

Financials



Product Supply and Financials

CMD22
CAPITAL MARKETS DAY

3 MARCH



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Forward-looking statements

Novo Nordisk's reports filed with or furnished to the US Securities and Exchange Commission (SEC), including the statutory Annual Report 2021 and Form 20-F, which both were filed with the SEC in February 2022 in continuation of the publication of this Annual Report 2021, this presentation, and written information released, or oral statements made, to the public in the future by or on behalf of Novo Nordisk, may contain forward-looking statements. Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Examples of such forward-looking statements include, but are not limited to:

- Statements of targets, plans, objectives or goals for future operations, including those related to Novo Nordisk's products, product research, product development, product introductions and product approvals as well as cooperation in relation thereto,
- Statements containing projections of or targets for revenues, costs, income (or loss), earnings per share, capital expenditures, dividends, capital structure, net financials and other financial measures,
- Statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings, and
- Statements regarding the assumptions underlying or relating to such statements.

These statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. Novo Nordisk cautions that a number of important factors, including those described in this presentation, could cause actual results to differ materially from those contemplated in any forward-looking statements.

Factors that may affect future results include, but are not limited to, global as well as local political and economic conditions, including interest rate and currency exchange rate fluctuations, delay or failure of projects related to research and/or development, unplanned loss of patents, interruptions of supplies and production, including as a result of interruptions or delays affecting supply chains on which Novo Nordisk relies, product recalls, unexpected contract breaches or terminations, government- mandated or market-driven price decreases for Novo Nordisk's products, introduction of competing products, reliance on information technology including the risk of cybersecurity breaches, Novo Nordisk's ability to successfully market current and new products, exposure to product liability and legal proceedings and investigations, changes in governmental laws and related interpretation thereof, including on reimbursement, intellectual property protection and regulatory controls on testing, approval, manufacturing and marketing, perceived or actual failure to adhere to ethical marketing practices, investments in and divestitures of domestic and foreign companies, unexpected growth in costs and expenses, failure to recruit and retain the right employees, failure to maintain a culture of compliance, epidemics, pandemics or other public health crises, and factors related to the foregoing matters and other factors not specifically identified herein.

For an overview of some, but not all, of the risks that could adversely affect Novo Nordisk's results or the accuracy of forward-looking statements in this Annual Report 2021, reference is made to the overview of risk factors in 'Risk management' of this Annual Report 2021.

Unless required by law, Novo Nordisk is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this Annual Report 2021, whether as a result of new information, future events, or otherwise.

Important drug information

Victoza® and Ozempic® are approved for the management of type 2 diabetes only
Saxenda® and Wegovy® are approved in the USA and the EU for the treatment of obesity only

Strategic aspirations 2025




Purpose and sustainability (ESG)

- Progress towards zero environmental impact
- Being respected for adding value to society
- Being recognised as a sustainable employer



Commercial execution

- Strengthen Diabetes leadership - aim at global value market share of more than 1/3
- More than 25 billion DKK in Obesity sales by 2025
- Secure a sustained growth outlook for Rare disease



Innovation and therapeutic focus

- Further raise the innovation-bar for diabetes treatment
- Develop a leading portfolio of superior treatment solutions for obesity
- Strengthen and progress the Rare disease pipeline
- Establish presence in Other serious chronic diseases focusing on CVD, NASH and CKD

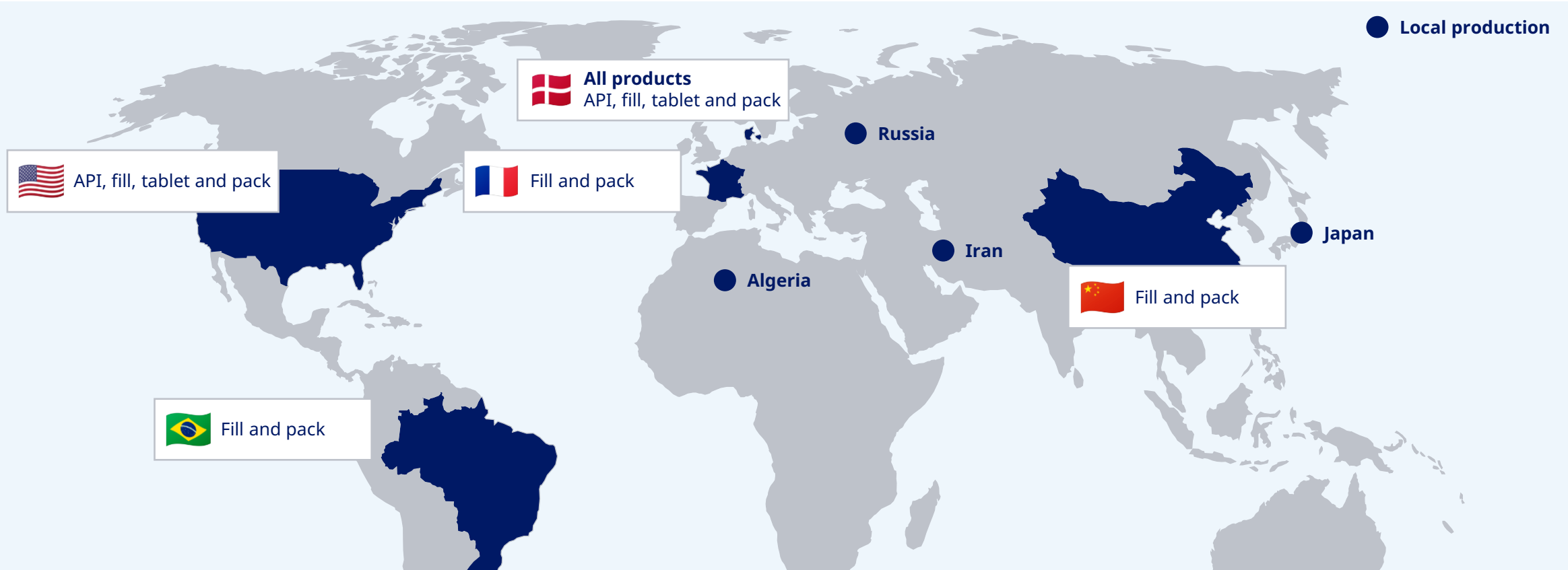


Financials

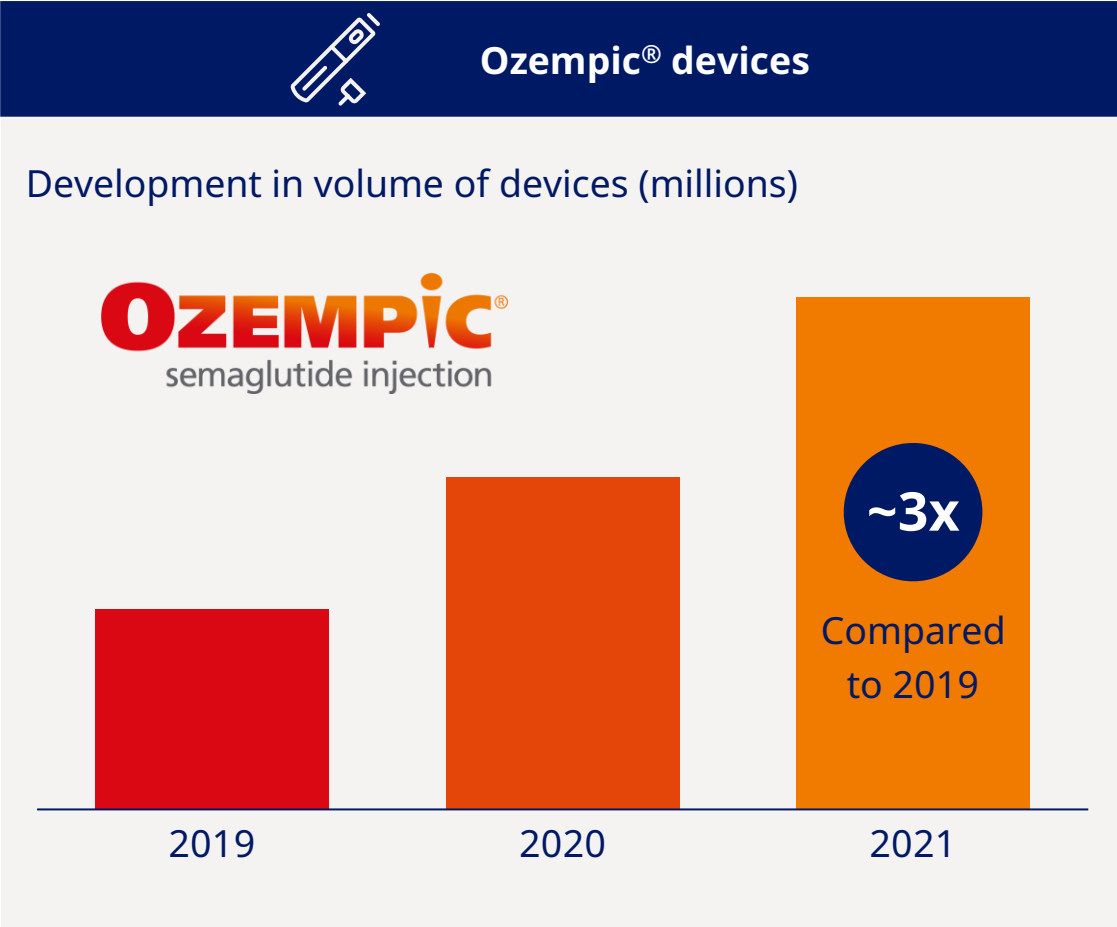
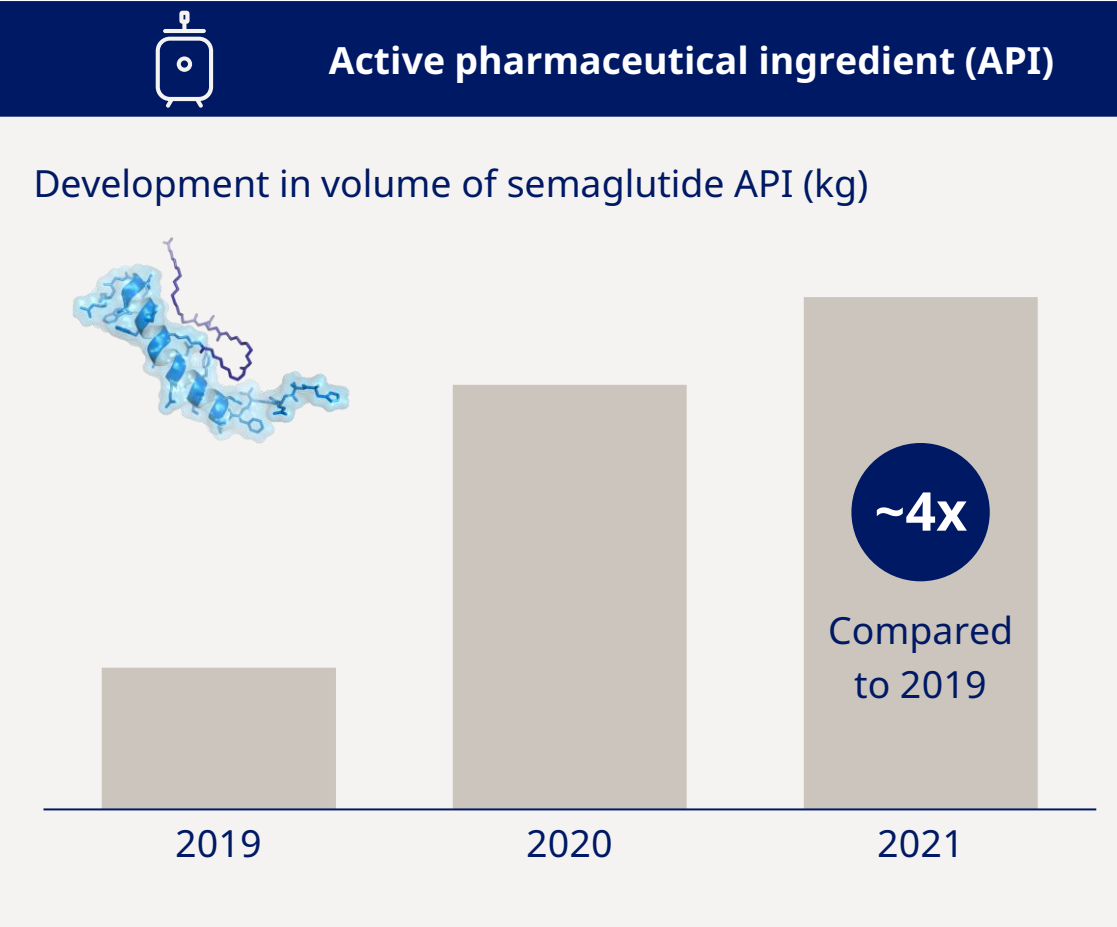
- **Deliver solid sales and operating profit growth**
 - Deliver 6-10% sales growth in IO
 - Transform 70% of sales in the US¹
- **Drive operational efficiencies across the value chain to enable investments in future growth assets**
- **Deliver free cash flow to enable attractive capital allocation to shareholders**

¹ From 2015 to 2022, 70% of sales to come from products launched from 2015. IO: International Operations; CVD: Cardiovascular disease; NASH: Non-alcoholic steatohepatitis; CKD: Chronic kidney disease.
Note: The strategic aspirations are not a projection of Novo Nordisk's financial outlook or expected growth.

Novo Nordisk has a global manufacturing setup

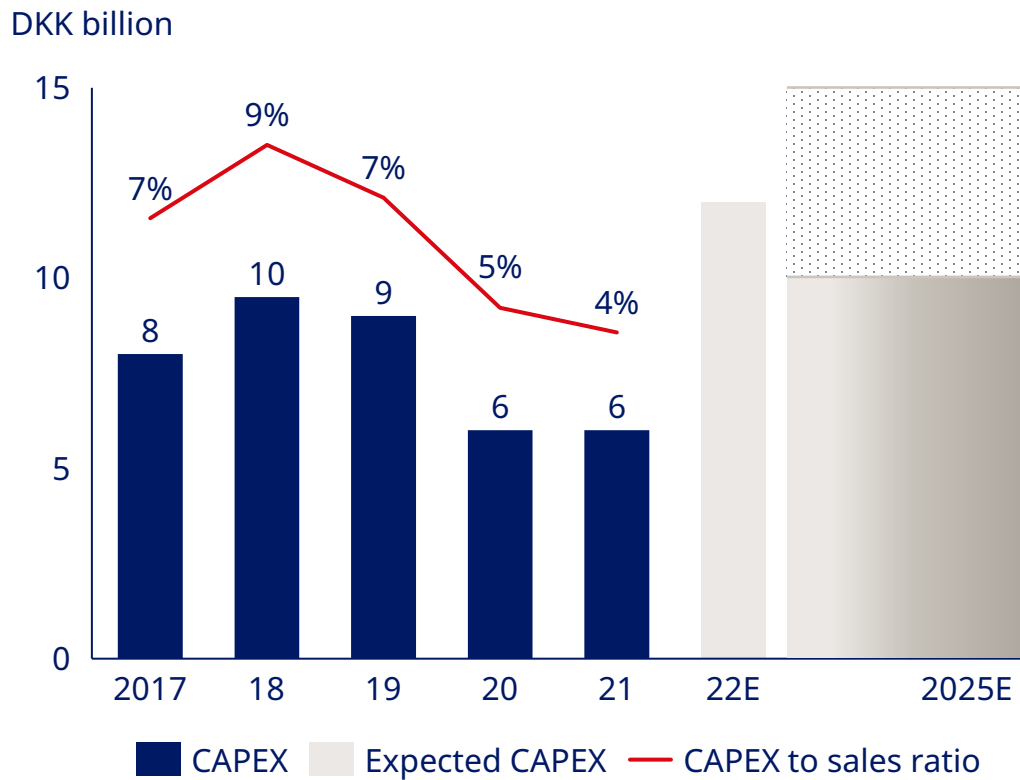


Production volumes have increased significantly in recent years

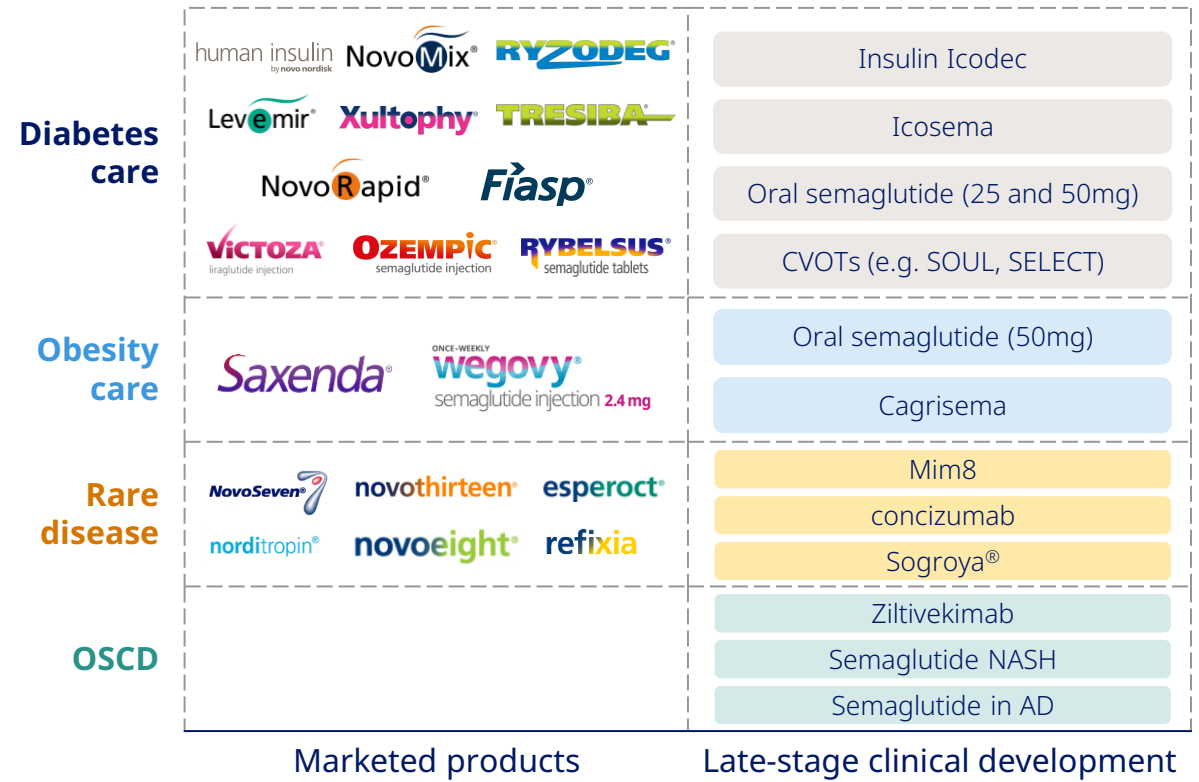


Product Supply is investing for growth and a diversified pipeline

CAPEX investments



Ensure readiness to meet future demands



Note: List of clinical development activities is not exhaustive
 CAPEX: Capital expenditures; CMD: Capital Markets Day; CVOT: Cardiovascular outcome trial; NASH: Non-alcoholic steatohepatitis; AD: Alzheimer's disease

Manufacturing strategy principles



Wegovy® supply chain now and in the future



API production

- Already in operation (DK)



Filling

Single-dose device:

- Reallocation of internal production in Denmark to prioritise Wegovy® in H1 2022
- Current large-scale CMO is working to restart production and an additional site is planned to be added in 2023
- Onboarding of new CMO ongoing. Expected to go live in 2023

Option to launch in the FlexTouch® device

- Utilisation of existing global production setup



Assembly and pack



Single-dose device

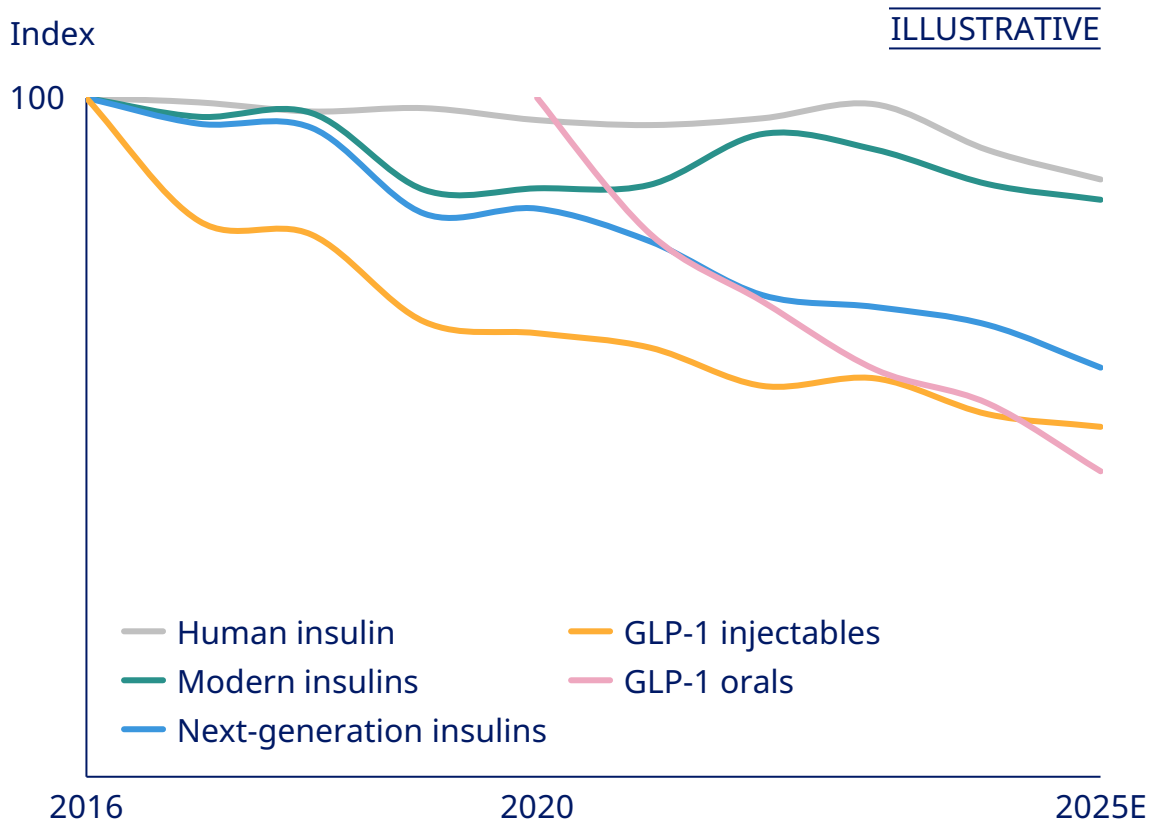
- Already in operation (US)
- Additional line in Denmark expected to go live in 2023
- Onboarding of CMO ongoing

Option to launch in the FlexTouch® device




- Utilisation of existing global production setup

Product Supply is driving operational efficiencies in line with strategic aspiration

A key focus remains to continuously lower unit costs



Key levers to remain competitive

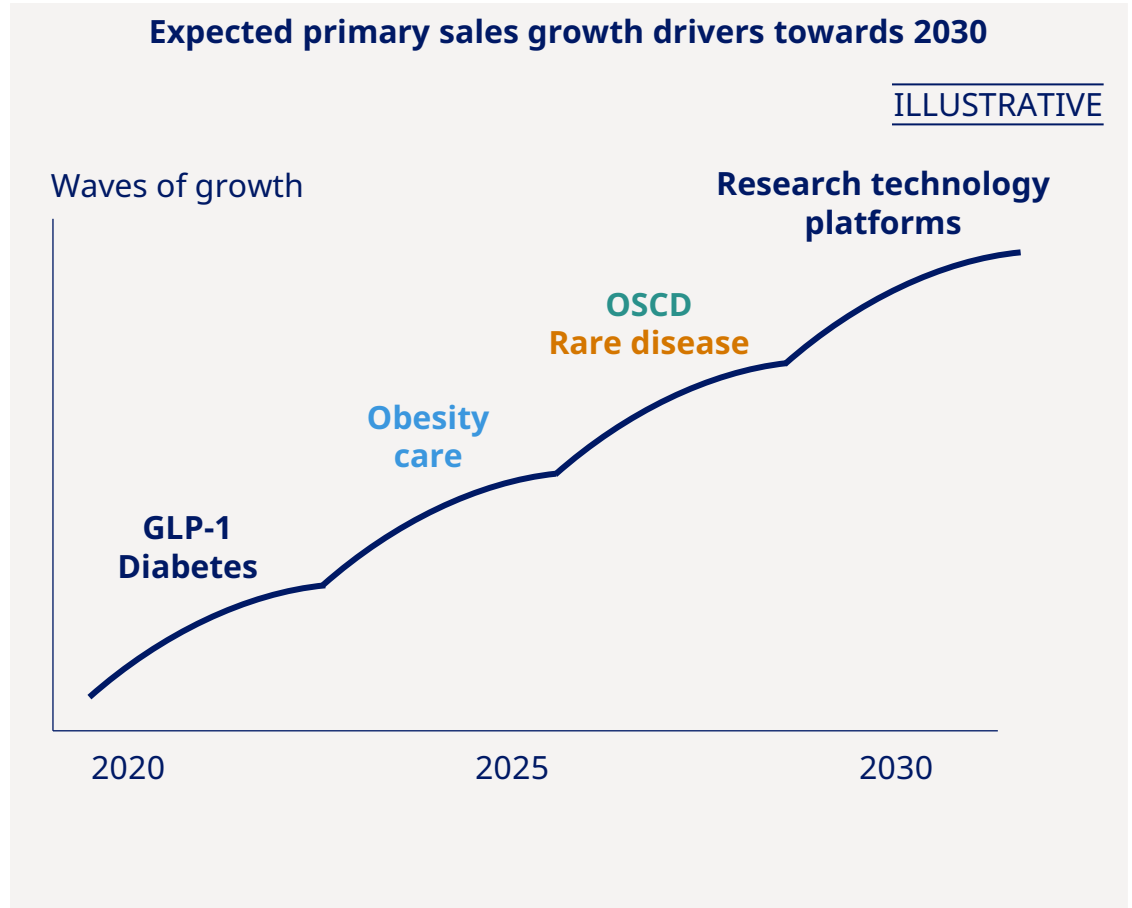
	API	Economies of scale, technology upgrades and simpler processes
	Formulation	New formulation with improved efficiency and lower excipient cost Large-scale
	Tabletting	Simpler processes and continuous manufacturing

Resource allocation in Novo Nordisk is guided by investing in future growth while delivering attractive shareholder returns

Corporate strategy guides resource allocation

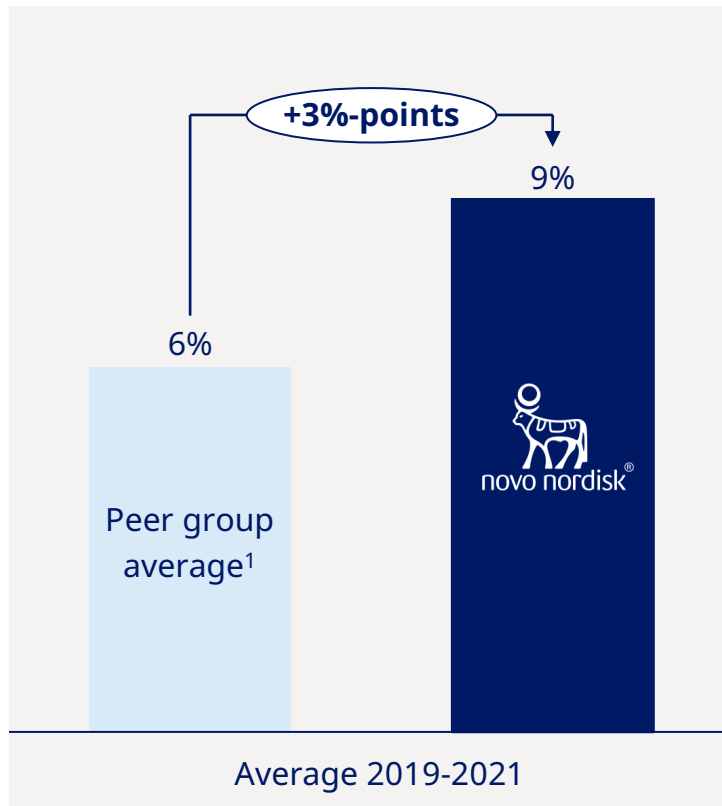


- Focus on driving sustained **sales growth**
- **Commercial investments** in growth markets and products
 - **R&D investments** in future growth assets

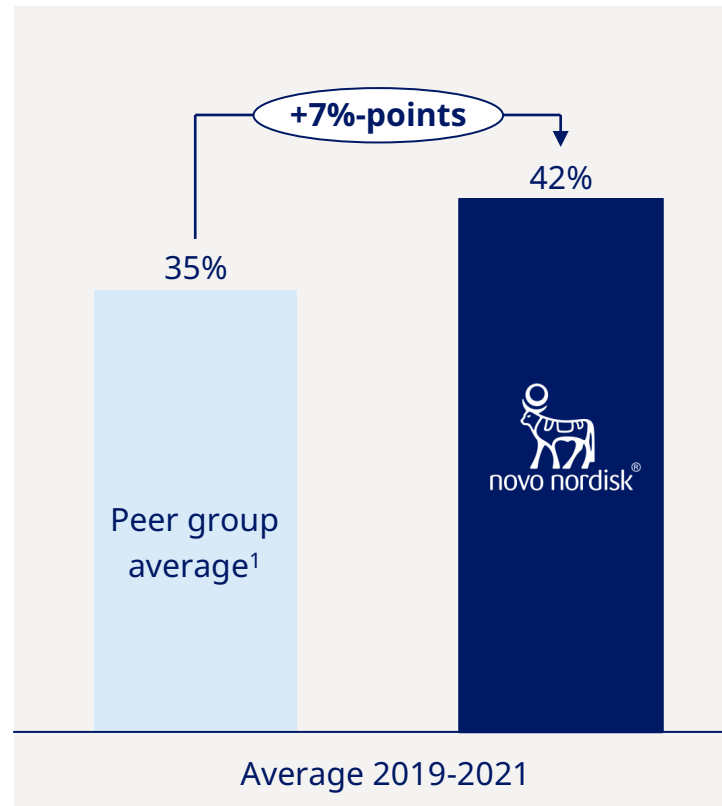


Attractive performance

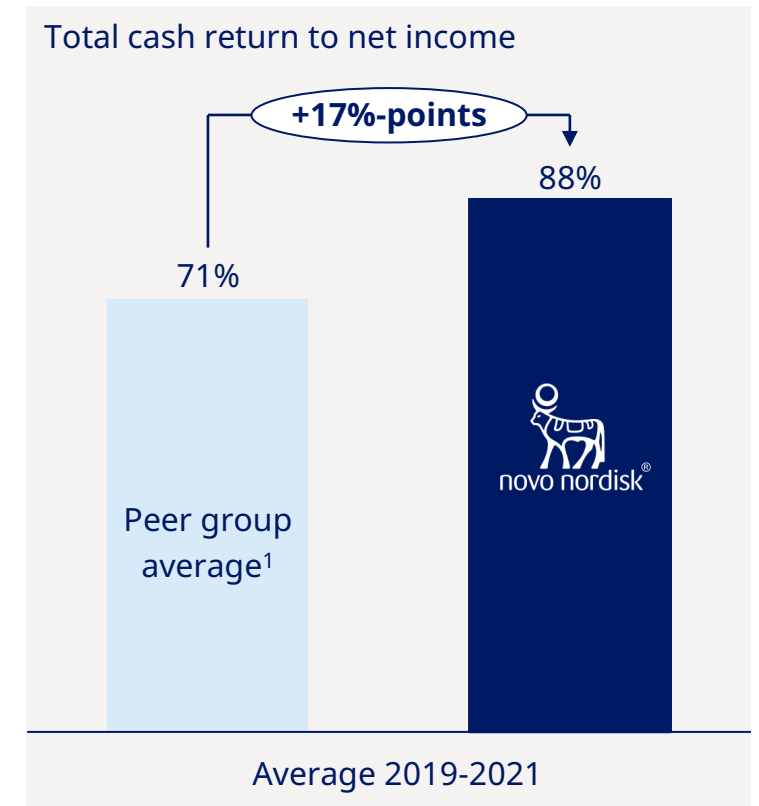
Sales growth (CER)



Operating margin



Cash returned to shareholders

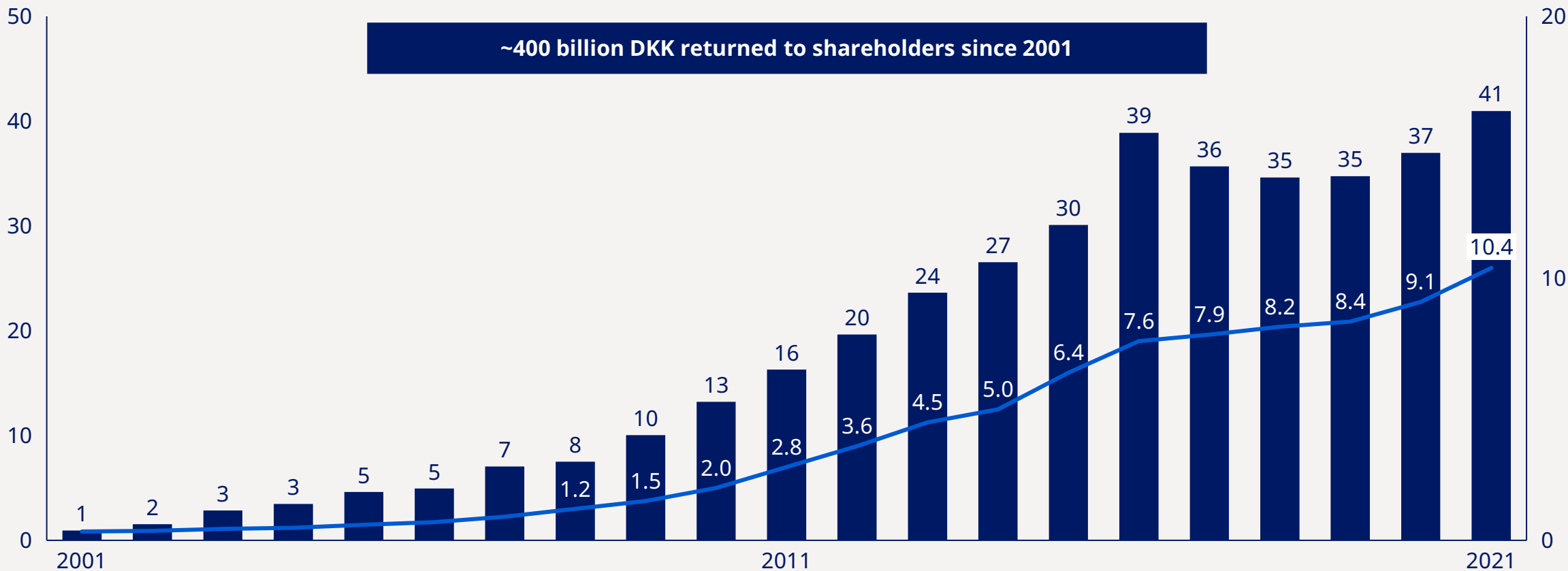


¹ Weighted average based on revenue of peer group: Bristol Myers Squibb, Eli Lilly, GlaxoSmithKline, Merck & Co., Novartis, Roche, Sanofi, Johnson & Johnson, Amgen, Biogen, AbbVie. Pfizer, AstraZeneca and Gilead have been excluded due COVID-19 impacts
 CER: Constant Exchange Rates
 Sources: Earnings releases, Evaluate Pharma

Two decades of consistent cash distribution to shareholders

Net cash distribution to shareholders (bDKK)

Total dividend per share (DKK)

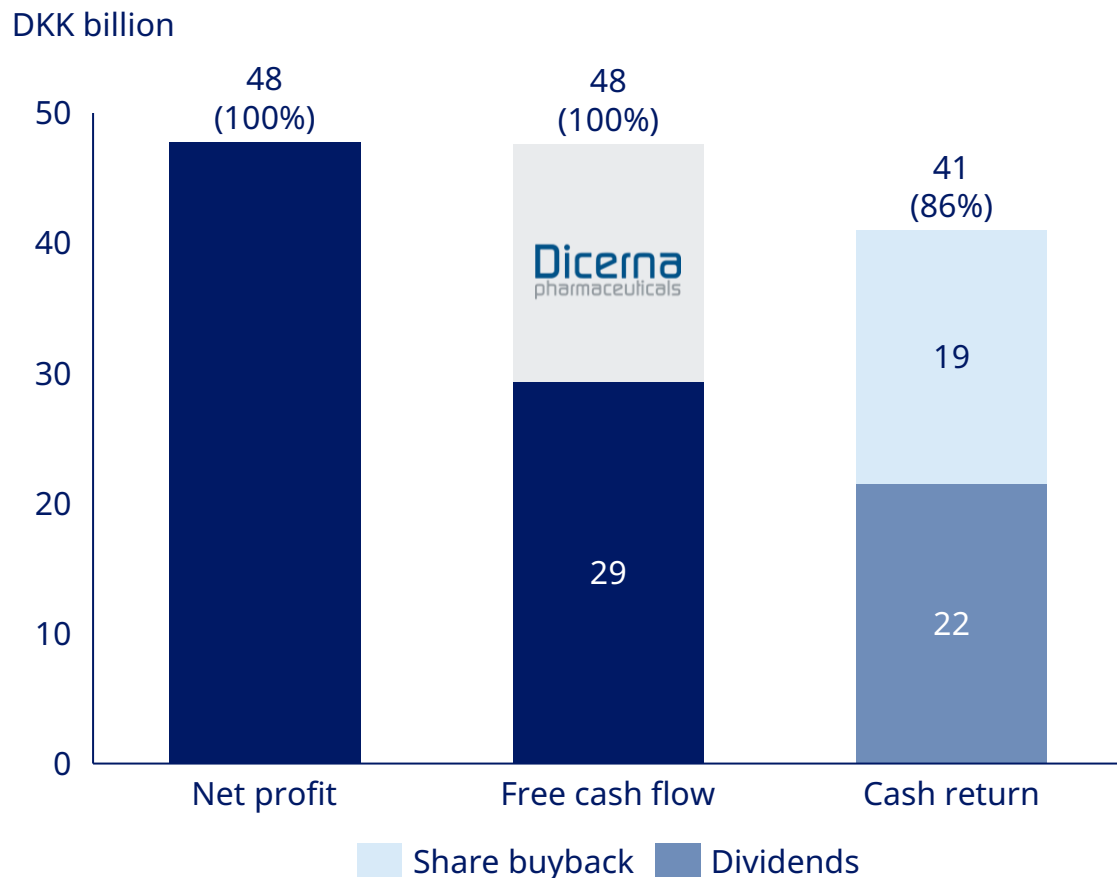


■ Total payout — Total dividend per share

Source: Novo Nordisk Annual Reports 2001-2021

Net profit has been converted to cash and returned to shareholders

Cash conversion and allocation (2021)



Strategic capital allocation priorities

- Business development investments to enhance R&D pipeline**
CAPEX investments to meet demand including R&D pipeline
- Deliver competitive capital allocation to shareholders**
 - Continued share buybacks and dividends
- Financial flexibility within current credit ratings**
 - Moody's: A1 since 2012, S&P Global: AA- since 2013
 - Net debt to EBITDA ratio around zero
- Mainly debt finance major business development projects**
 - 2021 bond issuance at an all-inclusive interest rate of ~0%

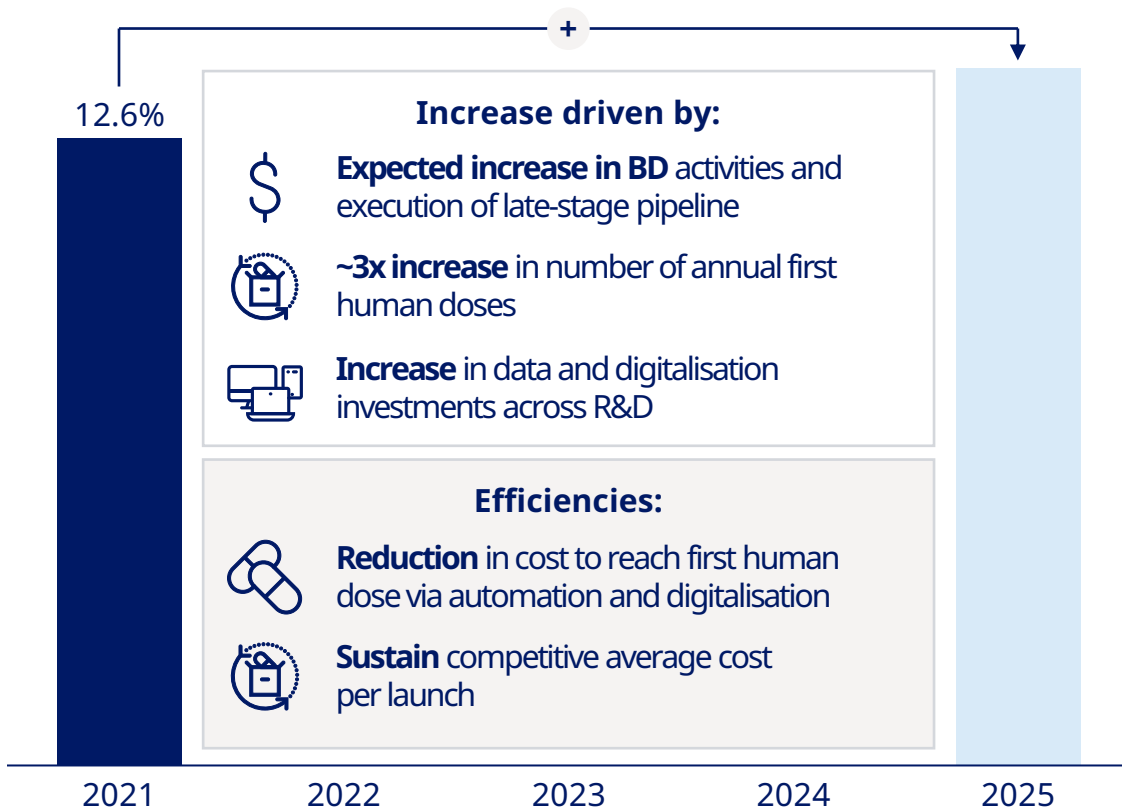
Note: Cash used for the acquisition of Dicerna Pharmaceuticals was 18,282 million DKK per note 5.3 of the 2021 Novo Nordisk Annual Report
 R&D: Research and Development; CAPEX: Capital expenditure; EBITDA: Earnings before interest, taxes, depreciation and amortisation

Commercial investments (S&D) mainly allocated towards GLP-1 and obesity care to drive sales growth towards 2025

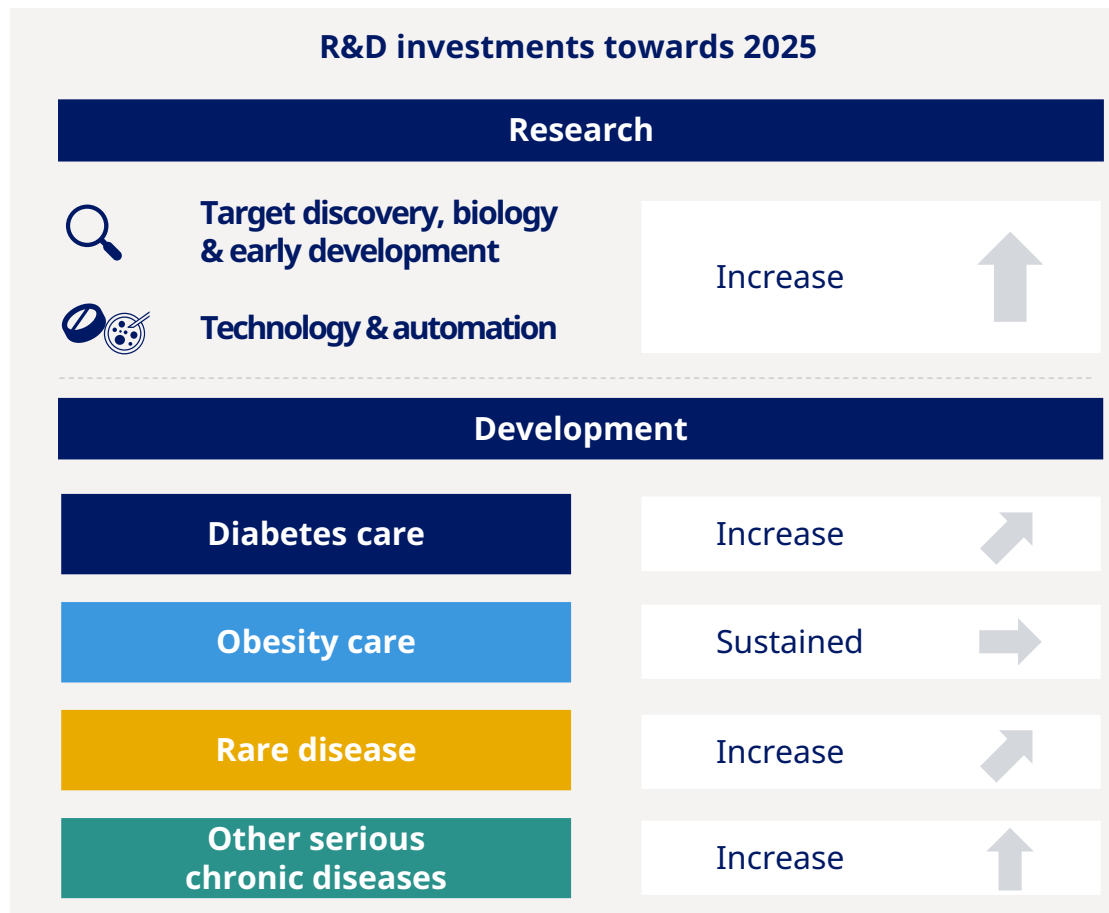
		Strategic resource allocation towards 2025	Investment levels towards 2025	S&D cost ratio ↓ Gradually decline
Diabetes care	Insulin	<ul style="list-style-type: none"> Sustained investment levels towards 2025 Targeted investments such as insulin icodec and Ryzodeg® in China 	Sustained →	
	GLP-1	 	Increased ↑	
Obesity care	Market development 	Increased ↑		
Rare disease	Launch investments for Sogroya®, conzicumab and Mim8	Sustained →		
Other serious chronic diseases	Pre-commercial activities for future growth drivers	Increased ↗		

Step-up in R&D investments to expand and diversify pipeline

R&D ratio expected to gradually increase

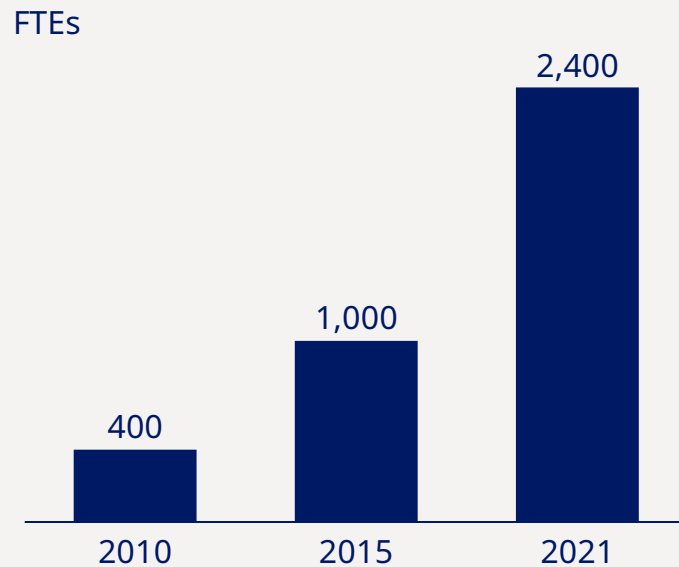


R&D investments towards 2025



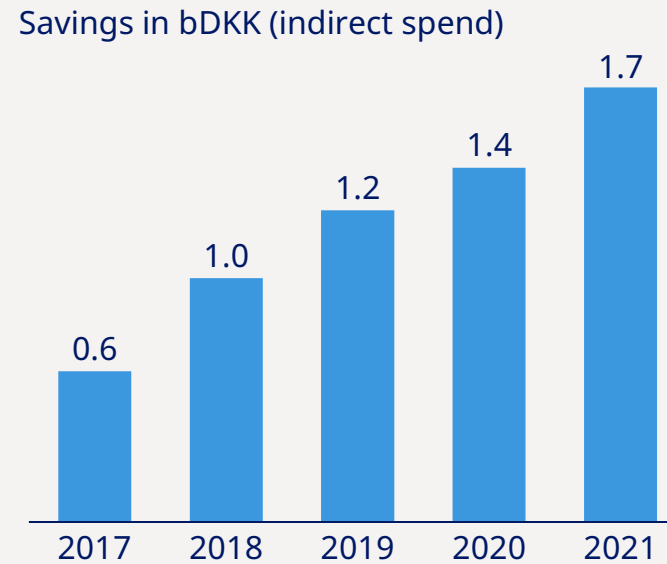
Efficiencies are driven across the value chain

Global Business Services in India



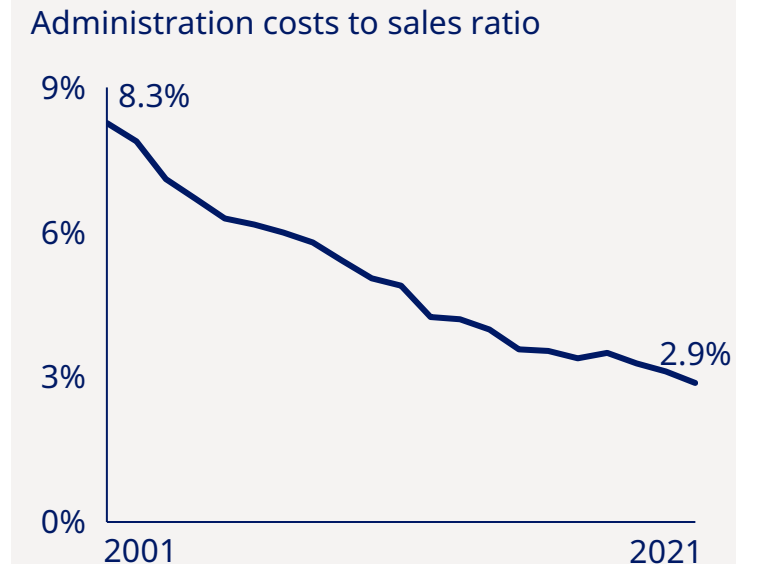
- Spans across entire value chain
- Continued focus on end-to-end process optimisation
- Increased automation and digitalisation

Competitive sourcing



- ~90% of indirect spend through Coupa¹
- ~90% of spend competitive sourced
- Supplier consolidation, tendering and demand management
- Savings split between cost avoidance and cost savings

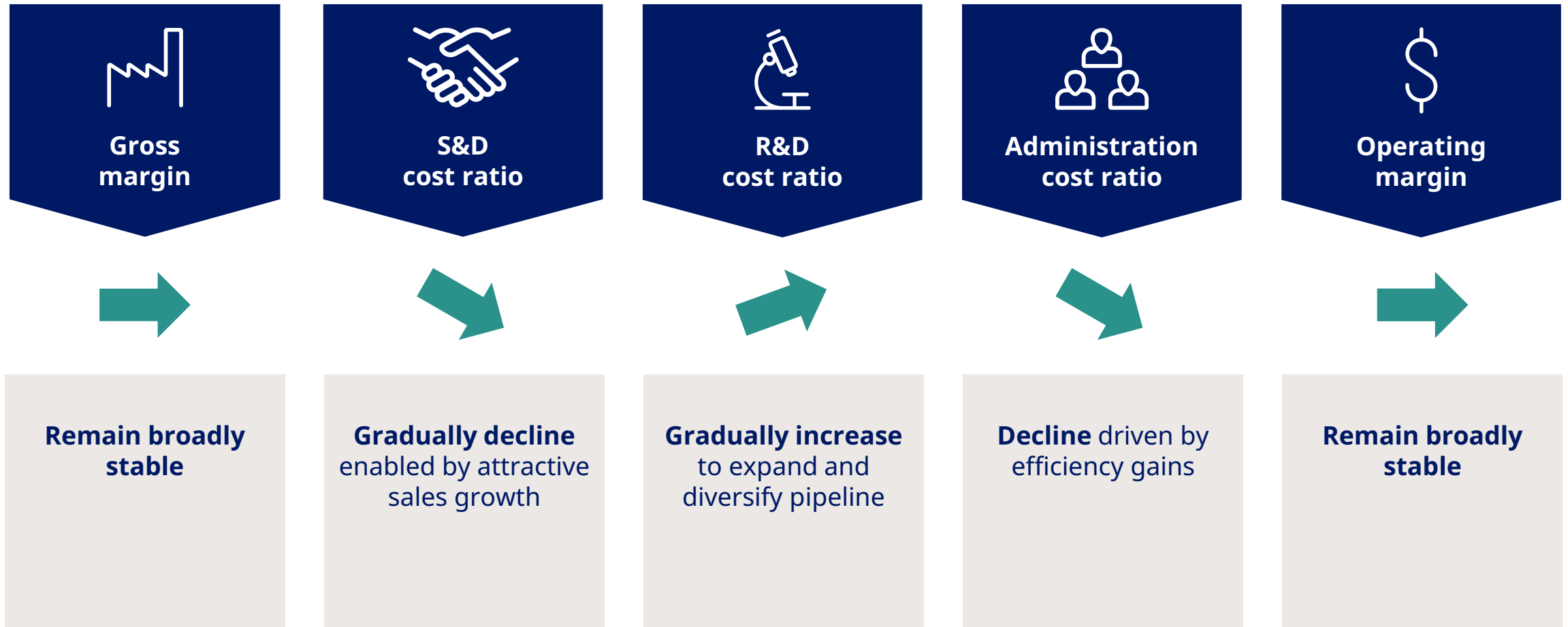
Administration costs



- Two decades of consistent decline in administration cost ratio
- Back office efficiencies realised through consolidation and automation

¹ Coupa is a global business spend management platform; FTE: Full-time equivalent

Summary of expected developments towards 2025



Closing remarks

Growth focused resource allocation

Increased CAPEX investment for future growth and R&D pipeline

Consistent financial discipline enables an attractive capital allocation to shareholders

Operating margin broadly stable towards 2025

