SHARE
MAGAZINE

NO 1 – 2018 | QUARTERLY INVESTOR UPDATE

ONCE-WEEKLY
OZEMPIC®
semaglutide injection

OZEMPIC® APPROVED IN THE EU AND JAPAN; LAUNCHED IN THE US AND CANADA

FIRST PHASE 3A TRIAL WITH ORAL SEMAGLUTIDE SUCCESSFULLY COMPLETED

UPDATED TRESIBA® LABEL APPROVED IN THE USA

novo nordisk®

A QUARTER OF SOLID GROWTH AND IMPORTANT MILESTONES

Based on the performance of our key products Victoza®, Tresiba® and Saxenda®, we have delivered solid underlying growth in both sales and operating profit in the first three months of 2018.

Sales decreased by 5% in Danish kroner to 26.9 billion Danish kroner and increased by 5% in local currencies in the first quarter of the year. The sales growth was primarily driven by a 6% sales growth in our diabetes and obesity portfolio measured in local currencies. Sales within biopharmaceuticals grew by 1% in local currencies.

We have reached important milestones, with our once-weekly GLP-1 Ozempic®, launching in the US and receiving approvals in both the EU and Japan.

Furthermore, we successfully completed our first phase 3a trial – PIONEER 1 – with oral semaglutide for the treatment of adults with type 2 diabetes. The trial achieved its primary objective by demonstrating statistically significant and superior improvements in long-term blood glucose (HbA_{1c}) for all three doses of oral semaglutide compared with placebo.

In March, we announced that the US Food and Drug Administration (FDA) had approved an update of the US prescribing information based on the DEVOTE trial to include data on cardiovascular safety and a statistically significant 40% reduction in severe hypoglycaemic events compared ith insulin glargine U100 in the Tresiba® label.

Looking ahead, we have updated our 2018 financial outlook, with full-year sales growth now expected to be 3–5% measured in local currencies and around 6% lower in Danish kroner. Operating profit growth is now expected to be 2–5% and around 9% lower in Danish kroner, reflecting the significant depreciation of the US dollar and other currencies versus the Danish krone.

Yours sincerely,

Lars Fruergaard Jørgensen
President and CEO, Novo Nordisk

MEET HELGE LUND, NOVO NORDISK'S NEW CHAIRMAN OF THE BOARD

As of March 2018, Norwegian Helge Lund will be at the head of the table when Novo Nordisk holds its board meetings. The new chairman of the Board has previously worked in the oil industry as CEO of the Norwegian companies Aker Kværner and Statoil and, most recently, of the British company BG Group.

"I believe the experiences of leading large, complex and global companies can be useful at Novo Nordisk," says Helge Lund.

"There are a lot of similarities between energy companies and pharmaceutical companies. They are complex organisations where health, environment and safety are extremely important. Communicating with society at large is important, and these industries are heavily regulated. So I hope that some of my experience from the energy sector can also be useful at Novo Nordisk."

The 55-year-old Norwegian was previously a member of the Board of Novo Nordisk, so he already has the company's DNA in his veins.

"The Board of Directors proposes the election of Helge Lund primarily because of his extensive executive and board experience in large multinational companies headquartered in Scandinavia within regulated markets and significant financial knowledge," said the Novo Nordisk Board at the Annual General Meeting in March.

Helge Lund's appointment as chairman of the Board means saying farewell to Göran Ando, who decided not to stand for re-election after five years in the position.

"As a member of the Board since 2005 and its chairman since 2013, it has been my privilege to be part of Novo Nordisk's exciting journey," said Göran Ando at the Annual General Meeting. He has nothing but good things to say about his successor.

"Helge has a successful record of managing complex global companies in highly regulated industries, and I wish him all the best in his new role."

Helge Lund
Chairman of the Board

HELGE LUND/CV

MANAGEMENT DUTIES

- Operating advisor to Clayton Dubilier & Rice, US
- Chairman of the board of BP as of 1 January 2019 and member of the boards of Belron SA, Luxembourg, and International Crisis Group

PREVIOUS POSITIONS

- CEO of BG Group plc, UK, from 2015 to 2016
- CEO of Statoil ASA, Norway, from 2004 to 2014
- CEO of Aker Kværner ASA, Norway, from 2002 to 2004

QUALIFICATIONS

- MBA (1991) from INSEAD, France
- MA in Economics (1987) from the Norwegian School of Economics & Business Administration (NHH), Norway

DIABETES CARE AND **OBESITY**
SALES INCREASED BY
6%
(local currencies)

BIOPHARMACEUTICALS
SALES INCREASED BY
1%
(local currencies)

OPERATING PROFIT
INCREASED BY
6%
(local currencies)

DILUTED **EARNINGS PER SHARE**
INCREASED BY
8%
(Danish kroner)

HIGHLIGHTS FROM THE FIRST QUARTER OF 2018

Novo Nordisk's reported operating profit decreased by 8% but increased by 6% in local currencies in the first three months of 2018.

- Sales decreased by 5% in Danish kroner and increased by 5% in local currencies to DKK 26.9 billion.
  - Sales of Tresiba® increased by 18% to DKK 1.8 billion (33% in local currencies).
  - Sales of Victoza® increased by 4% to DKK 6.0 billion (18% in local currencies).
  - Sales of Saxenda® increased by 43% to DKK 0.8 billion (64% in local currencies).
  - Sales in North America Operations decreased by 11% (increased by 3% in local currencies).
  - Sales in International Operations were unchanged (increased by 8% in local currencies).

- Sales within diabetes care and obesity decreased by 5% to DKK 22.6 billion (increased by 6% in local currencies). Sales within biopharmaceuticals decreased by 8% to DKK 4.3 billion (increased by 1% in local currencies).

- Operating profit decreased by 8% reported in Danish kroner but increased by 6% in local currencies to DKK 12.4 billion. Net profit increased by 6% to DKK 10.8 billion. Diluted earnings per share increased by 8% to DKK 4.40.

- In February, Novo Nordisk announced that the European Commission had granted marketing authorisation for Ozempic® (semaglutide) for the treatment of adults with type 2 diabetes. Also in February, Novo Nordisk launched Ozempic® in the US following its approval in December 2017. In March, Novo Nordisk announced that the Japanese Ministry of Health, Labour and Welfare had approved Ozempic®.

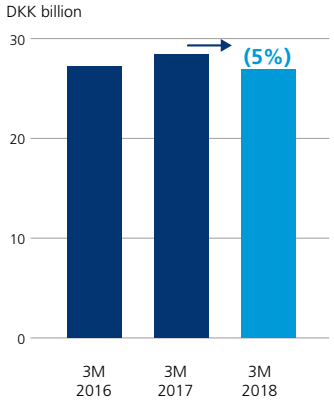
- In February, Novo Nordisk successfully completed the first phase 3a trial with oral semaglutide, PIONEER 1, for the treatment of adults with type 2 diabetes. The trial achieved its primary objective by demonstrating statistically significant and superior improvements in HbA_{1c} for all three doses of oral semaglutide compared with placebo.

- In March, Novo Nordisk announced that the US Food and Drug Administration (FDA) had approved an update to the US prescribing information based on the DEVOTE trial to include data on cardiovascular outcomes and severe hypoglycaemia in the Tresiba® (insulin degludec) label.

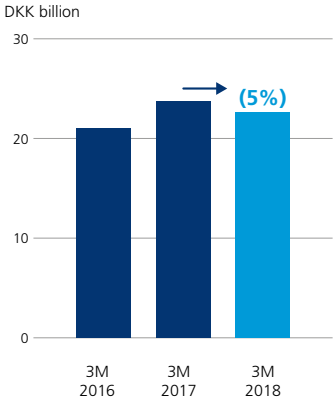
- For 2018, sales growth is now expected to be 3–5% measured in local currencies compared with a previous range of 2–5%, and operating profit growth is now expected to be 2–5% compared with a previous range of 1–5%. Sales growth reported in Danish kroner is still expected to be 6 percentage points lower than in local currencies, reflecting the significant depreciation of the US dollar and related currencies versus the Danish krone. Reported operating profit growth is likewise still expected to be 9 percentage points lower.

Read more in the company announcement of 2 May 2018 at novonordisk.com/media.

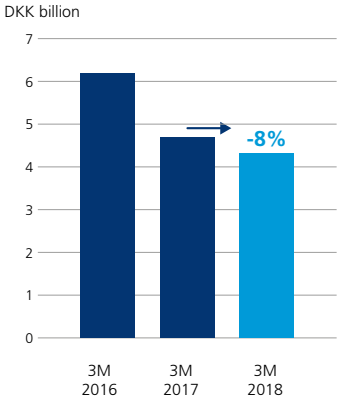
TOTAL SALES



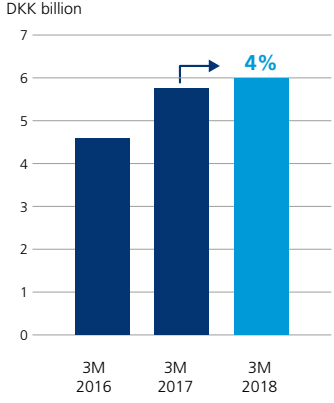
DIABETES CARE AND OBESITY SALES



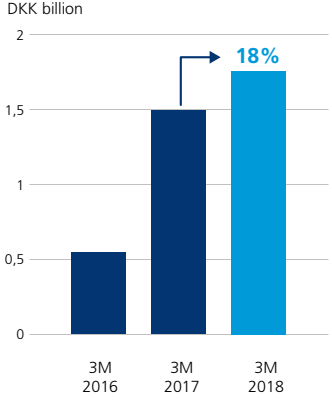
BIOPHARMACEUTICALS SALES



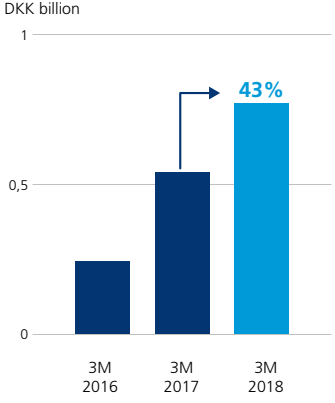
VICTOZA® SALES



TRESIBA® SALES



SAXENDA® SALES



KEY FIGURES FOR THE FIRST QUARTER OF 2018

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

INCOME STATEMENT	3M 2018	3M 2017	% change 3M 2017 to 3M 2018
Net sales	**26,930**	**28,452**	**(5%)**
Gross profit	**22,733**	**24,201**	**(6%)**
Gross margin	84.4%	85.1%	
Sales and distribution costs	6,451	6,787	(5%)
Percent of sales	24.0%	23.9%	
Research and development costs	3,321	3,289	1%
Percent of sales	12.3%	11.6%	
Administrative costs	864	913	(5%)
Percent of sales	3.2%	3.2%	
Other operating income, net	351	278	26%
Operating profit	**12,448**	**13,490**	**(8%)**
Operating margin	46.2%	47.4%	
Net financials	1,161	(486)	N/A
Profit before income taxes	**13,609**	**13,004**	**5%**
Income taxes	**2,858**	**2,848**	**0%**
Effective tax rate	21.0%	21.9%	
Net profit	**10,751**	**10,156**	**6%**
Net profit margin	39.9%	35.7%	
OTHER KEY FIGURES			
Depreciation, amortisation and impairment losses	732	708	3%
Capital expenditure (net)	2,310	1,604	44%
Net cash generated from operating activities	9,815	12,098	(19%)
Free cash flow	7,241	10,400	(30%)
Total assets	93,558	94,213	(1%)
Equity	44,238	40,301	10%
Equity ratio	47.3%	42.8%	
Average number of diluted shares outstanding (million)	2,442.3	2,500.0	(2%)
Diluted earnings per share/ADR (in DKK)	**4.40**	**4.06**	**8%**
Full-time equivalent employees, end of period	42,688	41,636	3%

FORWARD-LOOKING STATEMENTS

This document contains a summary of information made by Novo Nordisk in connection with the issuing of our company announcement No 37/2018 of 2 May 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, 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

FIRST PHASE 3A TRIAL WITH ORAL SEMAGLUTIDE SUCCESSFULLY COMPLETED

The trial, which goes by the name PIONEER 1, tested semaglutide as a GLP-1 (glucagon-like peptide-1) tablet taken once daily for the treatment of people with type 2 diabetes compared with placebo.

The trial, the first of a total of 10 trials with oral semaglutide, investigated the efficacy and safety of oral semaglutide in tablet form in 3, 7 and 14 mg doses compared with placebo in 703 people with type 2 diabetes. People treated with 3, 7 and 14 mg oral semaglutide achieved reductions in long-term blood glucose (HbA_{1c}) of 0.8%, 1.3% and 1.5% respectively, compared with a reduction of 0.1% in people treated with placebo[1].

The American Diabetes Association (ADA) treatment target of HbA_{1c} below 7.0% was achieved by 59%, 72% and 80% of participants on treatment with 3, 7 and 14 mg oral semaglutide respectively, compared with 34% of the participants treated with placebo.

In addition, the 14 mg oral semaglutide dose resulted in a considerable and statistically significant weight loss compared with placebo. Weight loss was also achieved with the 3 mg and 7 mg doses, but this was not statistically significant.

In the trial, oral semaglutide appeared to have a safe and well-tolerated clinical profile. The most common adverse event for all three doses was mild to moderate nausea, which diminished over time.

"We're very encouraged by the results of the PIONEER 1 trial, which confirm the unprecedented oral efficacy of semaglutide that was reported in the phase 2 clinical trial in type 2 diabetes," says Mads Krogsgaard Thomsen, executive vice president and chief science officer of Novo Nordisk.

"We look forward to providing data from the remaining nine PIONEER trials throughout this year, with regulatory submission expected in 2019."

ABOUT PIONEER

The PIONEER phase 3a clinical development programme for oral semaglutide is a global development programme with an expected enrolment of more than 9,000 people with type 2 diabetes across 10 clinical trials, which are all expected to be completed in 2018.

1. Using the secondary statistical method hypothetical estimand.

OZEMPIC® APPROVED IN THE EU AND JAPAN, AND LAUNCHED IN THE US AND CANADA

Ozempic®, Novo Nordisk's new once-weekly GLP-1 analogue for type 2 diabetes, has now been approved in the EU and Japan, and launched in the US and Canada.

The approvals are based on results from the SUSTAIN clinical development programme.

The trials demonstrated that **Ozempic®** resulted in clinically meaningful and statistically significant reductions in long-term blood glucose (HbA_{1c}) in people with type 2 diabetes compared with standard care. The trials also showed statistically significant reductions in weight relative to standard care.

In the EU, the **Ozempic®** label also reflects a reduced risk of severe cardiovascular events and the statistically significant reduction in diabetic nephropathy through treatment with **Ozempic®** vs standard care.

Ozempic® is approved for use in two dosages – 0.5 mg and 1 mg – and will be launched in the **Ozempic®** pen, Novo Nordisk's latest generation of pre-filled devices.

"We're very excited about the approvals of **Ozempic®** and look forward to making this important innovation available to people with type 2 diabetes," says Mads Krogsgaard Thomsen, executive vice president and chief science officer of Novo Nordisk.

"Type 2 diabetes is a complex condition, but with the unique clinical profile of **Ozempic®**, we believe it has the potential to set a new standard for the treatment of the disease."

ABOUT SUSTAIN

SUSTAIN is a global clinical development programme that comprises eight phase 3a trials involving more than 8,000 adults with type 2 diabetes. The phase 3a programme involves a broad range of people with type 2 diabetes, including some with cardiovascular risk profiles and people with and without renal disease.

ABOUT DEVOTE

DEVOTE is a multinational, double-blinded clinical trial that investigated the cardiovascular safety of **Tresiba®** compared with insulin glargine U100. DEVOTE is the first cardiovascular outcomes trial (CVOT) comparing two basal insulins. All participants had type 2 diabetes and high cardiovascular risk.

ABOUT TRESIBA®

Tresiba® (insulin degludec) is a once-daily basal insulin that provides a duration of action of beyond 42 hours, with a flat and stable blood glucose-lowering effect. It provides low variability in blood glucose levels and a lower risk of severe hypoglycaemia vs insulin glargine U100.

UPDATED TRESIBA® LABEL APPROVED IN THE USA

The US Food and Drug Administration (FDA) has approved an update of the US label for Novo Nordisk's newest long-acting insulin, **Tresiba®**. The update incorporates data from the DEVOTE trial, which included approx 7,500 people with type 2 diabetes at high cardiovascular risk.

The results from DEVOTE demonstrated that **Tresiba®** does not increase the risk of major adverse cardiovascular events (MACE) compared with insulin glargine U100, a long-acting insulin from the French company Sanofi. Furthermore, treatment with **Tresiba®** showed that the product results in a 40% lower, statistically significant rate of severe hypoglycaemia (low blood glucose) vs insulin glargine U100.

"It's well known that the fear of severe hypoglycaemia is a barrier to achieving good glycaemic control for many people with diabetes," says Mads Krogsgaard Thomsen, executive vice president and chief science officer of Novo Nordisk.

"We're therefore very pleased that the FDA has approved the updated label for **Tresiba®**, thus recognising the ability of **Tresiba®** to lower the rate of severe hypoglycaemia compared with insulin glargine U100."

The EU label for **Tresiba®** was updated in 2017 to reflect both the cardiovascular and the severe hypoglycaemia data.

HOW NOVO NORDISK'S PRODUCTS ARE IMPROVING QUALITY OF LIFE IN CUBA

With a new initiative, Novo Nordisk is taking the next step to improve the treatment of diabetes for thousands of people in Cuba and thus improve their quality of life.

By the end of 2018, more than 20,000 people living with diabetes in Cuba will have access to Novo Nordisk insulin pens. This is being achieved through a project that aims to improve treatment outcomes, and hence improve quality of life.

Up until last year, insulin users in Cuba only had one option when it came to injecting insulin as part of their diabetes treatment, namely insulin in vials combined with a simple syringe. Now, thanks to a joint effort by the Endocrinology Institute of Cuba and Novo Nordisk, by the end of 2018, more than 13% of the country's 150,000 insulin users will have switched to NovoPen® 4 – a development that is expected to continue in the coming years.

"Switching from vials and syringes to an insulin pen can make a crucial difference to quality of life," says Andrzej Popkowski, senior vice president of Novo Nordisk in Latin America.

"Pens are more convenient, they can improve insulin users' possibilities for taking their medication as prescribed and they can improve control of blood sugar," he adds.

During 2017, a team of Novo Nordisk employees travelled to 13 provinces in Cuba, visited more than 40 clinics and trained more than 500 healthcare professionals and other stakeholders to ensure that the market was ready to upgrade from vials to insulin pens.

"All stakeholders – from the health authorities to pharmacists and diabetes centres – needed to be trained and informed about the project," explains Marcus Höglund, head of the Vial2Pen project. "In a country like Cuba, where there is limited infrastructure for communicating digitally, for example, we knew that this would be a challenge. Fortunately, we had the necessary flexibility to handle the complexity and challenges in a good way."

FINANCIAL CALENDAR

8 AUGUST 2018
First six months of 2018

1 NOVEMBER 2018
First nine months of 2018

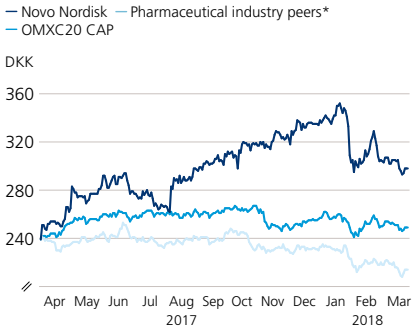
1 FEBRUARY 2019

Full year 2018

SHAREHOLDER INFORMATION

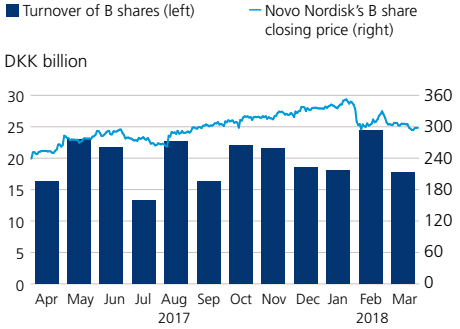
SHARE PRICE PERFORMANCE

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



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