

# SHARE

MAGAZINE

NO 2 – 2018 | QUARTERLY INVESTOR UPDATE

OZEMPIC® HEADING FOR THE EUROPEAN MARKET

NOVO NORDISK FOCUSES ON TREATING OBESITY

RED CROSS AND NOVO NORDISK ENTER INTO  
GROUND-BREAKING PARTNERSHIP



ICRC



DANISH  
RED  
CROSS





## SIX MONTHS OF SOLID PERFORMANCE AND EXCITING NEWS

Based on the strong performance of our products Victoza®, Tresiba®, Xultophy® and Saxenda®, we delivered solid underlying growth in the first six months of 2018.

Sales increased by 4% in local currencies and decreased by 5% in Danish kroner to 54.3 billion kroner in the first six months. Our operating profit increased by 4% in local currencies and decreased by 8% in Danish kroner, reflecting the significant depreciation of the US dollar and related currencies versus the Danish krone.

This solid performance was primarily driven by sales growth of 4% in our diabetes care and obesity portfolio measured in local currencies. Sales within biopharmaceuticals decreased by 1% in local currencies.

In the first half of 2018, we reached a number of important milestones. In February, we launched Ozempic®, our new once-weekly GLP-1 analogue, in the US. Initial feedback from prescribers and payers is positive, and the formulary coverage for Ozempic® is progressing well. The weekly new-to-brand prescription market share for Ozempic® has now reached 14%.

During the second quarter of 2018, we announced phase 3a results from four of the 10 clinical trials in the PIONEER programme with oral semaglutide, our new once-daily GLP-1 tablet for people with type 2 diabetes. The trials confirmed statistically significant reductions in both HbA<sub>1c</sub> and weight for oral semaglutide compared with empagliflozin, sitagliptin and Victoza®. We are very encouraged by the clinical results for oral semaglutide and are looking forward to making the first oral GLP-1 treatment available to people with type 2 diabetes.


Looking ahead, sales growth for the full year is still expected to be 3–5%, and operating profit growth is still expected to be 2–5%, both measured in local currencies. Sales growth and operating profit growth reported in Danish kroner are now expected to be 5 and 7 percentage points lower respectively than in local currencies.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lars Fruergaard Jørgensen'.

Lars Fruergaard Jørgensen  
President and CEO, Novo Nordisk

# OZEMPIC® HEADING FOR THE EUROPEAN MARKET



In February, Novo Nordisk announced that the European Commission had granted marketing authorisation for **Ozempic®** (Novo Nordisk's new once-weekly GLP-1 analogue) for the treatment of adults with type 2 diabetes. So in June, when Novo Nordisk also obtained approval for the three variants of the FlexTouch® pen for marketing the product, the European subsidiaries could really begin getting ready to launch.

"We've been preparing for the launch of **Ozempic®** for some time now, so we're ready!" says Matt Regan, senior vice president, Region Europe, Novo Nordisk. "Our teams have been trained in the significant benefits that **Ozempic®** can deliver for people with type 2 diabetes, and we're all thrilled and proud to be able to launch this product and, in so doing, help make a difference for people living with diabetes."

Denmark will become the first European country to launch **Ozempic®**, and more European countries are expected to follow suit during the remainder of 2018.

**Ozempic®** was previously approved by the US FDA and

Health Canada, and in March the Japanese health authorities also gave the green light.

In February, **Ozempic®** was launched in the US. Since then, the product's share of new patients starting on a GLP-1 analogue has increased to around 14%. **Ozempic®** has thus secured Novo Nordisk's leading market share in the GLP-1 segment, where, in addition to **Ozempic®**, Novo Nordisk also has Victoza® on the market.

In Canada, **Ozempic®** has also made good progress since its launch in March. There, in the first month alone, the product's market share grew to 13%, and more than 400 Canadian GPs are already routinely prescribing **Ozempic®**.

Executive Vice President, Commercial Strategy & Corporate Affairs Camilla Sylvest looks forward to **Ozempic®** being made available to even more people with type 2 diabetes:

"Many people with type 2 diabetes have, aside from high blood glucose, a high risk of cardiovascular disease as well as problems with obesity. With **Ozempic®**, we can now offer them a treatment that can improve all three of these conditions.<sup>1</sup> The product effectively reduces blood glucose levels and more than doubles weight loss compared with other similar GLP-1 products. **Ozempic®** is also the only product on the market that can help reduce the risk of cardiovascular diseases,<sup>1</sup> even though it is only administered once weekly. Therefore, we look forward to **Ozempic®** helping a lot of people with type 2 diabetes."

1. Based on the Ozempic® label in the EU. In the US, reduction of risk of cardiovascular diseases is not included in the label.

**DIABETES CARE AND  
OBESITY**  
SALES INCREASED BY

**5%**

(local currencies)

**OPERATING PROFIT**  
INCREASED BY

**4%**

(local currencies)

**DILUTED EARNINGS  
PER SHARE**  
INCREASED BY

**7%**

(Danish kroner)

**BIOPHARMACEUTICALS**  
SALES DECREASED BY

**1%**

(local currencies)

## HIGHLIGHTS FROM THE FIRST SIX MONTHS OF 2018

Novo Nordisk's operating profit decreased by 8% in Danish kroner and increased by 4% in local currencies in the first six months of 2018.

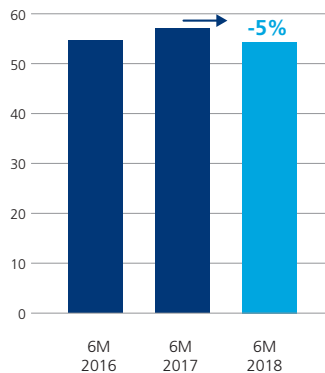
- Sales decreased by 5% in Danish kroner and increased by 4% in local currencies to DKK 54.3 billion.
  - Sales of Victoza® increased by 2% to DKK 11.7 billion (12% in local currencies).
  - Sales of Saxenda® increased by 35% to DKK 1.7 billion (50% in local currencies).
  - Sales of Tresiba® remained broadly unchanged at DKK 3.7 billion (increased by 11% in local currencies).
  - Sales of Xultophy® increased by 154% to DKK 720 million (165% in local currencies).
  - Sales in North America Operations decreased by 10% (unchanged in local currencies).
  - Sales in International Operations increased by 1% (8% in local currencies).
- Sales within diabetes care and obesity decreased by 4% to DKK 45.6 billion (increased by 5% in local currencies).
- Sales within biopharmaceuticals decreased by 9% to DKK 8.7 billion (decreased by 1% in local currencies).
- Operating profit decreased by 8% in Danish kroner and increased by 4% in local currencies to DKK 24.7 billion, reflecting the significant depreciation of the US dollar and related currencies versus the Danish krone.
- Net profit increased by 5% to DKK 21.1 billion. Diluted earnings per share increased by 7% to DKK 8.66.
- In February 2018, Novo Nordisk launched Ozempic®, a new once-weekly GLP-1, in the US. The initial feedback from prescribers and payers is positive, and the formulary coverage for Ozempic® is progressing well. The weekly new-to-brand prescription market share for Ozempic® has reached 14%.
- During the second quarter of 2018, Novo Nordisk announced phase 3a results from four of the 10 clinical trials in the PIONEER programme with oral semaglutide, a new once-daily GLP-1 tablet for people with type 2 diabetes. The trials confirmed statistically significant reductions in both HbA<sub>1c</sub> and weight for oral semaglutide compared with empagliflozin, sitagliptin and Victoza®.
- The Board of Directors has approved an interim dividend for 2018 of DKK 3.00 per share of DKK 0.20, to be paid in August 2018.
- For 2018, sales growth is still expected to be 3–5%, and operating profit growth is still expected to be 2–5%, both measured in local currencies. Sales growth and operating profit growth reported in Danish kroner are now expected to be 5 and 7 percentage points lower respectively than in local currencies.

Read more in the company announcement of 8 August 2018 at [novonordisk.com/media](http://novonordisk.com/media).



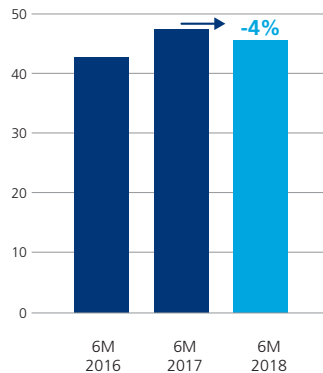
### TOTAL SALES

DKK billion



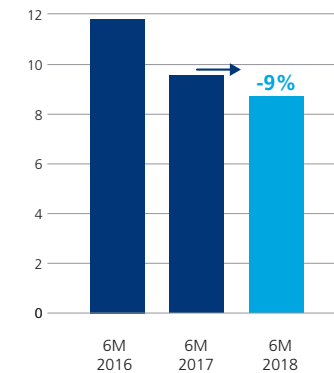
### DIABETES CARE AND OBESITY SALES

DKK billion



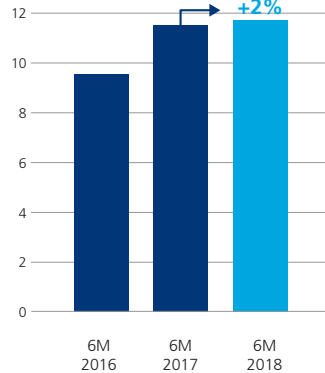
### BIOPHARMACEUTICALS SALES

DKK billion



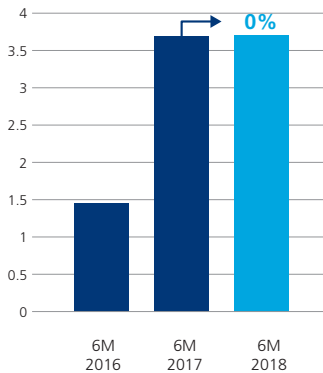
### VICTOZA® SALES

DKK billion



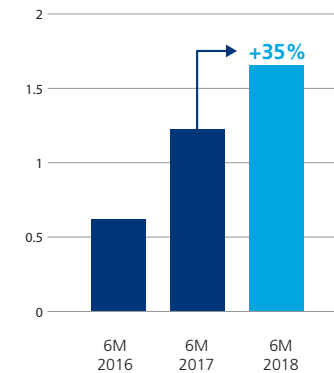
### TRESIBA® SALES

DKK billion



### SAXENDA® SALES

DKK billion



# KEY FIGURES FOR THE FIRST SIX MONTHS OF 2018

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

	H1 2018	H1 2017	% change H1 2017 to H1 2018
<b>INCOME STATEMENT</b>			
<b>Net sales</b>	<b>54,337</b>	<b>57,090</b>	<b>(5%)</b>
<b>Gross profit</b>	<b>45,788</b>	<b>48,430</b>	<b>(5%)</b>
<i>Gross margin</i>	84.3%	84.8%	
Sales and distribution costs	13,541	13,548	0%
<i>Percent of sales</i>	24.9%	23.7%	
Research and development costs	6,617	6,703	1%
<i>Percent of sales</i>	12.2%	11.7%	
Administrative costs	1,715	1,770	(3%)
<i>Percent of sales</i>	3.2%	3.1%	
Other operating income, net	737	467	58%
<b>Operating profit</b>	<b>24,652</b>	<b>26,876</b>	<b>(8%)</b>
<i>Operating margin</i>	45.4%	47.1%	
Net financials	1,455	(1,229)	N/A
<b>Profit before income taxes</b>	<b>26,107</b>	<b>25,647</b>	<b>2%</b>
Income taxes	<b>5,013</b>	<b>5,540</b>	<b>(10%)</b>
Effective tax rate	19.2%	21.6%	
<b>Net profit</b>	<b>21,094</b>	<b>20,107</b>	<b>5%</b>
<i>Net profit margin</i>	38.8%	35.2%	
<b>OTHER KEY FIGURES</b>			
Depreciation, amortisation and impairment losses	1,500	1,571	(5%)
Capital expenditure (net)	3,897	3,538	10%
Net cash generated from operating activities	25,585	22,215	15%
Free cash flow	20,468	18,792	9%
Total assets	103,248	97,825	6%
Equity	49,081	48,436	1%
<i>Equity ratio</i>	47.5%	49.5%	
Average number of diluted shares outstanding (million)	2,436.6	2,492.0	(2%)
<b>Diluted earnings per share/ADR (in DKK)</b>	<b>8.66</b>	<b>8.07</b>	<b>7%</b>
Full-time equivalent employees, end of period	43,105	41,385	4%

# FORWARD-LOOKING STATEMENTS

This document contains a summary of information made by Novo Nordisk in connection with the issuing of our company announcement of 8 August 2018. 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 'The risks of doing business' on pages 42–43 of the *Annual Report 2017*, available at [novonordisk.com](http://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.

# 27.7

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 MORE THAN

# 170

**COUNTRIES**



*Novo Nordisk focuses on obesity and initiates exciting studies.*

## NOVO NORDISK FOCUSES ON TREATING OBESITY

The global increase in the prevalence of obesity is a public health issue that has major implications for public health costs. In 2016, 13% of the world's adult population, or approximately 650 million people, were living with obesity.

With Saxenda® already on the market, Novo Nordisk is continuing its trials of semaglutide for treating overweight. Semaglutide is an analogue of the human glucagon-like peptide-1 (GLP-1) hormone. It induces weight loss by inhibiting hunger signals, which increases the feeling of fullness and results in people eating less.

In May, Novo Nordisk launched the clinical phase 3 development programme STEP. The global clinical programme is investigating the potential for injectable semaglutide 2.4 mg to treat overweight and obesity, and all the main trials within the programme will run for 68 weeks. In total, 4,500 people living with overweight or obesity will participate in the programme, which is expected to be completed in 2020.

"In line with our long-term strategy, in May we began the clinical phase 3 programme STEP to investigate the potential of once-weekly semaglu-

tide as a treatment for obesity," says Mads Krosgaard Thomsen, executive vice president and chief science officer, Novo Nordisk. "Alongside this, in 2018 we will begin the cardiovascular outcomes trial SELECT, which will investigate the impact of semaglutide on the incidence of major adverse cardiovascular events compared with placebo in people with established cardiovascular disease and either overweight or obesity."

The ground-breaking outcomes trial SELECT will involve around 17,500 people and investigate the potential of semaglutide to prevent cardiovascular events when administered as a supplement to standard treatment. The outcomes trial will run for around five years.

In June 2017, the clinical results from the phase 2 trials of semaglutide showed promising results, with the participants who had been treated with semaglutide having achieved a weight loss of up to 13.8% after 52 weeks compared with baseline. By comparison, the results from the clinical development programme behind Saxenda® (SCALE) showed that people treated with Saxenda® lost an average of 8% over 56 weeks.





## ORAL SEMAGLUTIDE SHOWS PROMISING RESULTS

The results from the first five trials in the PIONEER programme, the clinical phase 3a programme for oral semaglutide, have now been published. Oral semaglutide is a new GLP-1 analogue under development that is taken once daily as a tablet.

PIONEER is a global development programme with a combined enrolment of 8,845 people with type 2 diabetes across 10 clinical trials.

The first five trials (PIONEER 1, 2, 3, 4 and 7) have, in various ways, compared the effect of oral semaglutide on long-term blood glucose and body weight with a placebo and existing diabetes medicines that are already

available for people with type 2 diabetes. The results from the five trials have all shown a consistent reduction in long-term blood glucose and body weight in people with type 2 diabetes.

In PIONEER 1, oral semaglutide showed statistically significant reductions in long-term blood glucose and body weight compared with placebo<sup>1</sup>.

In PIONEER 2, oral semaglutide showed statistically significant reductions in long-term blood glucose compared with the leading SGLT2 inhibitor,<sup>2</sup> empagliflozin.

In PIONEER 3 and PIONEER 7, oral semaglutide showed statistically significant reductions in long-

term blood glucose and body weight<sup>1</sup> compared with the best-selling oral antidiabetic medicine on the market, a DPP-4 inhibitor, sitagliptin.

And in PIONEER 4, oral semaglutide also showed statistically significant reductions in both long-term blood glucose and body weight compared with Novo Nordisk's leading once-daily injectable GLP-1 analogue, Victoza®.<sup>1</sup>

Furthermore, oral semaglutide has shown a well-tolerated profile that is consistent with existing GLP-1 analogues on the market.

"We're really excited about these results, which all clearly show that

people with type 2 diabetes who are treated with oral semaglutide achieve greater reductions in long-term blood glucose and body weight compared with the leading DPP-4 inhibitor, the leading SGLT2 inhibitor and the globally leading GLP-1 analogue, Victoza®. This is great news for people living with type 2 diabetes," says Mads Krogsgaard Thomsen, executive vice president and chief science officer, Novo Nordisk.

Novo Nordisk expects to complete the remaining five studies in the PIONEER programme during the second half of 2018.

<sup>1</sup> Based on the secondary statistical approach.



Lars Fruergaard Jørgensen, Susanne Hundsbaek-Pedersen (SVP, Devices & Supply Chain Management), Peter Maurer (president of ICRC), Anders Ladekarl (secretary general of the Danish Red Cross).

## RED CROSS AND NOVO NORDISK ENTER INTO GROUND-BREAKING PARTNERSHIP TO TACKLE CHRONIC DISEASES IN HUMANITARIAN CRISES

Today, more than 68.5 million people are fleeing from conflicts. In humanitarian crises, healthcare professionals and organisations have traditionally focused on physical injuries and infectious diseases. However, the health needs of people in such crises are much greater, and for those living with a chronic disease, such as diabetes or hypertension, the risk of experiencing deterioration in health is two to three times greater in humanitarian crises.

In April, the International Committee of the Red Cross (ICRC), the Danish Red Cross (DRC) and Novo Nordisk entered into a new partnership to tackle the growing problem of chronic diseases, which affect millions of people living in humanitarian crises around the world.

"Our three organisations have come together to address these unmet health needs through a

ground-breaking partnership that combines our respective areas of expertise," says Lars Fruergaard Jørgensen, CEO of Novo Nordisk.

The partnership has three building blocks:

- Ensuring an efficient supply of low-cost human insulin for Red Cross operations around the world
- Novo Nordisk support for ICRC and DRC health programmes, including efforts to improve NCD prevention and care
- Implementation of two to three projects within three years to provide care for people with hypertension and diabetes in humanitarian crises.

"Non-communicable diseases are a silent and therefore often overlooked killer during times of war and conflict," says Peter Maurer, president of the ICRC. "All people need access to a well-







*The new partnership aims to tackle the growing problem of chronic diseases, which affect millions of people living in humanitarian crises around the world.*

functioning health system and medicines to ensure good health. If you look at countries such as Yemen, Syria and Iraq, thousands of people will be left with life-threatening diseases if they don't get access to essential medicines such as insulin for treating diabetes."

The long-term ambition of the new partnership is to find new ways to meet the specific health needs of millions of vulnerable people with NCDs.

To ensure solid data collection and evidence generation, the partnership will collaborate with the Health in Humanitarian Crises Centre at the London School of Hygiene and Tropical Medicine (LSHTM), with Director Karl Blanchet as the lead academic partner.



# FINANCIAL CALENDAR

**1 NOVEMBER  
2018**

First nine months of  
2018

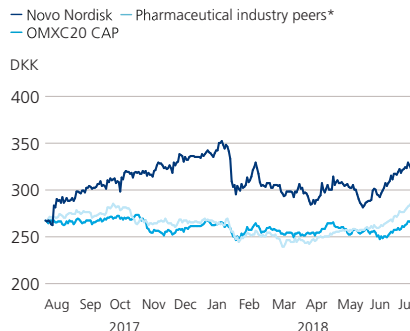
**1 FEBRUARY 2019**

Full year 2018

## SHAREHOLDER INFORMATION

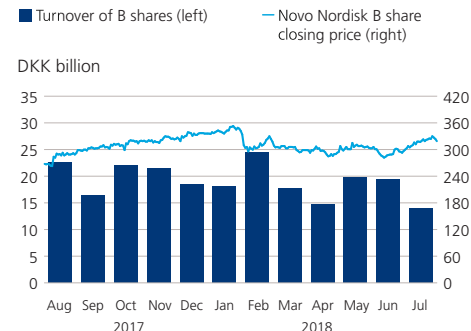
### SHARE PRICE PERFORMANCE

Novo Nordisk share price and indexed peers



\* Pharma peers comprise AstraZeneca, Bristol-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](http://novonordisk.com/investors)  
[novonordisk.com/media](http://novonordisk.com/media)  
[novonordisk.com/sustainability](http://novonordisk.com/sustainability)



#### Novo Nordisk A/S

Corporate Affairs  
Novo Allé, 2880 Bagsværd  
Tel +45 4444 8888

#### Editorial staff

Anne-Katrine Boström  
Tel +45 3079 8884, [akjs@novonordisk.com](mailto:akjs@novonordisk.com)

#### Editor-in-chief

Mike Rulis

#### Investor contact

Valdemar Borum Sværre  
Tel +45 3079 0301, [jvls@novonordisk.com](mailto:jvls@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



SILVER

PurePrint® by KLS

Produced 100% biodegradable  
by KLS PurePrint A/S, binding excluded