SHARE
MAGAZINE

NO. 2 – 2017 | QUARTERLY INVESTOR UPDATE

ONE STEP CLOSER TOWARDS A CARDIOVASCULAR INDICATION FOR VICTOZA® IN THE US

NOVO NORDISK SEEKS TRESIBA® LABEL UPDATE IN THE US AND THE EU

NEW BEGINNINGS: WHY NOVO NORDISK IS HELPING REFUGEES MAKE A FRESH START

novo nordisk®

ON TRACK TO HIT OUR TARGETS

We are well on track to deliver on our targets for 2017 based on sales growth driven by our new, innovative products within diabetes and obesity care and a continued focus on cost control. Although the formulary negotiations in the US reflect the tough competitive environment, we remain confident that our long-term financial growth targets are achievable.

Looking back over the first six months of 2017, we have seen our overall sales increase by 4% in Danish kroner and by 3% in local currencies, with sales growth driven primarily by North America Operations, Region Europe and Region China.

Sales within diabetes and obesity care increased by 11% to 47.5 billion Danish kroner, driven by growth in Victoza®, Tresiba® and Saxenda®. Sales of biopharmaceutical products declined by 19% measured in Danish kroner driven by declining Norditropin® sales and a negative impact on Vagifem® due to generic competition in the US.

We have reached several important regulatory milestones in the first half of 2017. In June we received a positive 17–2 vote from the FDA Advisory Committee that LEADER provided substantial evidence that Victoza® reduces the risk of cardiovascular events in people with type 2 diabetes. Furthermore, we received EU approval for an update of both the Victoza® and Saxenda® labels reflecting the evidence of cardiovascular risk reduction.

As a result of the company's performance in the first half of the year, we have updated our financial outlook for 2017. Sales growth is now expected to be in the range of 1% to 3% and the operating profit growth in the range of 1% to 5%, both measured in local currencies.

Looking further ahead to 2018, formulary negotiations with Pharmacy Benefit Managers and managed care organisations in the US are progressing. Subject to the final outcome of these negotiations, we expect average prices after rebates to be lower compared to 2017 levels, predominately in the basal insulin segment. Market access for our key products is, however, expected to remain broadly unchanged.

Lars Fruergaard Jørgensen
President and CEO, Novo Nordisk

APPLICATION FOR INCLUDING DATA FROM THE DEVOTE TRIAL IN THE LABEL FOR TRESIBA® SUBMITTED IN THE US AND THE EU

On 26 May, a supplemental application for including data from the DEVOTE cardiovascular outcomes trial in the label for Tresiba® was submitted to the FDA. On 14 June, the application was submitted in the EU.

DEVOTE is a long-term, randomised, double-blinded and event-driven trial conducted to confirm the cardiovascular safety of Tresiba® compared to insulin glargine U100 when added to standard of care, in people with type 2 diabetes.

The data presented at the annual American Diabetes Association conference in June show that Tresiba® poses no increased cardiovascular risks to people with type 2 diabetes.

The trial thereby confirmed the results of the DEVOTE interim analysis submitted to the FDA in March 2015, on the basis of which Tresiba® and Ryzodeg® 70/30 were approved in the US in September 2015.

In addition to the safe cardiovascular profile, Tresiba® demonstrated superiority in relation to severe hypoglycaemia in the trial: 27% fewer patients in the group treated with Tresiba® experienced an episode of severe hypoglycaemia, resulting in a 40% overall rate reduction in total episodes of severe hypoglycaemia. Furthermore, patients in the group treated with Tresiba® experienced a 54% relative reduction in the rate of nocturnal severe hypoglycaemia. These differences were all statistically significant.

Dr Bernard Zinman of the Lunenfeld-Tanenbaum Research Institute, Mount Sinai Hospital, Toronto, Canada, is a member of the DEVOTE Steering Committee. He says about the study: "Risk of cardiovascular disease and hypoglycaemia are important concerns for those with type 2 diabetes, and the results from DEVOTE add to the mounting evidence that will play an important role in future treatment decisions."

DIABETES AND
OBESITY CARE
SALES INCREASED BY

11%

(Danish kroner)

BIOPHARMACEUTICALS
SALES DECLINED BY

19%

(Danish kroner)

OPERATING PROFIT
INCREASED BY

8%

(Danish kroner)

NET PROFIT
INCREASED BY

4%

(Danish kroner)

HIGHLIGHTS FROM THE FIRST SIX MONTHS OF 2017

Novo Nordisk increased reported operating profit by 8% in the first six months of 2017. Sales increased by 4% measured in Danish kroner.

- Sales increased by 4% in Danish kroner and by 3% in local currencies to DKK 57.1 billion.
  - Sales of Tresiba® increased by 155% to DKK 3.7 billion (149% in local currencies).
  - Sales of Victoza® increased by 21% to DKK 11.5 billion (18% in local currencies).
  - Sales of Saxenda® increased by 98% to DKK 1.2 billion (90% in local currencies).
  - Sales in North America Operations increased by 5% (2% in local currencies).
  - Sales in International Operations increased by 4% (5% in local currencies).

- Sales within diabetes and obesity care increased by 11% to DKK 47.5 billion (10% in local currencies). Sales within biopharmaceuticals declined by 19% to DKK 9.6 billion (20% in local currencies), primarily reflecting an impact from the introduction of a generic version of the hormone replacement therapy product Vagifem® and from rebate adjustments for human growth hormone in Q1 2016, both in the US, whereas sales within haemophilia were broadly unchanged.

- Operating profit increased by 8% reported in Danish kroner and by 6% in local currencies to DKK 26.9 billion.

- Net profit increased by 4% to DKK 20.1 billion. Diluted earnings per share increased by 6% to DKK 8.07.

- In June, Victoza® received a positive 17–2 vote from the FDA Advisory Committee acknowledging that clinical trial data provided substantial evidence of cardiovascular risk reduction. Furthermore, Novo Nordisk received EU approval for an update of both the Victoza® and Saxenda® labels reflecting the evidence of cardiovascular risk reduction.

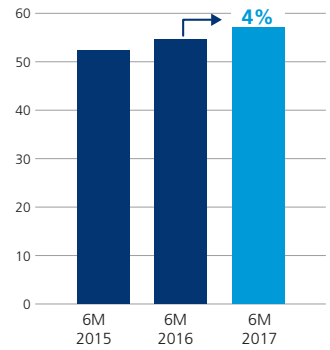
- The Board of Directors has approved an interim dividend for 2017 of DKK 3.00 per share of DKK 0.20 that will be paid in August 2017.

- The financial outlook for 2017 has been updated and sales growth measured in local currencies is now expected to be in the range of 1% to 3% compared with the previous range of 0% to 3%. Operating profit growth measured in local currencies is now expected to be in the range of 1% to 5% compared with the previous range of -1% to 3%.

Read more in the company announcement of 9 August at novonordisk.com/media.

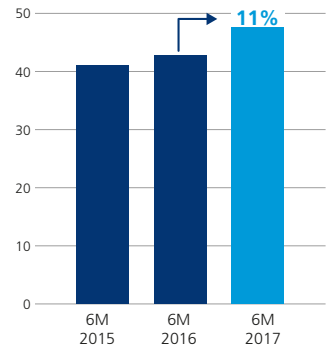
TOTAL SALES

DKK billion



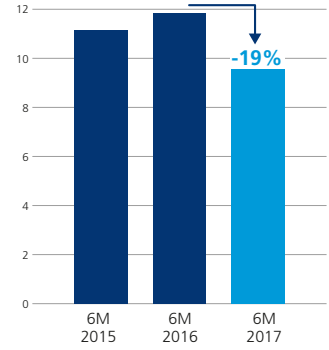
DIABETES AND OBESITY CARE SALES

DKK billion



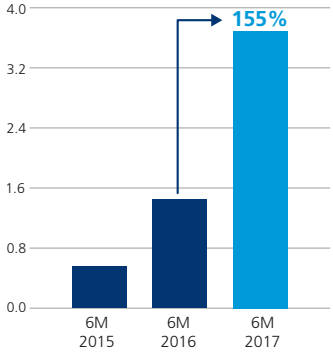
BIOPHARMACEUTICALS SALES

DKK billion



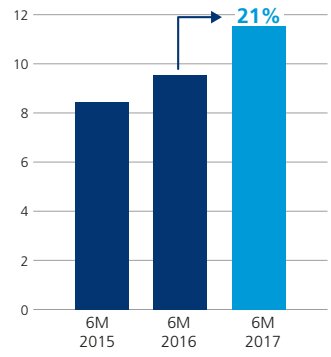
TRESIBA® SALES

DKK billion



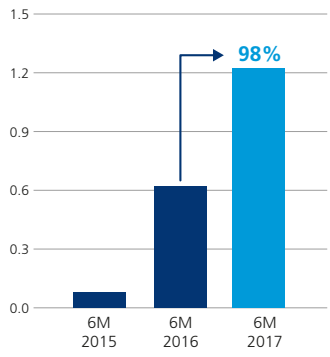
VICTOZA® SALES

DKK billion



SAXENDA® SALES

DKK billion



KEY FIGURES FOR THE FIRST SIX MONTHS OF 2017

Amounts in DKK million, except number of shares, earnings per share and full-time equivalent employees.

INCOME STATEMENT	H1 2017	H1 2016	% change H1 2016 to H1 2017
Net sales	**57,090**	**54,671**	**4%**
Gross profit	**48,430**	**46,392**	**4%**
Gross margin	84.8%	84.9%	
Sales and distribution costs	13,548	13,608	(0%)
Percent of sales	23.7%	24.9%	
Research and development costs	6,703	6,635	1%
Percent of sales	11.7%	12.1%	
Administrative costs	1,770	1,781	(1%)
Percent of sales	3.1%	3.3%	
Other operating income, net	467	438	7%
Operating profit	**26,876**	**24,806**	**8%**
Operating margin	47.1%	45.4%	
Net financials	(1,229)	(251)	390%
Profit before income taxes	**25,647**	**24,555**	**4%**
Income taxes	**5,540**	**5,132**	**8%**
Effective tax rate	21.6%	20.9%	
Net profit	**20,107**	**19,423**	**4%**
Net profit margin	35.2%	35.5%	
OTHER KEY NUMBERS			
Depreciation, amortisation and impairment losses	1,571	1,341	17%
Capital expenditure (tangible assets)	3,538	2,775	27%
Net cash generated from operating activities	22,215	21,972	1%
Free cash flow	18,792	19,102	(2%)
Total assets	97,825	88,269	11%
Equity	48,436	42,585	14%
Equity ratio	49.5%	48.2%	
Average number of shares outstanding, diluted (million)	2,492.0	2,545.4	(2%)
Diluted earnings per share/ADR (in DKK)	**8.07**	**7.63**	**6%**
Full-time equivalent employees end of period	41,385	42,265	(2%)

FORWARD-LOOKING STATEMENTS

This document contains a summary of information made by Novo Nordisk in connection with the issuing of our company announcement No 60/2017 dated 9 August 2017. The company announcement contains forward-looking statements with respect to the business, objectives and plans of Novo Nordisk and its current goals, and expectations relating to its future economic performance. 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 document, 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.

Please also refer to the overview of risk factors in 'Managing risks' on pages 42–43 of *Annual Report 2016*, available at novonordisk.com, and Novo Nordisk's Form 20-F filed with the US Securities and Exchange Commission for examples of forward-looking statements and a discussion of certain factors which could cause actual results to differ materially from those contemplated in any forward-looking statements.

The forward-looking statements contained in this document are made as of the date of the above-mentioned company announcement and, 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 the company announcement, whether as a result of new information, future events or otherwise.

28

MILLION PEOPLE USE OUR **DIABETES CARE** PRODUCTS

NOVO NORDISK'S SHARE OF THE **GLOBAL DIABETES MARKET** MEASURED IN VALUE:

27%

OUR PRODUCTS ARE MARKETED IN OVER

165

COUNTRIES

ONE STEP CLOSER TOWARDS A CARDIOVASCULAR INDICATION FOR VICTOZA® IN THE US

On 20 June, the FDA's Endocrinologic and Metabolic Drugs Advisory Committee voted 17–2 that data from the LEADER cardiovascular outcomes trial provided substantial evidence to establish that Victoza® reduces cardiovascular risk in people with type 2 diabetes.

The LEADER cardiovascular outcomes trial involved more than 9,300 people with type 2 diabetes at high risk of major cardiovascular events. The committee's recommendation will be considered by the FDA later this year when the regulatory body reviews the supplemental New Drug Application for Victoza®.

"Cardiovascular disease is the number one cause of death for people with type 2 diabetes," says Mads Krogsgaard Thomsen, chief science officer of Novo Nordisk. "With this positive vote, we're excited to be one step closer towards a cardiovascular indication for Victoza® to reduce the risk of cardiovascular events in people with type 2 diabetes. We look forward to working with the FDA to include the important results from the LEADER trial in the Victoza® label."

While the regulatory decision is still awaited in the US, the European Commission approved an update to the Victoza® EU label in late July, expanding the product indication to reflect the fact that improving blood sugar and reducing cardiovascular (CV) events are both integral parts of type 2 diabetes treatment.

WHAT IS LEADER?

The LEADER study is the largest and longest Novo Nordisk clinical trial to report to date. It was a randomised double-blind study of 9,340 adults with type 2 diabetes at high risk of heart disease. Half of the participants were given liraglutide and half received placebo, both in addition to the treatment they were already receiving to control their diabetes and associated health problems, such as high blood pressure and high cholesterol.

9,340
patients

410
trial sites

32
countries

Samuel Gbadebo lives with obesity

PHASE 2 OBESITY STUDY REINFORCES SIGNIFICANT WEIGHT LOSS POTENTIAL OF SEMAGLUTIDE

Positive results from a phase 2 clinical trial have reinforced the potential of the new GLP-1 semaglutide to both induce and maintain significant weight loss in people with obesity.

From a mean baseline weight of around 111 kg, an average weight loss of 17.8 kg was observed after 52 weeks of treatment with semaglutide in the highest dose tested. This corresponds to a weight loss of 16.2%.

When adjusting for people discontinuing treatment in the study, semaglutide demonstrated an average weight loss of 13.8% compared to the weight loss of 2.3% achieved by diet, exercise and placebo alone.

In the study, 957 people with obesity were randomised to treatment with doses of semaglutide of 0.05 to 0.4 mg/day or placebo. Saxenda® was included for comparison. Approximately 100 people were included in each active treatment arm, in combination with diet and exercise. All participants were treated for 52 weeks, followed by a seven-week follow-up period.

Semaglutide in obesity had a well-tolerated safety profile, with the most common adverse events being gastrointestinal side effects.

"We're very excited about these strong results and the potential of semaglutide as a new treatment for people with obesity," says Mads Krogsgaard Thomsen, chief science officer of Novo Nordisk. "We will now prepare the phase 3 programme with semaglutide to confirm these results. We expect this programme to begin in 2018."

XULTOPHY® DEMONSTRATES SUPERIOR WEIGHT LOSS AND REDUCED HYPOGLYCAEMIA RISK COMPARED TO BASAL–BOLUS THERAPY

A single daily injection of **Xultophy®** can give people with type 2 diabetes better health outcomes than multiple daily injections of long-acting (basal) and mealtime (bolus) insulins, according to the results of the DUAL VII study.

The trial showed that participants treated with **Xultophy®** experienced a 89% reduction in the rate of severe or symptomatic hypoglycaemic episodes compared to those treated with insulin glargine U100 in combination with mealtime insulin aspart.

Furthermore, trial participants in the **Xultophy®** study group experienced a mean weight loss of 0.9 kg compared to a gain of 2.6 kg for study participants on the basal–bolus regimen.

Basal–bolus insulin therapy is typically the preferred treatment for people who struggle to achieve glucose targets with basal insulin alone, but the need for frequent injections and continuous self-monitoring of blood glucose can be an inconvenience.

The DUAL VII data show that **Xultophy®** can offer these people a practical, convenient alternative – while also improving health outcomes.

Xultophy® 100/3.6 launched in the US

Following approval by the FDA on 21 November last year, **Xultophy®** 100/3.6 has now been launched in the US.

Novo Nordisk is working diligently to secure access for the product on health plans nationwide.

Dr Steve Edelman, Founder and Director of Taking Control of Your Diabetes in the US, highlights the importance of continuing research and development to find safe and effective medications for people living with diabetes: "Now that **Xultophy®** is available in the US, patients with type 2 diabetes who are uncontrolled on basal insulin have a new combination that can help achieve their individualised treatment goals."

NEW BEGINNINGS: WHY NOVO NORDISK IS HELPING REFUGEES MAKE A FRESH START

As a Novo Nordisk employee in Denmark, just five minutes spent over a coffee in the company of a Syrian refugee can be incredibly humbling. The struggle to integrate into a society with norms and practices far removed from the daily reality they so recently left behind is evident.

Each powerful story is but a single pixel in the vast, panoramic image of the international refugee crisis. More than two million people have arrived on the European continent since 2014 alone, dispersing far and wide in search of security.

For Novo Nordisk, the straightforward decision was to be part of the solution. The harder part was how a pharmaceutical firm could best support this diverse population of refugees as they sought to integrate within Danish society and the workforce.

Partnering with The New Dane Association, an NGO aiming to improve the integration of immigrants into Danish society, a decision was made to support university degree holders arriving in Denmark. The technical nature of the life science industry made the choice to support this segment of the refugee population a logical one.

Mentors and managers within Novo Nordisk were identified and paired with refugees from countries such as Syria, Afghanistan and Eritrea. Since late 2016, more than a hundred refugees have participated either in internships lasting 3–6 months or in intensive mentoring programmes.

Almost 90% of those participating in the programmes say the experience has brought them closer to landing their first job in Denmark. And while participants always knew that employment at Novo Nordisk was never an objective of the initiatives, a handful now find themselves in full-time positions within the company.

Read more at novonordisk.com/about-novo-nordisk/novo-nordisk-in-brief/stories.html

Novo Nordisk employees and refugees participating in internships or mentoring programmes

FINANCIAL CALENDAR

1 NOVEMBER 2017
First nine months of 2017

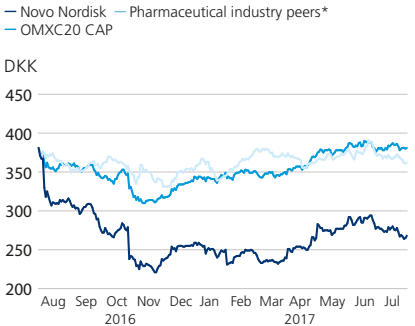
1 FEBRUARY 2018
Full year 2017

22 MARCH 2018
Annual General Meeting 2018

SHAREHOLDER INFORMATION

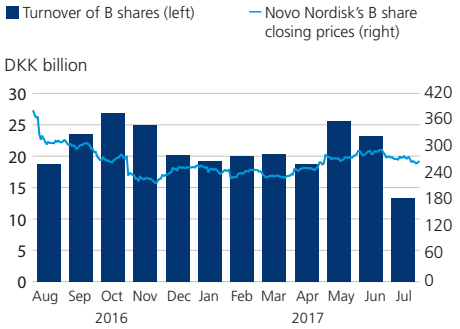
SHARE PRICE PERFORMANCE

Novo Nordisk share price and indexed peers



* Pharma peers comprise AstraZeneca, Bistrol-Myers Squibb, Eli Lilly, GlaxoSmithKline, Lundbeck, Merck, Novartis, Pfizer, Roche and Sanofi.

PRICE DEVELOPMENT AND MONTHLY TURNOVER OF NOVO NORDISK B SHARES



FOR MORE NEWS FROM NOVO NORDISK, VISIT

novonordisk.com/investors
novonordisk.com/media
novonordisk.com/sustainability

Novo Nordisk A/S
Communication, Relations and Sustainability
Novo Allé, 2880 Bagsværd
Tel +45 4444 8888

Editorial staff
Elin Mohr
Tel +45 3075 1093, etmo@novonordisk.com

Editor-in-chief
Mike Rulis

Investor contact
Christina Jensen
Tel +45 3079 3009, cnje@novonordisk.com

Product names
Not all products mentioned in *Share* have been introduced worldwide. Trade names may vary from country to country.

Printing and distribution
BordingPro A/S

CERTIFIED cradle to cradle SILVER
PurePrint® by KLS
Produced 100 % biodegradable by KLS PurePrint A/S, binding excluded