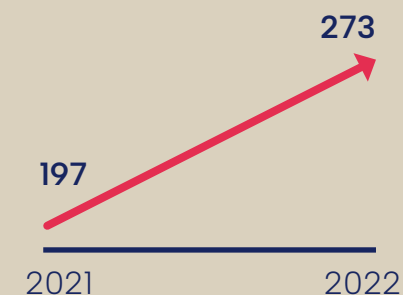
Equity increased to DKK 398 million (2021: DKK 365 million), explained by the profit for the year less the dividend of DKK 190 million paid during 2022.

## Proposed dividend

The Board of Directors proposes a dividend of DKK 220 million (2021: DKK 190 million).

## Post-balance-sheet events

No events have occurred after the end of the financial year that have a significant impact on NNE A/S's financial position at 31 December 2022.



In 2022, operating profit increased to DKK 273 million

# 34%

increase in revenue



# Financial highlights and ratios for NNE A/S

Financial highlights (DKK 1,000)

	2022	2021	2020	2019	2018
<b>Income statement</b>					
Revenue	1,898,517	1,420,138	1,040,583	983,379	1,260,531
Operating profit	273,294	196,800	104,738	67,423	94,353
Net financials	(13,255)	3,113	(3,875)	(621)	2,684
Profit before income taxes	277,817	228,757	109,387	167,902	81,288
Net profit	224,301	192,178	87,022	140,820	56,114
Proposed and extraordinary dividend to shareholders	220,000	190,000	80,000	110,000	80,000
<b>Assets</b>					
Non-current assets	201,791	236,555	205,791	201,512	65,267
Current assets	794,924	571,409	474,516	424,217	658,157
Total assets	996,715	807,964	680,307	625,729	723,424
Net capital expenditure	15,252	2,752	2,955	2,694	454
<b>Equity and liabilities</b>					
Equity	398,182	364,604	250,688	212,124	213,541
Non-current liabilities	123,296	146,238	130,331	134,566	21,435
Current liabilities	475,237	297,122	299,288	279,039	488,448
Total equity and liabilities	996,715	807,964	680,307	625,729	723,424
<b>Financial ratios</b>					
Operating profit margin (EBIT margin)	14.4%	13.9%	10.1%	6.9%	7.5%
Profit margin before tax	14.6%	16.1%	10.5%	17.1%	6.4%
Return on equity	58.8%	62.5%	37.6%	66.2%	24.4%
Solvency ratio	39.9%	45.1%	36.8%	33.9%	29.5%
Payout ratio	98.1%	98.9%	91.9%	78.1%	142.6%
Number of employees at year-end (FTE)	958	844	733	664	810

Comparison figures for 2018 have not been restated in connection with implementation of the new accounting policy for leasing.

# Financial statements



Revenue increased by 34% to DKK 1,899 million, exceeding expectations for the year. In 2022, we embarked on some of the largest pharma projects in NNE's history, both in terms of new manufacturing facilities and expansion of existing facilities.



# Income statement of NNE A/S

(DKK 1,000)

	Note	2022	2021
Revenue	2	1,898,517	1,420,138
Cost of production	3	(1,533,136)	(1,139,029)
<b>Gross profit</b>		<b>365,381</b>	<b>281,109</b>
Sales and distribution costs	3	(25,705)	(22,364)
Administrative costs	3	(66,999)	(62,562)
Other operating income	4	617	617
<b>Operating profit</b>		<b>273,294</b>	<b>196,800</b>
Share of profit/loss in subsidiaries	5	17,778	28,844
Financial income	6	26,591	36,135
Financial expenses	7	(39,846)	(33,022)
<b>Profit before income taxes</b>		<b>277,817</b>	<b>228,757</b>
Income taxes	8	(53,516)	(36,579)
<b>Net profit for the year</b>		<b>224,301</b>	<b>192,178</b>

# Balance sheet of NNE A/S at 31 December

(DKK 1,000)

	Note	2022	2021		Note	2022	2021
<b>Assets</b>				<b>Equity and liabilities</b>			
IT systems and software		1,430	2,749	Share capital	15	500	500
<b>Intangible assets</b>	<b>9</b>	<b>1,430</b>	<b>2,749</b>	Retained earnings		177,682	174,104
Leasehold improvements		559	1,410	Proposed dividends		220,000	190,000
Other equipment		297	220	<b>Total equity</b>		<b>398,182</b>	<b>364,604</b>
Right-of-use assets		90,496	92,427	Provisions	16	17,504	15,564
<b>Property, plant and equipment</b>	<b>10</b>	<b>91,352</b>	<b>94,057</b>	Lease liabilities	17	78,901	81,056
Investments in subsidiaries	11	47,717	49,948	Other payables	18	26,891	49,618
Marketable securities	12	27,319	65,085	<b>Total non-current liabilities</b>		<b>123,296</b>	<b>146,238</b>
Deferred tax assets	13	33,973	24,716	Provisions	16	4,903	2,343
<b>Financial assets</b>		<b>109,009</b>	<b>139,749</b>	Lease liabilities	17	15,309	14,108
<b>Total non-current assets</b>		<b>201,791</b>	<b>236,555</b>	Prepayments for work in progress		19,662	9,886
Work in progress		8,385	8,332	Trade payables		79,633	48,551
Trade receivables		37,887	66,552	Borrowings, related parties		-	13,119
Receivables from related parties		467,040	262,145	Other payables	18	355,730	209,115
Tax receivables		2,184	2,667	<b>Total current liabilities</b>		<b>475,237</b>	<b>297,122</b>
Other receivables and prepayments	14	9,588	8,158	<b>Total liabilities</b>		<b>598,533</b>	<b>443,360</b>
Marketable securities	12	70,878	16,946	<b>Total equity and liabilities</b>		<b>996,715</b>	<b>807,964</b>
Cash at bank		198,962	206,609				
<b>Total current assets</b>		<b>794,924</b>	<b>571,409</b>				
<b>Total assets</b>		<b>996,715</b>	<b>807,964</b>	<b>Notes</b>			
				Accounting policies	1		
				Commitments	19		
				Fees to statutory auditors	20		
				Transactions with related parties	21		

# Statement of changes in equity

(DKK 1,000)

2022	Share capital	Retained earnings	Dividend	Total
Balance at the beginning of the year	500	174,104	190,000	364,604
Exchange rate adjustments of investment in subsidiaries	-	(723)	-	(723)
Net profit	-	224,301	-	224,301
Proposed dividend for the year	-	(220,000)	220,000	-
Dividend paid for previous year	-	-	(190,000)	(190,000)
<b>Balance at the end of the year</b>	<b>500</b>	<b>177,682</b>	<b>220,000</b>	<b>398,182</b>

2021	Share capital	Retained earnings	Dividend	Total
Balance at the beginning of the year	500	170,188	80,000	250,688
Exchange rate adjustments of investment in subsidiaries	-	1,738	-	1,738
Net profit	-	192,178	-	192,178
Proposed dividend for the year	-	(190,000)	190,000	-
Dividend paid for previous year	-	-	(80,000)	(80,000)
<b>Balance at the end of the year</b>	<b>500</b>	<b>174,104</b>	<b>190,000</b>	<b>364,604</b>

# Cash flow statement NNE A/S

(DKK 1,000)

	2022	2021
Operating profit	273,294	196,800
Adjustment, non-cash items	37,531	28,824
(Increase)/decr. in work in progress and receivables	(163,750)	(40,314)
Increase/(decr.) in trade payables and other payables	132,687	(11,683)
Financial income, received	1,903	1,018
Financial expenses, paid	(3,899)	(1,644)
Taxes paid, net	(62,289)	(50,486)
<b>Cash flow from operating activities</b>	<b>215,477</b>	<b>122,515</b>
Proceeds related to prior year's sales of subsidiaries	-	14,666
Purchase of shares in Novo Nordisk A/S	(7,259)	(3,191)
Purchase of fixed assets	(214)	(235)
<b>Cash flow from investing activities</b>	<b>(7,473)</b>	<b>11,240</b>
Payment of lease liabilities	(17,193)	(14,433)
Deposit to/from NNE subsidiaries	(12,204)	2,978
Dividends received, withholding tax deducted	3,746	-
Dividends paid	(190,000)	(80,000)
<b>Cash used in financing activities</b>	<b>(215,651)</b>	<b>(91,455)</b>
<b>Net change in cash</b>	<b>(7,647)</b>	<b>42,300</b>
Cash and cash equivalents at the beginning of the year	206,609	164,309
<b>Cash and cash equivalents at the end of the year</b>	<b>198,962</b>	<b>206,609</b>

# Note 1

## Accounting policies

### Basis of preparation

The Company's financial statements have been prepared in accordance with the Danish Financial Statements Act for reporting class C – large enterprises, and recognition and measurement principles from IFRS 9, IFRS 15 and IFRS 16 as interpretation.

In conformity with section 112.1 of the Danish Financial Statements Act, no consolidated financial statements are prepared for NNE A/S and its subsidiaries. Please refer to the consolidated statements for the Novo Nordisk Group.

### Key accounting estimates and judgements

Management regards the following to be the key accounting estimates and judgements used in the preparation of the financial statements.

### Revenue recognition

Total revenue requires estimation of stage of completion, which involves Management's judgement. The assumptions, estimates and uncertainties inherent in determining the state of completion affect the timing and amount of revenue recognition.

Changes in estimates of stage of completion and changes in contract revenue and costs are accounted for as cumulative catch-up adjustments to the reported revenue for the applicable contract.

Assessing whether distinct services are considered to be separate performance obligations requires judgement and might impact the timing and amount of revenue recognition.

The allocation of the total transaction fee for a contract to distinct deliverables requires judgement to determine an apportionment that reflects the fair value measurement of each performance obligation. This may impact the timing and amount of revenue recognition.

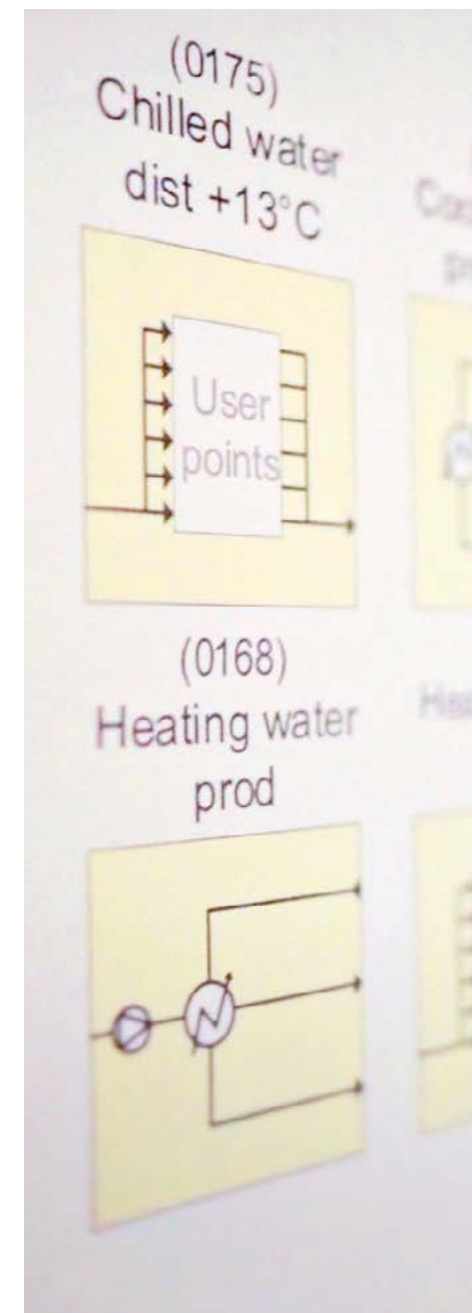
Determining whether different contracts with the same customer are accounted for as one contract involves the use of judgement, as it requires Management to assess whether the contracts are negotiated together or linked in any other way. The timing and amount of revenue recognition may vary depending on whether two contracts are accounted for separately or as one single contract.

### Accounting policies

The principal accounting policies set out below have been applied consistently in the preparation of the financial statements for all the years presented, unless otherwise stated. Financial liabilities related to share-based payment programmes have been reclassified from provisions to other payables. Comparison figures for 2021 have been restated accordingly.

### Presentation currency

The financial statements are presented in Danish kroner (DKK). Foreign currency transactions are translated, 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.

## Income statement

### Revenue

The Company provides engineering consulting services to the GMP-regulated pharma industries.

### *Determining the transaction price*

The Company's revenue is mainly derived from time & material contracts and fixed-price contracts.

For time & material contracts, the amount of revenue to be earned from each contract is determined by reference to the agreed hourly rates. Revenue from time & material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Some time & material contracts include a potential discount in case a predefined cap is reached. Revenue from these projects is recognised based on the value of the estimated number of expected hours, net of the estimated discount. Historical experience is used to estimate and provide for the discounts, and revenue is only recognised to the extent that it is highly probable that no significant reversal will occur.

For fixed-price contracts, revenue is recognised based on stage of completion of the contract, which is estimated by comparing the actual services provided in the project with the total services expected to complete the project. In the case of a fixed-price contract, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a work in progress asset is recognised. If the payments exceed the services rendered, a prepayment for work in progress is recognised.

When it is probable that the total contract costs will exceed the revenue from a contract, the total expected loss is recognised in the income statement.

### *Allocating amounts to performance obligations*

When a contract includes multiple deliverables, it is accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the material, revenue for the material is recognised at the point in time when the material is delivered, the legal title has passed and the customer has accepted the material.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss during the period in which the circumstances that have caused the revision become known by Management.

### *Contract modification*

A modification is considered a separate contract if additional services are promised, and the price of the contract increases by an amount that reflects the standalone price of the additional services.

### *Payment terms*

The Company's general payment terms are customer-specific but are generally between 30 and 60 days.

### *Cost of production*

The cost of projects comprises all costs, including depreciation, wages and salaries and pension contributions, as well as other costs related to rendering engineering services.

### *Sales and distribution costs*

Sales and distribution costs comprise salaries and pension contributions for sales staff, marketing costs and depreciation.

### *Administrative costs*

Administrative costs comprise salaries and pension contributions for administrative staff, Management, office costs and depreciation.

### *Other operating income*

Other income consists of income of a secondary nature in relation to the main activities of the Company.

### *Financial items*

Financial items comprise interest income, interest expenses, foreign currency translation adjustments and unrealised/realised capital gains or losses on shares.

### *Income taxes*

The tax expense for the period comprises current and deferred tax, including adjustments to previous years.

## Balance sheet

### *IT systems and software*

IT systems and software are measured at historical cost less accumulated amortisation and any impairment loss.

Amortisation is provided under the straight-line method over the estimated useful lives of the assets:

IT systems and software	3-5 years
-------------------------	-----------

The historical cost includes external and internal costs, directly and indirectly allocated to the IT systems. Computer software licences are included in the costs.

Minor acquisitions are expensed as incurred.

### Leasehold improvements and other equipment

Leasehold improvements and other equipment are measured at historical cost less accumulated depreciation and any impairment loss. Subsequent costs are included in the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably.

Depreciation is provided under the straight-line method over the estimated useful lives of the assets:

Leasehold improvements	5–10 years
Other equipment	3–5 years

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

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

### Leases, right-of-use assets

The Company leases office buildings and vehicles.

For contracts that are or contain a lease, the Company recognises a right-of-use asset and a lease liability. Contracts may

contain both lease and non-lease components. The lease components are recognised in the balance sheet and the non-lease components are recognised as an expense in profit and loss.

The right-of-use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease contracts with a lease term of 12 months or less and low-value lease assets are not recognised in the balance sheet. Short-term leases and low-value lease assets are expensed on a straight-line basis over the lease term or on another systematic basis.

### Impairment of assets

The carrying amount of intangible assets and property, plant and equipment is reviewed annually for indication of value decrease beyond the level of normal amortisation or depreciation. If the asset or group of assets has decreased in value, a write-down is made to a lower recoverable amount. The recoverable amount is recognised as the higher of net sale price and value in use. If the recoverable amount for the asset or group of assets cannot be recognised, the need for write-down is

based on the smallest group of assets for which the recoverable amount can be maintained.

### Investments in subsidiaries

In the Company's financial statements, investments in subsidiaries are recognised under the equity method, which is at the respective share of the net asset values in subsidiaries.

Net profit of subsidiaries less unrealised intercompany profits is recorded in the income statement.

The after-tax profit of each subsidiary is recognised within share of profit in subsidiaries.

### Marketable securities

Financial assets at fair value through the income statement consist of equity investments.

Net gains or losses arising from changes in the fair value of the 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.

### Deferred tax

Deferred taxes arise from temporary differences between the Company's accounting values and tax base, and from realisable tax loss carried forward, using the liability method. The tax value of the



tax loss carried forward is included in deferred tax assets to the extent that the tax losses and other tax assets are expected to be utilised in future taxable income. The deferred income taxes are measured in accordance with the current tax rules and at the tax rates expected to be in force when the temporary differences are eliminated.

Management judgement is required in determining the Company's provision for deferred tax assets and liabilities. The Company recognises deferred 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.

### Work in progress

Work in progress is the right to payment in exchange for services transferred to the customer. If the Company performs services for a customer before the customer pays, a work in progress asset is recognised for the earned compensation.

For further details on work in progress, please refer to the section on Revenue.

### Trade receivables

Trade receivables and other receivables are initially recognised at fair value and

subsequently measured at amortised cost using the effective interest method, less allowance for doubtful trade receivables.

The allowance for doubtful receivables is deducted from the carrying amount of trade receivables, and the loss amount is recognised in the income statement under sales and distribution costs.

### Allowances for doubtful trade receivables

The allowance is an estimate based on shared credit risk characteristics and days past due. Loss allowance is calculated using an ageing factor and specific customer knowledge.

### Other receivables and prepayments

Other receivables are recognised initially at the amount of the receivables that is unconditional. They are subsequently measured at amortised cost using the effective interest method less impairment. Prepayments are mainly prepaid costs regarding insurance, licences and rent.

### Dividend

Proposed dividend for the year is presented as a separate line under Equity and in the notes.

### Provisions

Provisions cover warranty obligations for

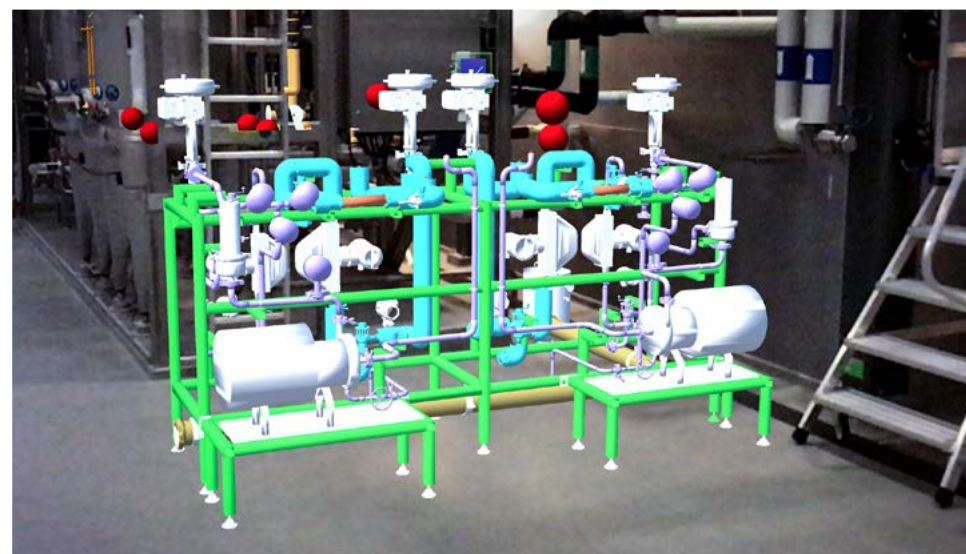
projects, dilapidations and non-current employee benefits.

Provisions, including tax and legal cases, are recognised where a legal or constructive obligation has occurred as a result of past events, and this is likely to lead to an outflow of resources that can be reliably estimated. In this connection, Management makes the estimate based upon an evaluation of the individual, most likely outcome of the cases. In cases where a reliable estimate cannot be made, the provisions are not recognised, but only disclosed as contingent liabilities.

### Lease liabilities

The lease liability is initially measured at the present value of the lease payment claim at the commencement date, discounted using the interest rate implicit in the lease contract. Lease payments consist of the following payments:

- fixed payments from commencement date
- certain variable payments
- residual value guarantees or the exercise price of a purchase option
- termination penalties





If the interest rate implicit in the lease contract cannot be readily determined, the Company's incremental borrowing rate is used.

For further information, please refer to the section on Leases, right-of-use assets.

### Prepayments for work in progress

Prepayments for work in progress is the obligation to deliver services to a customer for which the Company has received payment (or a payment amount is due). A prepayment for work in progress is recognised when the payment is made. Prepayments for work in progress are recognised as revenue when the Company delivers services under the contract. For further details on prepayments for work in progress, please refer to the section on Revenue.

### Borrowings and other payables

Generally, liabilities are stated at amortised cost unless specifically mentioned otherwise.

Borrowings are recognised initially at fair value, net of transactions costs incurred. Borrowings are subsequently stated at amortised cost; any difference between

the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### Employee benefits

Wages, salaries, social security contributions, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by the Company's employees. In circumstances where the Company provides long-term employee benefits, the costs are accrued to match the rendering of the services by the employees concerned.

### Share-based payment

The incentive programme converts the granted share appreciation rights into a fixed number of Novo Nordisk shares for both Management and employees. The incentive programme is treated as a cash-settled, share-based scheme. The fair value of the employee services received in exchange for the grant of share appreciation rights is recognised as an

expense and amortised over the vesting period of up to four years.

The liability for the share appreciation rights is measured initially and at each reporting date until settled at the fair value of the share appreciation rights, taking into account the terms and conditions on which the share appreciation rights were granted and the extent to which the employees have rendered service to date. Any change in the fair value of the share appreciation rights, from the grant date to the end of each financial year, is recognised as financial income or expenses in the income statement.

### Cash flow statement

The cash flow statement is presented in accordance with the indirect method, commencing with operating profit for the year. Purchase of shares in Novo Nordisk A/S is presented as cash flow from investing activities.

### Financial ratios

Financial ratios have been calculated as follows:

## Financial ratios

Financial ratios have been calculated as follows:

### Operating profit margin

$$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

### Profit margin before tax

$$\frac{\text{Profit before tax} \times 100}{\text{Revenue}}$$

### Return on equity

$$\frac{\text{Net profit} \times 100}{\text{Average equity}}$$

### Solvency ratio

$$\frac{\text{Equity at year-end} \times 100}{\text{Total assets}}$$

### Payout ratio

$$\frac{\text{Total dividend for the year} \times 100}{\text{Net profit}}$$

## Note 2 Revenue

	2022	2021
Revenue from contracts with customers	1,898,517	1,420,138
<b>Total</b>	<b>1,898,517</b>	<b>1,420,138</b>
The Company derives revenue from the delivery of engineering services in the following geographical regions:		
Denmark	1,864,063	1,394,701
China	11,402	-
Brazil	10,674	6,320
USA	1,735	5,606
Other	10,643	13,511
<b>Total</b>	<b>1,898,517</b>	<b>1,420,138</b>

## Note 3 Employee costs

Wages and salaries	772,064	672,944
Pensions	62,812	54,943
Share-based payment costs	15,412	12,793
Other social security contributions	9,506	8,044
Other employee costs	12,803	14,148
<b>Total</b>	<b>872,597</b>	<b>762,872</b>

The average number of full-time employees in 2022 was 916, compared to 804 in 2021.

NNE's Management comprises the CEO. In conformity with section 98.b.3 of the Danish Financial Statements Act, the remuneration to the Management team is stated as one category for the CEO and the Board of Directors.

Remuneration to the Board of Directors and the CEO was DKK 9 million in 2022 (2021: DKK 9 million), including share-based payment.

## Note 4 Other operating income

	2022	2021
<b>Relocation compensation</b>	<b>617</b>	<b>617</b>

Other income comprises compensation from the parent company to cover relocation costs in connection with relocation of NNE's headquarters in Denmark in 2018.

## Note 5 Share of profit/loss in subsidiaries

Net profit for the year	17,778	14,177
Net gain/loss on shares in subsidiaries	-	14,667
<b>Share of profit/loss in subsidiaries</b>	<b>17,778</b>	<b>28,844</b>

## Note 6 Financial income

Interest income from Group companies	1,805	1,018
Unrealised/realised capital gains on shares	21,998	33,364
Other financial income	2,788	1,753
<b>Total</b>	<b>26,591</b>	<b>36,135</b>

## Note 7 Financial expenses

Interest expenses to Group companies	23	18
Unrealised/realised adjustments of other payables (share-based payment)	33,257	29,624
Impairment of cash equivalents	423	-
Other financial expenses	6,143	3,380
<b>Total</b>	<b>39,846</b>	<b>33,022</b>

## Note 8

### Income taxes

	2022	2021
The Company paid DKK 64.9 million in income tax related to the current year (DKK 48.7 million in 2021).		
Current tax on profit for the year	62,744	46,339
Deferred tax on profit for the year	(9,348)	(9,654)
<b>Tax on profit for the year</b>	<b>53,396</b>	<b>36,685</b>
Adjustments to tax payable, prior year	29	1,044
Adjustments to deferred tax, prior year	91	(1,150)
<b>Tax for the year, total</b>	<b>53,516</b>	<b>36,579</b>

The tax effect of joint taxation with the parent company, Novo Nordisk A/S, and affiliated companies is allocated to the companies according to their taxable income (the full costing method). The Danish jointly taxed companies are included in a Danish tax prepayment scheme.

## Note 9

### Intangible assets

	IT systems and software
Cost at 1 January	25,289
Disposals during the year	(2,198)
<b>Cost at 31 December</b>	<b>23,091</b>
Amortisation and impairment losses at 1 January	22,540
Amortisation for the year	1,319
Disposals during the year	(2,198)
<b>Amortisation and impairment losses at 31 December</b>	<b>21,661</b>
<b>Carrying amount at 31 December</b>	<b>1,430</b>

## Note 10

### Property, plant and equipment

2022	Right-of-use assets				
	Leasehold improvements	Other equipment	Property	Vehicles	Total
Cost at 1 January	6,797	2,440	135,332	5,437	150,006
Additions during the year	-	214	13,259	1,779	15,252
Disposals during the year	-	-	-	(2,329)	(2,329)
<b>Cost at 31 December</b>	<b>6,797</b>	<b>2,654</b>	<b>148,591</b>	<b>4,887</b>	<b>162,929</b>
Depreciation and impairment losses at 1 January	5,387	2,220	44,581	3,761	55,949
Depreciation for the year	851	137	15,834	1,135	17,957
Disposals during the year	-	-	-	(2,329)	(2,329)
<b>Depreciation and impairment losses at 31 December</b>	<b>6,238</b>	<b>2,357</b>	<b>60,415</b>	<b>2,567</b>	<b>71,577</b>
<b>Carrying amount at 31 December</b>	<b>559</b>	<b>297</b>	<b>88,176</b>	<b>2,320</b>	<b>91,352</b>

## Note 11

### Investments in subsidiaries

	2022	2021
<b>Investments in subsidiaries</b>		
Cost at 1 January	286,950	286,620
Additions during the year	-	330
Capital reduction	(14,879)	-
<b>Cost at 31 December</b>	<b>272,071</b>	<b>286,950</b>
Revaluation at 1 January	(237,002)	(252,917)
Exchange rate adjustments	(723)	1,738
Net profit/(loss) for the year	17,778	14,177
Dividend received	(4,407)	-
<b>Revaluation at 31 December</b>	<b>(224,354)</b>	<b>(237,002)</b>
<b>Carrying amount at 31 December</b>	<b>47,717</b>	<b>49,948</b>

## Investments in subsidiaries (continued)

Company	Domicile	Share of ownership
NNE, Inc.	Clayton, NC, USA	100%
NNE Private Limited	Bangalore, India	100%
NNE AB (without activity)	Stockholm, Sweden	100%
NNE Pharmaplan OOO (without activity)	Moscow, Russia	100%

## Note 12

## Marketable securities

	2022	2021
Shares in Novo Nordisk A/S	98,197	82,031
<b>Total</b>	<b>98,197</b>	<b>82,031</b>
Non-current	27,319	65,085
Current	70,878	16,946
<b>Total</b>	<b>98,197</b>	<b>82,031</b>
Acquisitions during the year at cost price	7,259	3,191
Total number of shares	104,688	111,607

The shares in Novo Nordisk A/S are acquired for the share-based payment programme and the employee restricted stock unit programme.

## Note 13

## Deferred tax assets/Deferred tax liabilities

	2022	2021
Balance at 1 January	24,716	13,913
Deferred tax for the year	9,348	9,653
Adjustments related to previous years	(91)	1,150
<b>Balance at 31 December</b>	<b>33,973</b>	<b>24,716</b>

Specification:	2022			2021		
	Assets	Liabilities	Total	Assets	Liabilities	Total
Property, plant and equipment	-	(14,786)	(14,786)	-	(15,615)	(15,615)
Work in progress		(299)	(299)	-	(117)	(117)
Provisions and other payables	49,864	-	49,864	41,134	-	41,134
Other	-	(806)	(806)	-	(686)	(686)
<b>Balance at 31 December</b>	<b>49,864</b>	<b>(15,892)</b>	<b>33,973</b>	<b>41,134</b>	<b>(16,418)</b>	<b>24,716</b>

## Note 14

## Other receivables and prepayments

	2022	2021
Prepaid costs	8,255	7,889
Other receivables	1,333	269
<b>Total</b>	<b>9,588</b>	<b>8,158</b>

## Note 15

### Share capital

	2022	2021
<b>Share capital at the end of the year:</b>		
A share capital (167 shares of DKK 1,000)	167	167
B share capital (333 shares of DKK 1,000)	333	333
<b>Total</b>	<b>500</b>	<b>500</b>

The share capital in NNE A/S is divided into A shares and B shares. The A shares carry 10 votes per DKK 500 of the A share capital, whereas the B shares carry 1 vote per DKK 500 of the B share capital. There are no transferability restrictions on the B shares, while the owners of the A shares have a right of first refusal in case of any transfer of A shares.

#### Proposed appropriation of net profit:

Dividend to shareholders	220,000	190,000
Retained earnings	4,301	2,178
<b>Total</b>	<b>224,301</b>	<b>192,178</b>

## Note 16

### Provisions

	Warranties and project-related provisions	Long-term employee benefits	Dilapidations	2022 Total	2021 Total
Provisions at 1 January	4,914	8,275	4,718	17,907	12,024
Additions during the year	8,406	-	468	8,874	6,270
Unused amounts reversed	(2,290)	(1,445)	-	(3,735)	-
Used during the year	(9)	(630)	-	(639)	(387)
<b>Provisions at 31 December</b>	<b>11,021</b>	<b>6,200</b>	<b>5,186</b>	<b>22,407</b>	<b>17,907</b>

	2022	2021
<b>Specification of provisions:</b>		
Current	4,903	2,343
Non-current	17,504	15,564
<b>Total</b>	<b>22,407</b>	<b>17,907</b>

DKK 6 million (2021: DKK 7 million) of the non-current amount falls after more than five years.

## Note 17

### Lease liabilities

DKK 17 million (2021: DKK 29 million) of the lease liability falls after more than five years.

## Note 18

### Other payables

Employee costs payable	148,467	117,254
Share-based payment	97,655	66,564
VAT, taxes and other social security contributions	48,332	35,658
Accruals	84,752	35,225
Deferred income	3,415	4,032
<b>Total</b>	<b>382,621</b>	<b>258,733</b>
Current	355,730	209,115
Non-current	26,891	49,618
<b>Total</b>	<b>382,621</b>	<b>258,733</b>

## Other payables (continued)

Employee costs, VAT, accruals and deferred income payable within one year are measured at nominal amounts. There is only an insignificant difference between nominal amounts and amortised amounts, and thus only the nominal amounts have been presented. Deferred income includes prepaid compensation in connection with relocation of NNE's headquarters.

### Share-based payment

The Executive Management, NNE Management and senior executives participate in a long-term share-based incentive programme linked to the performance of Novo Nordisk.

In August 2019, all employees in the Novo Nordisk Group, including NNE, were offered 75 restricted stock units. A stock unit gives the right to receive one Novo Nordisk share free of charge in February 2023 subject to continued employment. The cost of the programme is amortised over the period.

## Note 19

### Commitments

**2022**      **2021**

#### Other commitments

Other commitments consist of non-cancellable commitments related to internal consultants, licences and purchase obligations.

Internal consultants are consultants hired on a temporary contract working on behalf of NNE and have a notice period of three months or less.

Other commitments, short-term leases and low-value leases are payable within the following periods from the balance sheet date:

Within one year	50,196	33,687
Between one and two years	13,618	14,595
Between two and three years	11,452	4,060
Between three and four years	11,570	4,071
Between four and five years	11,326	4,003
After five years	3,472	8,337
<b>Total</b>	<b>101,634</b>	<b>68,753</b>

Other commitments regarding short-term leases and low-value leases amounted to DKK 24 million of the total value in 2022 (2021: DKK 31 million).

#### Guarantees

Bank guarantees	9,268	8,107
<b>Total</b>	<b>9,268</b>	<b>8,107</b>

#### Other

Novo Nordisk A/S and its Danish subsidiaries are jointly taxed with the Danish companies in the Novo A/S Group. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and individually liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

#### Pending litigations

NNE is engaged in a few litigation proceedings. Management deems that the provisions made are appropriate, and settlements or continuation of these proceedings are not expected to have a material effect on the Company's financial position.

## Note 20

### Fees to statutory auditors

In conformity with section 96.3 of the Danish Financial Statements Act, no fees to statutory auditors are disclosed. Please refer to the consolidated financial statements of Novo Nordisk A/S.

## Note 21

### Transactions with related parties

Related parties are considered to be the Executive Management and the Board of Directors of the Company, the Novo Nordisk Group and the Novo Nordisk Foundation as well as related parties of these entities, including members of Management.

All agreements relating to transactions with these parties are based on the list prices used for sale to third parties where such list prices exist or the price has been set at what is regarded as market price.

#### Ownership

NNE A/S is a wholly owned subsidiary of Novo Nordisk A/S and included in the consolidated financial statements of Novo Nordisk A/S and of the Novo Nordisk Foundation.

The consolidated financial statements of Novo Nordisk A/S are available on request from Novo Nordisk A/S, Novo Allé 1, 2880 Bagsværd, Denmark. The ultimate parent is the Novo Nordisk Foundation, Tuborg Havnevej 19, 2900 Hellerup, Denmark.



# Management's statement on the Annual Report

The Executive Management and Board of Directors have today considered and adopted the Annual Report of NNE A/S for 2022.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

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

In our opinion, the Management Commentary provides a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

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

VIRUM, 15 MARCH 2023

## Executive Management

Jesper Kløve  
President and CEO

## Board of Directors

Karsten Munk Knudsen  
(Chairman)

Birgit W. Nørgaard  
(Vice Chairman)

Michael Hallgren

Klaus Steen Mortensen

Lis Thodberg

Inés Aréizaga Esteva

# Independent auditor's report

## To the shareholder of NNE A/S

### Opinion

We have audited the financial statements of NNE A/S for the financial year 1 January – 31 December 2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2022 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2022, in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management

COPENHAGEN, 15 MARCH 2023

### Deloitte

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

### Sumit Sudan

State Authorised Public Accountant  
Identification No (MNE) mne33716

commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

### Niels Skannerup Vendelbo

State Authorised Public Accountant  
Identification No (MNE) mne34532

