

PRODUCT SUPPLY AND FINANCIALS



Forward-looking statements

Novo Nordisk's reports filed with or furnished to the US Securities and Exchange Commission (SEC), including this presentation as well as the company's statutory Annual Report 2018 and Form 20-F, which were both filed with the SEC in February 2019 in continuation of the publication of the Annual Report 2018, 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, 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, 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, and failure to maintain a culture of compliance.

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 presentation, reference is made to the overview of risk factors in 'Risk management enables better decision-making' on pp 41-43 in the Annual Report 2018.

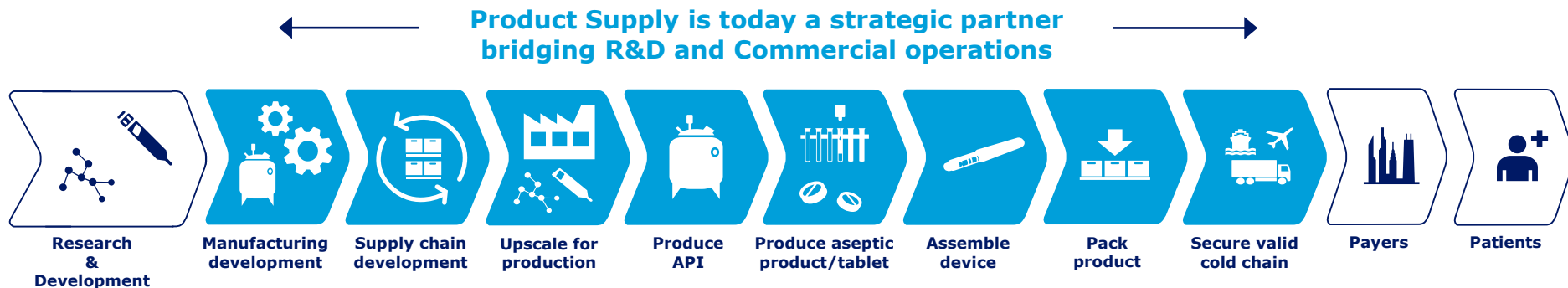
Unless required by law, Novo Nordisk is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this presentation, whether as a result of new information, future events or otherwise.

Important drug information

- Victoza® is approved for the management of type 2 diabetes only
- Saxenda® is approved in the USA and the EU for the treatment of obesity only

Note: All notes, sources and abbreviations for this presentation are found in the appendix.

The mission for Product Supply is to be a strategic partner from R&D to commercial



Product Supply is delivering increased agility and expanding possibilities within Novo Nordisk

Global manufacturing setup strengthened with significant investments in the US and Denmark for diabetes and biopharm



Rybelsus[®] supply chain for the US and rest of world in place

Kalundborg, Denmark



- Production of API
- Already in operation

Måløv, Denmark



- Tableting and packaging
- Already in operation

Clayton, North Carolina, USA



- Production of API
- Expected start operation in 2021

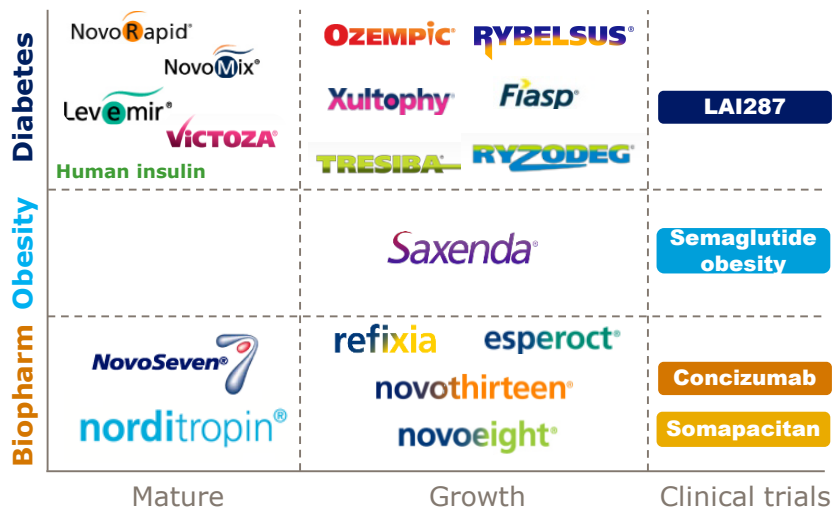
Durham, North Carolina, USA



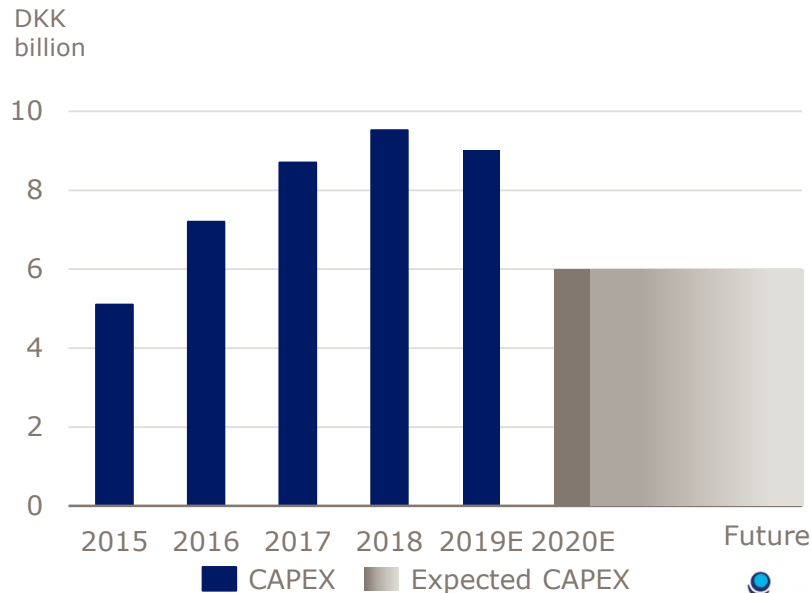
- Tableting and packaging
- Acquired in August 2019

Product Supply is ready to match business aspirations

Ready to deliver on future more complex demands and late-stage clinical trials

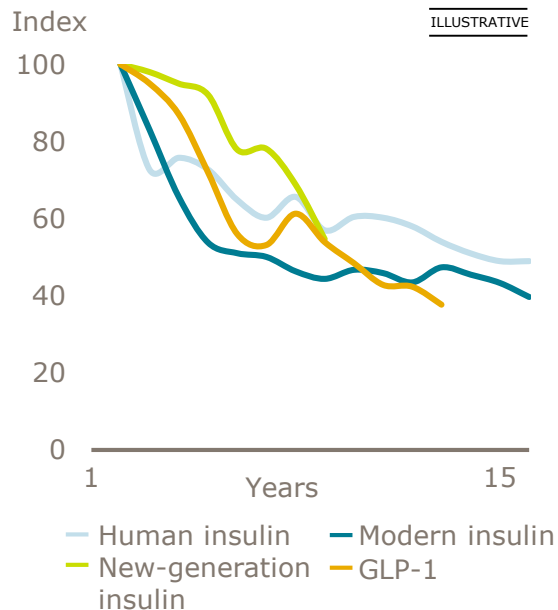


CAPEX investments have peaked in 2018/2019

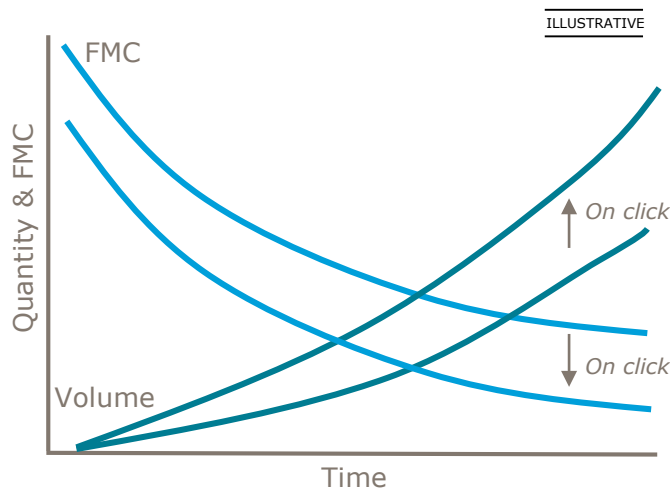


Product Supply is ready to deliver on increasingly complex demands

Continuously lowered unit costs



Next up is optimisation of Rybelsus®



Well-positioned today and in the future

- High manufacturing capacity
- Agile manufacturing setup in a more complex environment
- Reduced manufacturing risk and improved safety
- Drive efficiency gains and lower unit costs

The corporate strategy is the guiding principle for Novo Nordisk's approach to resource allocation

Corporate strategy is focusing on four therapeutic areas



R_x

Focus on driving sustained **sales growth**



Production focused on **improving unit costs**



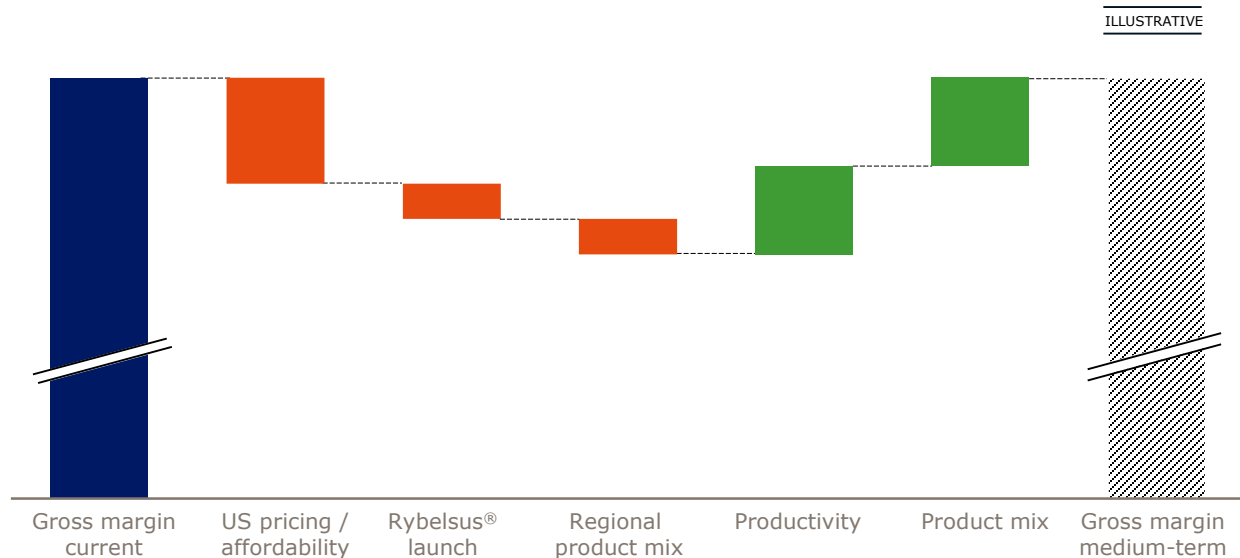
R&D investments in future growth assets



Commercial investments in growth markets and products

Gross margin to be broadly stable driven by continuously driving productivity improvements

Gross margin remains competitive

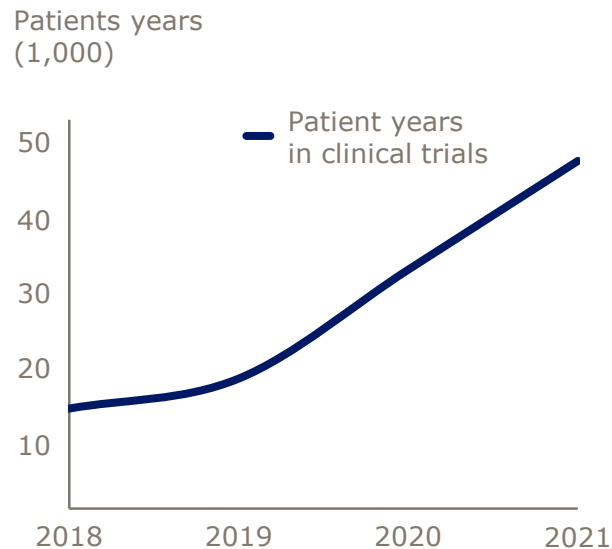
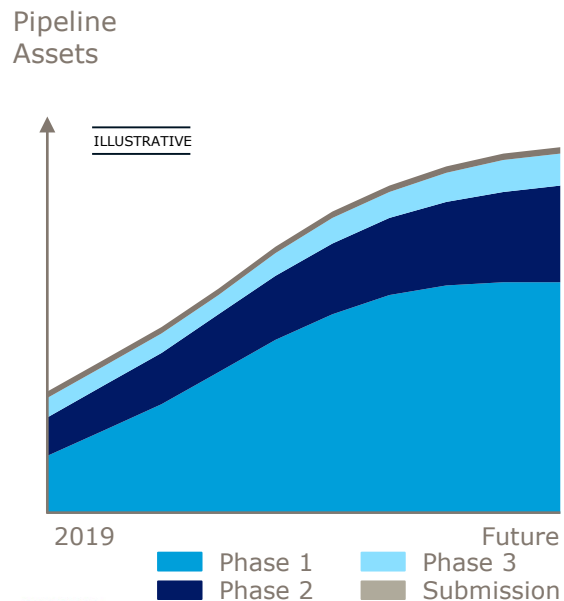


Gross margin development

- Negatively impacted by US pricing and affordability initiatives
- Rybelsus® unit costs initially impacting gross margin negatively
- Positively impacted by productivity and higher GLP-1 sales and new-generation insulin

Over time, Research & Development cost ratio is expected to gradually increase

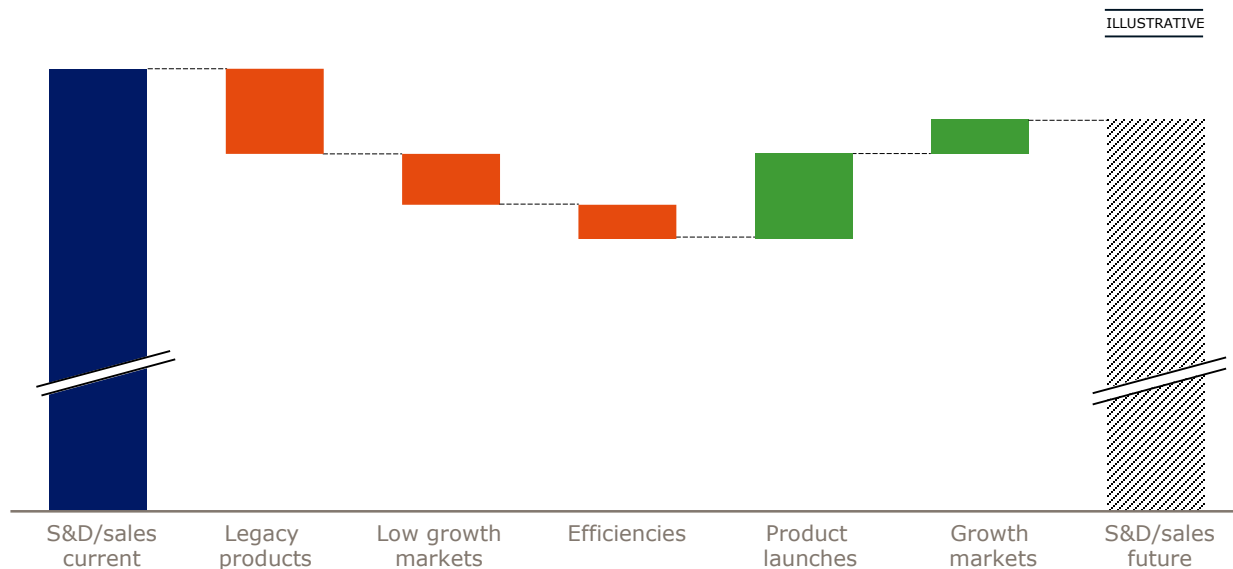
The activity level in R&D is expected to increase driven by an increase in number of pipeline assets and patients enrolled



R&D costs development

- Over time, gradual increase in R&D cost ratio driven by innovation opportunities and early-stage research
- Solid balance sheet allows investments in external R&D assets
- Efficiency focus reduces cost per patient

Over time, Sales & Distribution cost ratio is expected to gradually decline

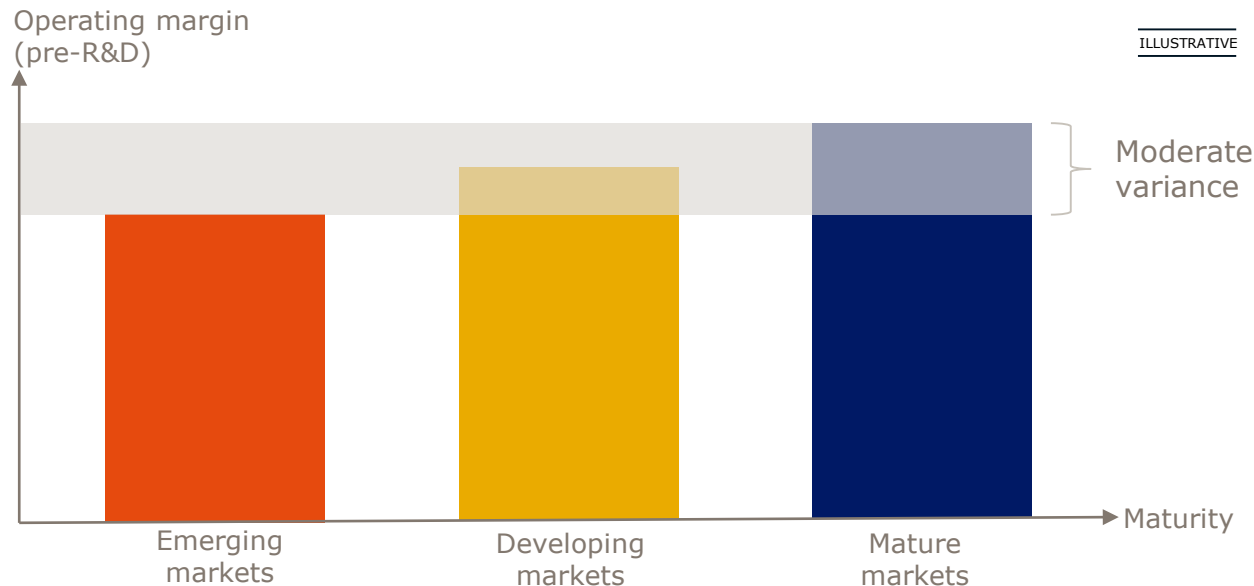


Sales & Distribution costs development

- Resource allocation shifting away from low growth products and markets to growth products and markets
- Short-term investments to launch Ozempic® and Rybelsus® successfully
- Efficiency focus to drive operational leverage

Regional operating margins reflect moderate variance

Operating margins reflecting maturity and investments



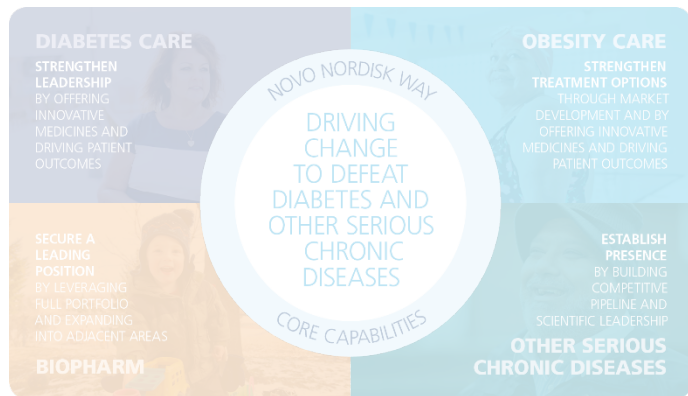
Moderate margin differences across regions

Differences driven by:

- Pricing
- Product mix
- Cost of operations
- Economies of scale
- Growth potential

Focus on driving solid sales growth and investing to build future growth assets

Corporate strategy focusing on four therapeutic areas



R_x

Focus on driving solid sales growth



Gross margin to remain broadly stable



Over time, Research & Development cost ratio to gradually increase



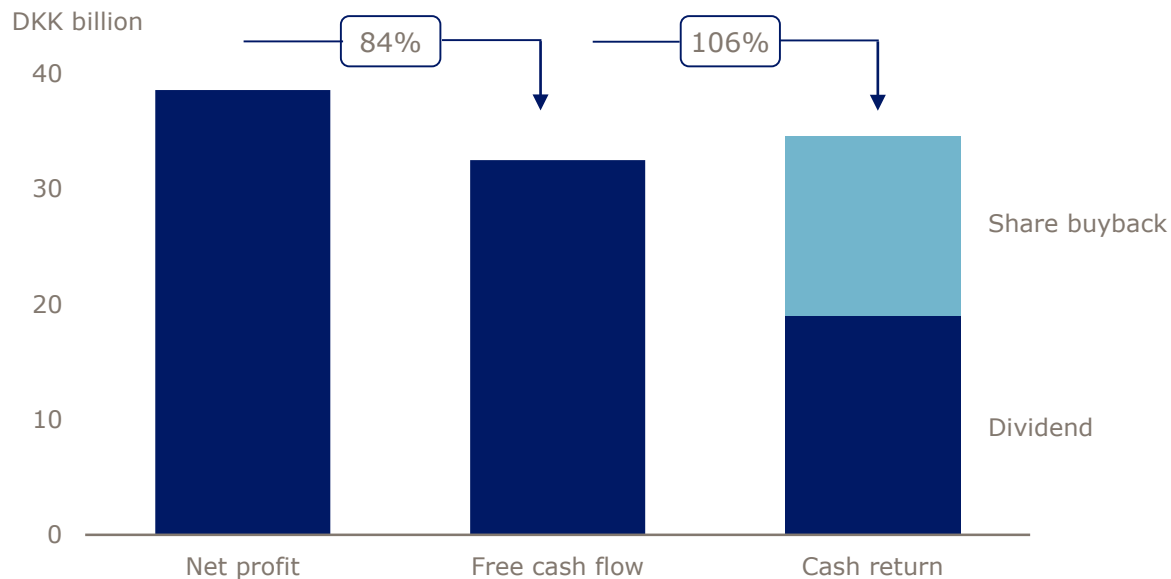
Over time, Sales & Distribution cost ratio to gradually decline



Administration cost ratio to decline

Net profit has consistently been converted to cash and returned to shareholders

Cash conversion and cash allocation, FY2018



Solid cash conversion and return of cash to shareholders

- Cash conversion historically above 90%
- Novo Nordisk has returned DKK 109 billion to shareholders over the last three years
- 23 years of increasing dividends
- Very solid balance sheet
- M&A up to USD 5 billion

Novo Nordisk is on-track to achieve current long-term financial targets

Cash conversion (3-year average)

Target: 85%

2019 status¹: 93%

OPAT/NOA

Target: 80%

2019 status¹: 120%

Average operating profit growth

Target: 5%

2019 status²: 4.7%

¹ Based on YTD 2019 performance provided in connection with 9M 2019 report

² Based on FY 2019 guidance provided in connection with 9M 2019 report and with 2015 as the base year

Financial outlook

- Deliver solid sales and operating profit growth
 - Deliver 6-10% sales growth in International Operations
 - Transform 70% of sales in the USA¹
- 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 2015-2022

Sources, notes and abbreviations – PS and Financials

- **Slide 2:** API: Active pharmaceutical ingredients
- **Slide 15:** OPAT: Operating profit after tax; NOA: Net operating assets