PRODUCT SUPPLY AND FINANCIALS

Novo Nordisk current growth outperforms competition in all modern insulin segments in China.
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 operations. Product Supply is today a strategic partner bridging R&D and Commercial operations. 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

<table>
<thead>
<tr>
<th>Product</th>
<th>Biopharm</th>
<th>Obesity</th>
<th>Diabetes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refixia</td>
<td>Mature</td>
<td>Saxenda</td>
<td>NovoRapid</td>
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<td>Esperoct</td>
<td>Growth</td>
<td>Somapacitan</td>
<td>NovoMix Tresiba</td>
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<td>NovoSeven</td>
<td>NovoTeint</td>
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<td>Norditropin</td>
<td>NovoThirteen</td>
<td>LAI287</td>
<td>Levemir</td>
</tr>
<tr>
<td>Concizumab</td>
<td>Novoeight</td>
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</table>

CAPEX investments have peaked in 2018/2019

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX</th>
<th>Expected CAPEX</th>
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<tbody>
<tr>
<td>2015</td>
<td>4.5</td>
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<tr>
<td>2016</td>
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<tr>
<td>2018</td>
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<tr>
<td>2019E</td>
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<td>2020E</td>
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<tr>
<td>Future</td>
<td></td>
<td>10.0</td>
</tr>
</tbody>
</table>

DKK billion
Product Supply is ready to deliver on increasingly complex demands

**Continuously lowered unit costs**

- Human insulin
- Modern insulin
- New-generation insulin
- GLP-1 insulin

**Next up is optimisation of Rybelsus®**

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

**Well-positioned today and in the future**

FMC: Full manufacturing costs
The corporate strategy is the guiding principle for Novo Nordisk’s approach to resource allocation.

Corporate strategy is focusing on four therapeutic areas:

- **Diabetes Care**
  - Strengthen leadership by offering innovative medicines and driving patient outcomes.
  - Secure a leading position by leveraging full portfolio and expanding into adjacent areas.

- **Obesity Care**
  - Strengthen treatment options through market development and by offering innovative medicines and driving patient outcomes.
  - Establish presence by building competitive profile and scientific leadership.

- **Biopharm**
  - Drive change to defeat diabetes and other serious chronic diseases.

- **Other Serious Chronic Diseases**
  - Core capabilities.

**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

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

- **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.

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

<table>
<thead>
<tr>
<th>Cash conversion (3-year average)</th>
<th>OPAT/NOA</th>
<th>Average operating profit growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target: 85%</td>
<td>Target: 80%</td>
<td>Target: 5%</td>
</tr>
<tr>
<td>2019 status(^1): 93%</td>
<td>2019 status(^1): 120%</td>
<td>2019 status(^2): 4.7%</td>
</tr>
</tbody>
</table>

\(^1\) 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 USA\(^1\)
• 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