

company announcement



Financial report for the period 1 January 2021 to 31 March 2021

5 May 2021

Novo Nordisk's net profit increased by 6% in the first three months of 2021

- Operating profit decreased by 8% in Danish kroner and increased by 3% at constant exchange rates (CER).
- Sales remained unchanged in Danish kroner and increased by 7% at CER to DKK 33.8 billion. Sales in International Operations increased by 2% in Danish kroner (9% at CER), and sales in North America Operations decreased by 3% in Danish kroner (increased 6% at CER). Sales growth is negatively impacted by COVID-19-related stocking in 2020, partially offset by inventory changes and timing of shipments in 2021.
- Sales within Diabetes and Obesity care increased by 1% in Danish kroner to DKK 28.8 billion (9% at CER), driven by GLP-1 growth of 13% in Danish kroner (23% at CER) reflecting the uptake of Ozempic[®] and Rybelsus[®]. Biopharm sales decreased by 6% in Danish kroner (increased by 1% at CER).
- Within R&D, Novo Nordisk decided to initiate phase 3a development with 50 mg oral semaglutide in obesity. Following the Refusal to File letter in the US covering the label expansion application for once-weekly semaglutide 2.0 mg for the treatment of type 2 diabetes, Novo Nordisk is working towards resubmission in the second quarter of 2021.
- For the 2021 outlook, sales growth is now expected to be 6-10% at CER, and operating profit growth is now expected to be 5-9% at CER. The ongoing share buyback programme will be expanded to DKK 18 billion.

PROFIT AND LOSS	Q1 2021	Q1 2020	Growth as reported	Growth at CER*
DKK million				
Net sales	33,804	33,875	0%	7%
Operating profit	14,982	16,302	(8%)	3%
Net profit	12,623	11,897	6%	N/A
Diluted earnings per share (in DKK)	5.45	5.05	8%	N/A

* CER: Constant exchange rates (average 2020).

Lars Fruergaard Jørgensen, president and CEO: "We are very encouraged with the sales growth in the first three months of 2021. Sales growth was driven by all therapy areas and across geographical areas within International Operations as well as North America Operations where growth has accelerated in the US. We were also pleased to announce plans to develop oral semaglutide as a convenient and effective treatment option for people with obesity, complementing our injectable obesity medications. The solid financial performance in the first three months of 2021 has enabled us to raise our outlook range for the full year."

On 5 May 2021 at 13.00 CEST, corresponding to 7.00 am EDT, an earnings call will be held. Investors will be able to listen in via a link on novonordisk.com, which can be found under 'Investors'.

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Novo Nordisk Exhibit 2506

STRATEGIC ASPIRATIONS

STRATEGIC ASPIRATIONS 2025

The strategic aspirations are objectives that Novo Nordisk intends to work towards and are not a projection of Novo Nordisk's financial outlook or expected growth. Novo Nordisk intends to describe how its activities develop in relation to each of the four dimensions on an ongoing basis.

Performance highlights for the first three months of 2021:

Purpose and sustainability

Adding value to society:

- Progress on 'Defeat Diabetes' strategy:
 - Collaboration with the University of Toronto focusing on prevention
 - Initiation of 'Diabetes Compass' by the World Diabetes Foundation to improve access to diabetes care in low- and middle-income countries

Progress towards zero environmental impact:

- Progress on supplier target aiming at 100% renewable power across all suppliers by 2030 with around 15% reduction in supplier CO₂ emissions
- 48% reduction in CO₂ emissions compared to the first three months 2019

Innovation and therapeutic focus

Further raise innovation bar for diabetes treatment:

- Ozempic® approved in China for the treatment of type 2 diabetes
- Refusal to File letter received for semaglutide 2.0 mg

Develop superior treatment solutions for obesity:

- Phase 3a clinical trial initiated with once-weekly semaglutide 2.4 mg in people with heart failure with preserved ejection fraction (HFpEF)
- Decision to initiate phase 3a development with 50 mg oral semaglutide in obesity

Strengthen and progress Biopharm pipeline:

- Sogroya® approved in the EU for adults with growth hormone deficiency

Establish presence in Other serious chronic diseases:

- Phase 3a development initiated with once-weekly semaglutide 2.4 mg for treatment of NASH
- Gilead Sciences and Novo Nordisk expanded NASH clinical collaboration

Commercial execution

Strengthen diabetes leadership:

- Diabetes value market share increased by 0.6 percentage point to 29.3% (MAT)

Strengthen obesity leadership and double sales:

- Obesity care sales increased by 9% (CER) to DKK 1.6 billion

Secure a sustained growth outlook for Biopharm:

- Biopharm sales increased by 1% (CER)

Financials

Deliver solid sales and operating profit growth:

- Sales growth at 7% (CER)
- International Operations sales growth at 9% (CER)
- In the US, sales grew 5% and 52% of sales came from products launched since 2015
- Operating profit growth of 3% (CER)

Drive operational efficiencies:

- Gross margin positively impacted by productivity gains in Product Supply

Enable attractive capital allocation to shareholders:

- Free cash flow of DKK 9.5 billion and DKK 16.5 billion returned to shareholders

FINANCIAL STATEMENT

CONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST THREE MONTHS OF 2021

PROFIT AND LOSS	Q1 2021	Q1 2020	% change Q1 2021 to Q1 2020
<small>(Amounts are in DKK million, except for earnings per share, dividend per share and employees)</small>			
Net sales	33,804	33,875	0%
Gross profit	27,993	28,489	(2%)
Gross margin	82.8%	84.1%	
Sales and distribution costs	8,256	7,590	9%
<i>Percentage of sales</i>	24.4%	22.4%	
Research and development costs	3,944	3,777	4%
<i>Percentage of sales</i>	11.7%	11.1%	
Administrative costs	932	927	1%
<i>Percentage of sales</i>	2.8%	2.7%	
Other operating income, net	121	107	13%
Operating profit	14,982	16,302	(8%)
Operating margin	44.3%	48.1%	
Financial items (net)	956	(1,281)	(175%)
Profit before income taxes	15,938	15,021	6%
Income taxes	3,315	3,124	6%
<i>Effective tax rate</i>	20.8%	20.8%	
Net profit	12,623	11,897	6%
Net profit margin	37.3%	35.1%	
OTHER KEY NUMBERS			
Depreciation, amortisation and impairment losses	1,377	1,086	27%
Capital expenditure	1,402	1,667	(16%)
Net cash generated from operating activities	11,255	10,012	12%
Free cash flow	9,532	7,669	24%
Total assets	141,387	126,256	12%
Equity	58,496	54,399	8%
<i>Equity ratio</i>	41.4%	43.1%	
Average number of diluted shares outstanding (million)	2,315.6	2,354.8	(2%)
Diluted earnings per share / ADR (in DKK)	5.45	5.05	8%
Full-time equivalent employees end of period	45,157	43,158	5%

These unaudited consolidated financial statements for the first three months of 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and additional Danish disclosure requirements for listed companies. The accounting policies adopted in the preparation are consistent with those applied in the Annual Report 2020 of Novo Nordisk.

COMMERCIAL EXECUTION

SALES DEVELOPMENT ACROSS THERAPEUTIC AREAS

Sales remained unchanged measured in Danish kroner and grew by 7% at CER the first three months of 2021, driven by growth across all therapy areas with Diabetes care sales growth of 9% (CER), Obesity care sales growth of 9% (CER) and Biopharm sales growth of 1% (CER). Sales growth is negatively impacted by COVID-19-related stocking in the first three months of 2020, partially offset by inventory changes and timing of shipments in 2021.

Sales split per therapy	Sales Q1 2021 DKK million	Sales Q1 2020 DKK million	Growth as reported	Growth at CER	Share of growth at CER
Diabetes and Obesity care segment					
Rybelsus [®]	729	229	218%	247%	22%
Ozempic [®]	6,662	4,755	40%	52%	99%
Victoza [®]	3,909	4,991	(22%)	(16%)	(31%)
Total GLP-1	11,300	9,975	13%	23%	90%
Long-acting insulin	4,822	5,158	(7%)	0%	0%
- Tresiba [®]	2,365	2,460	(4%)	3%	3%
- Xultophy [®]	681	662	3%	8%	2%
- Levemir [®]	1,776	2,036	(13%)	(6%)	(5%)
Premix insulin	2,953	2,955	0%	6%	7%
- Ryzodeg [®]	420	337	25%	34%	5%
- NovoMix [®]	2,533	2,618	(3%)	2%	2%
Fast-acting insulin	4,556	5,114	(11%)	(4%)	(9%)
- Fiasp [®]	402	390	3%	9%	1%
- NovoRapid [®]	4,154	4,724	(12%)	(5%)	(10%)
Human insulin	2,535	2,687	(6%)	2%	3%
Total insulin	14,866	15,914	(7%)	0%	1%
Other Diabetes care ¹	1,110	1,125	(1%)	4%	1%
Total Diabetes care	27,276	27,014	1%	9%	92%
Obesity care (Saxenda [®])	1,551	1,577	(2%)	9%	6%
Diabetes and Obesity care total	28,827	28,591	1%	9%	98%
Biopharm segment					
Rare blood disorders ²	2,678	2,810	(5%)	2%	3%
- Haemophilia A	497	452	10%	16%	3%
- Haemophilia B	147	130	13%	18%	1%
- NovoSeven [®]	1,980	2,181	(9%)	(2%)	(2%)
Rare endocrine disorders ³	1,920	2,031	(5%)	2%	1%
Other Biopharm ⁴	379	443	(14%)	(12%)	(2%)
Biopharm total	4,977	5,284	(6%)	1%	2%
Total sales	33,804	33,875	0%	7%	100%

¹ Primarily NovoNorm[®], needles and GlucaGen[®] HypoKit[®].

² Comprises NovoSeven[®], NovoEight[®], Esperoct[®], Refixia[®] and NovoThirteen[®].

³ Primarily Norditropin[®].

⁴ Primarily Vagifem[®] and Activelle[®].

DIABETES AND OBESITY CARE**Diabetes care, sales and market share development**

Sales in Diabetes care increased by 1% measured in Danish kroner and by 9% at CER to DKK 27,276 million driven by GLP-1 growth. Novo Nordisk has improved the global diabetes value market share over the last 12 months from 28.8% to 29.3% in line with the aspiration of strengthening the diabetes care leadership, aiming at reaching a global value market share of more than one third in 2025. The market share increase was driven by market share gains in both International Operations and North America Operations.

In the following sections, unless otherwise noted, market data are based on moving annual total (MAT) from February 2021 and February 2020 provided by the independent data provider IQVIA. EMEA covers Europe, the Middle East and Africa, Region China covers mainland China, Hong Kong and Taiwan, and Rest of World covers all other countries except for North America.

Diabetes care, development per geographical area	Novo Nordisk's share of the total diabetes market (value, MAT)		Diabetes care, sales development	
	February 2021	February 2020	Sales Q1 2021 DKK million	Growth at CER
Global	29.3%	28.8%	27,276	9%
International Operations	23.6%	22.2%	14,898	10%
- EMEA *	27.9%	27.0%	7,270	2%
- Region China **	31.5%	27.3%	4,270	21%
- Rest of World ***	13.7%	13.1%	3,358	18%
North America Operations	31.5%	31.2%	12,378	7%
- The US	31.5%	31.4%	11,702	6%

Source: IQVIA, February 2021 data. *Data for EMEA available for European markets and seven markets outside Europe representing approximately 90% of Novo Nordisk Diabetes care sales in the area. **Data for mainland China, excluding Hong Kong and Taiwan. *** Data for Rest of World available for seven markets representing approximately 70% of total Novo Nordisk's Diabetes care sales in the area.

GLP-1 therapy for type 2 diabetes

Sales of GLP-1 products for type 2 diabetes (Rybelsus[®], Ozempic[®] and Victoza[®]) increased by 13% measured in Danish kroner and by 23% at CER to DKK 11,300 million. The GLP-1 segment's value share of the total diabetes market has increased to 22.8% compared with 18.9% 12 months ago. Novo Nordisk continues to be the global market leader in the GLP-1 segment with a 50.8% value market share, an increase of 2.5 percentage points compared to 12 months ago.

GLP-1, development per geographical area	Novo Nordisk's share of the diabetes GLP-1 market (value, MAT)		GLP-1, sales development	
	February 2021	February 2020	Sales Q1 2021 DKK million	Growth at CER
Global	50.8%	48.3%	11,300	23%
International Operations	54.8%	51.2%	3,537	31%
- EMEA *	56.0%	53.0%	2,320	18%
- Region China **	88.6%	93.3%	403	86%
- Rest of World ***	45.3%	40.2%	814	54%
North America Operations	50.2%	47.8%	7,763	19%
- The US	49.5%	47.3%	7,372	18%

Source: IQVIA, February 2021 data. *Data for EMEA available for European markets and seven markets outside Europe representing approximately 90% of Novo Nordisk GLP-1 sales in the area. **Data for mainland China, excluding Hong Kong and Taiwan. *** Data for Rest of World available for seven markets representing approximately 70% of total Novo Nordisk Diabetes care sales in the area.

Rybelsus[®] sales increased by 218% measured in Danish kroner and by 247% at CER to DKK 729 million. Sales growth was driven by North America Operations as well as EMEA and Rest of World. Rybelsus[®] has now been launched in 15 countries.

Ozempic[®] sales increased by 40% measured in Danish kroner and by 52% at CER to DKK 6,662 million. Sales growth was driven by North America Operations and International Operations. Ozempic[®] has now been launched in 58 countries. Inventory changes in the US positively impacted sales growth.

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