

Investor Intelligence Report Novo Nordisk A/S

"Voice of the Shareholder"

4Q 2023 at November 20th

Brendan Wood International
First Intelligence

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Brendan Wood & Partners

The Brendan Wood Shareholder Confidence Panel

BWI Panel
Institutional
&
Private Wealth Investors

Secondary Markets
Professionals
Research, Sales & Trading

GLOBAL PANEL
 2000+ Debriefs with Decision
 Makers
 >\$56 Trillion in Assets
 70% Sector Specialists
 30% Generalists
 Average 9 Yrs Professional
 Experience, 25% more than 15
 Years

+/- 600 Professionals, including...
 +/- 400 TopGuns

GLOBAL RESOURCES PANEL
 350+ Debriefs with Decision
 Makers
 >\$15 Trillion in Assets
 80% Sector Specialists
 20% Generalists
 Average 11 Yrs Professional
 Experience, 35% more than 15
 Years

+/- 100 Professionals, including...
 +/- 100 TopGuns

Geographic Breakdown of the BWI Panel 2023:

US	42%
Canada	21%
Europe/Middle East/Africa	32%
Pacific Rim	4%
Latin America	1%+

Global Resources Panel:

35%
34%
27%
3%
1%+

WHAT DO BRENDAN WOOD COMPANY SCORES MEAN?

METHODOLOGY

The core mission of BWI performance and quality metrics is to illustrate and explain the emerging investor “commitment to own” particular stocks.

Eleven critical performance metrics are used to determine the relative strength of investor commitment to a company as an investment target. To help investors rate companies in a sector on a relative basis “one metric at a time”, a visual technique is used. For example, the visual tool shows investors a consensus vertical hierarchy representing how each investment target company in a sector is rated by investors against a criterion such as “Quality of Strategy” ... AS AN INFLUENCE ON THE INVESTOR COMMITMENT TO OWN THE NAME. The investor is then asked to adjust the consensus rating hierarchy to match their own particular view of how each company scores against the “Quality of Strategy” criterion. They may agree or disagree with the consensus. The investor then makes their personal adjustments which are added to our cumulative data instantly. To make this task fast and accurate the visual scoring hierarchy is broken down into top decile, four quartiles and a bottom decile, therefore six potential levels of performance against each investment selection criterion. The quartile display is instantly recognizable by investors as indicating both absolute and relative bases of the influence of a company’s level of competitive performance against a critical investment selection criterion.

The above methodology forces the (dependent variable) absolute benchmark of “commitment to own” on each quality of a corporate investment target.

WHY A COMPANY SCORE MAY BE FIRST IN ITS SECTOR BUT RATE IN THE SECOND QUARTILE?

This means that the sector itself (all companies included) ranks in the second quartile or below of investor selection attractiveness against a particular criterion of investability.

ADVANTAGE OF BRENDAN WOOD INTERNATIONAL METHODOLOGY?

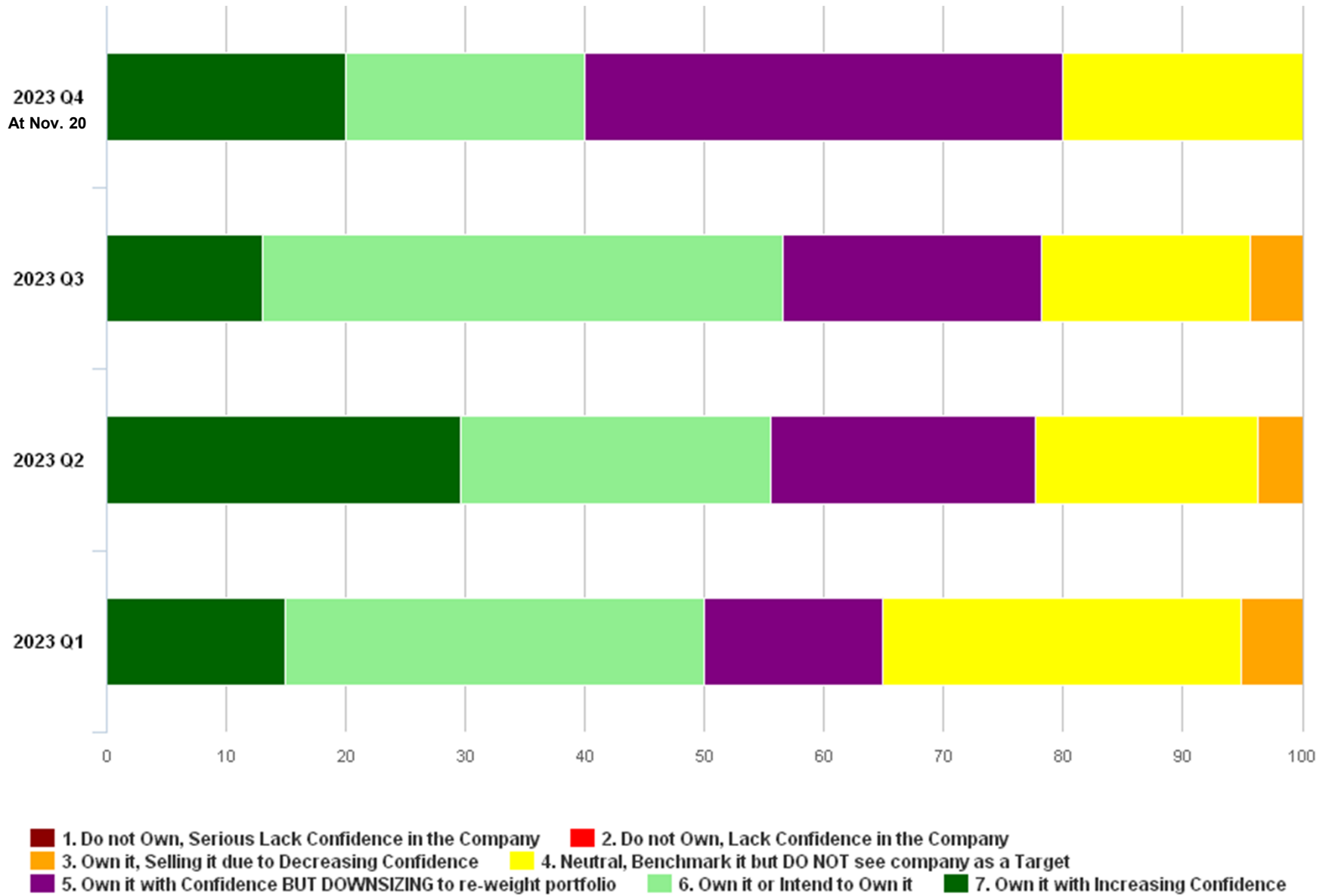
This process identifies the emerging competitiveness of individual sectors, sub-sectors and most importantly of companies as investment targets on both an absolute and relative ‘best in sector’ basis against investors’ selection criteria for the year ahead. Such calibrated data allows BW partners to help corporate management to accurately analyze their company’s attractiveness as a target for the year ahead as an individual story and relative to its comparables and sector. The isolation of performance against individual metrics enables management to identify and address the key metrics which drive the “commitment to own” their particular stock.

APPARENT CONDICTION BETWEEN QUARTERLY RESULTS AND ROLLING YEAR RESULTS?

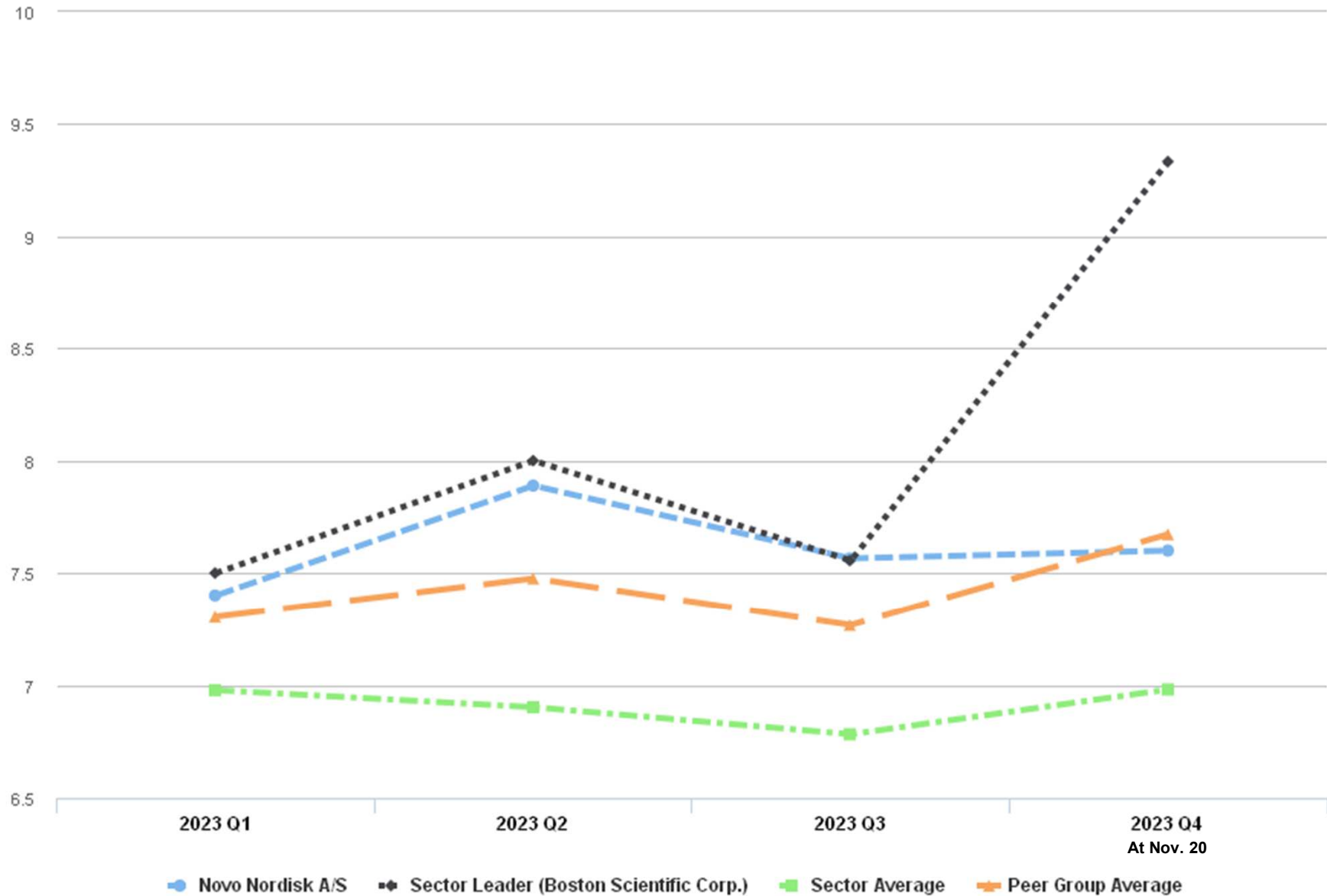
Quarterly results = the results in the quarter. Rolling years results = the results for a full year of data.

What is Your Commitment to Own This Stock in The Year Ahead?

Novo Nordisk A/S



What is Your Commitment to Own This Stock in The Year Ahead?



Shareholder Confidence Metrics

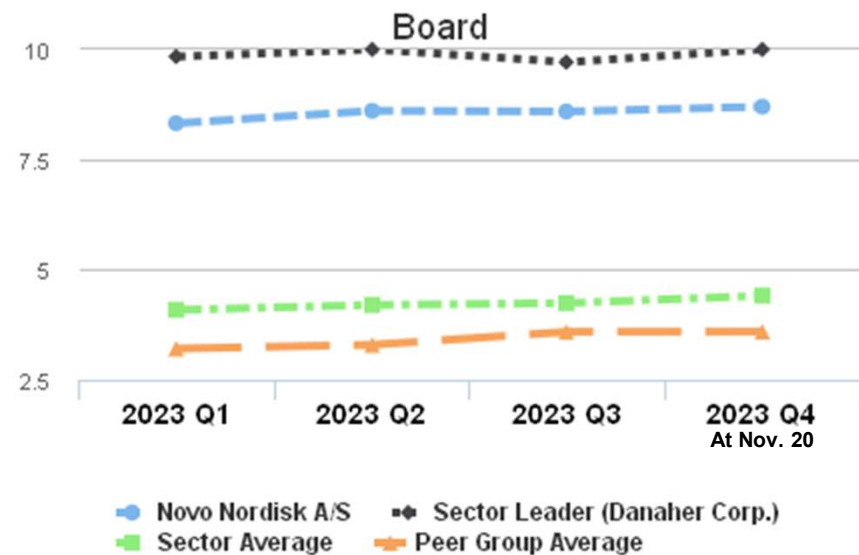
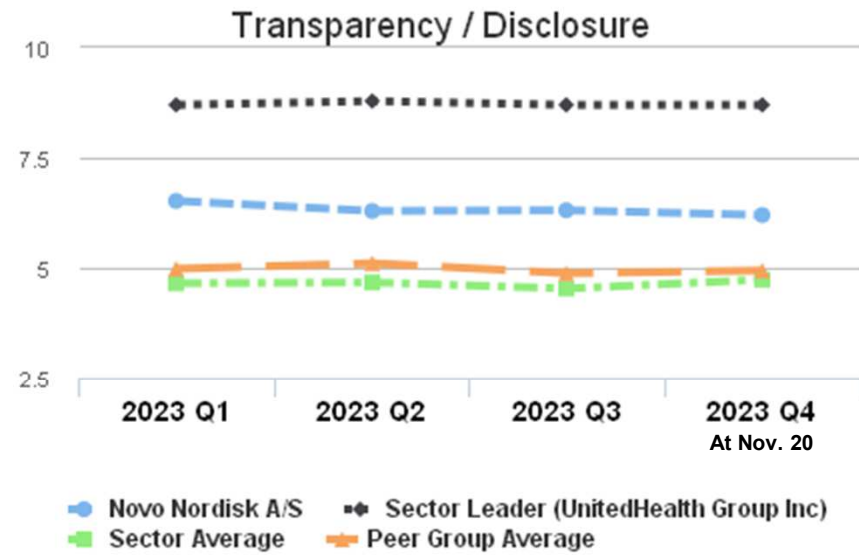
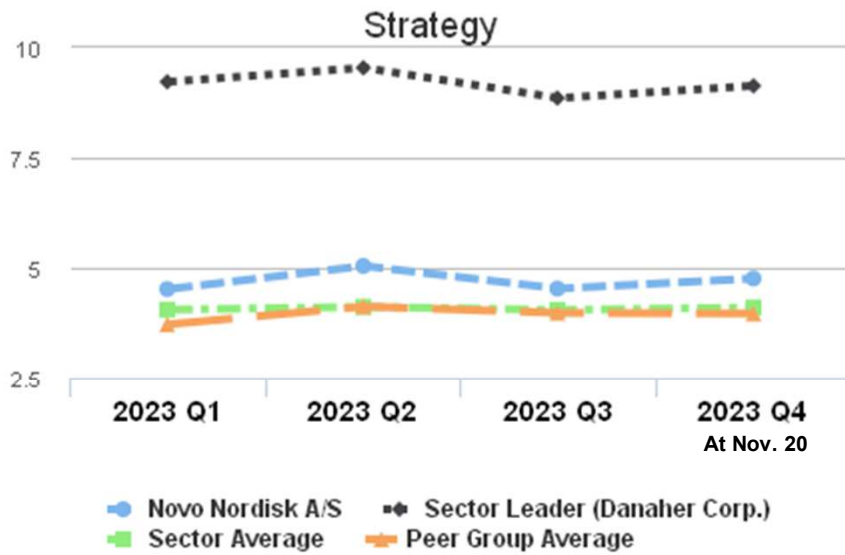
Novo Nordisk A/S's Performance Vs Novo Nordisk A/S Peer Group

Novo Nordisk A/S Peer Group

AstraZeneca PLC
Bristol-Myers Squibb Company
Eli Lilly and Company
GSK plc
Merck & Co.
Novartis AG
Novo Nordisk A/S
Pfizer Inc
Roche Holding AG
Sanofi

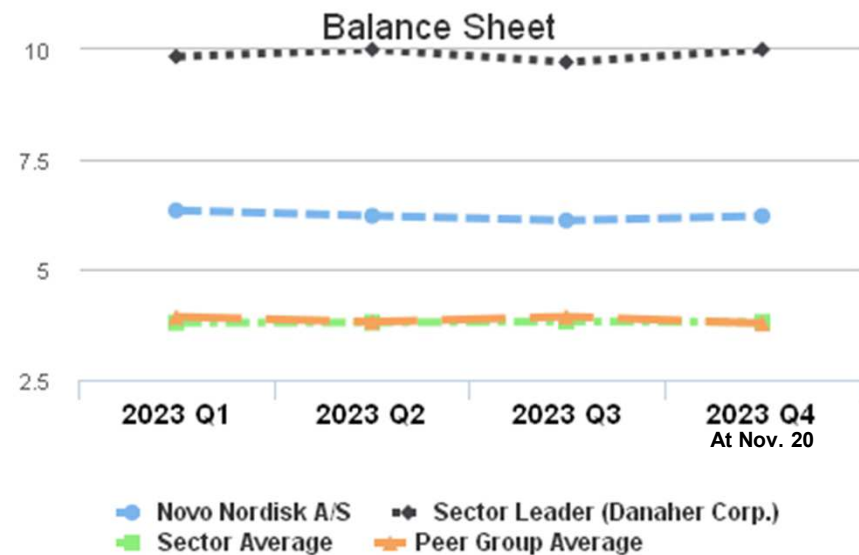
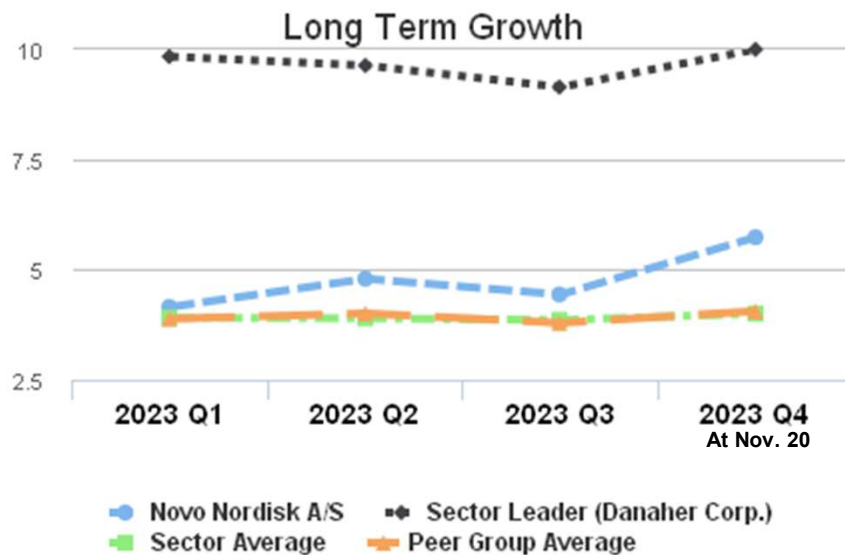
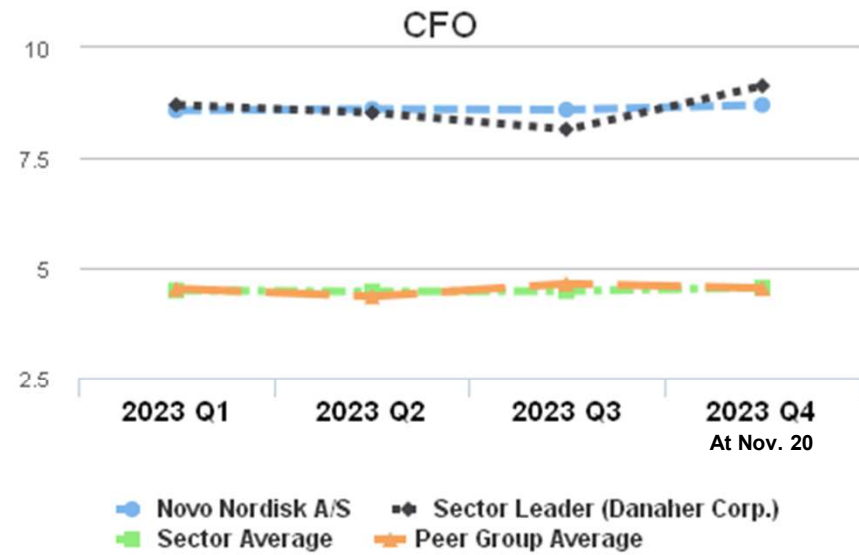
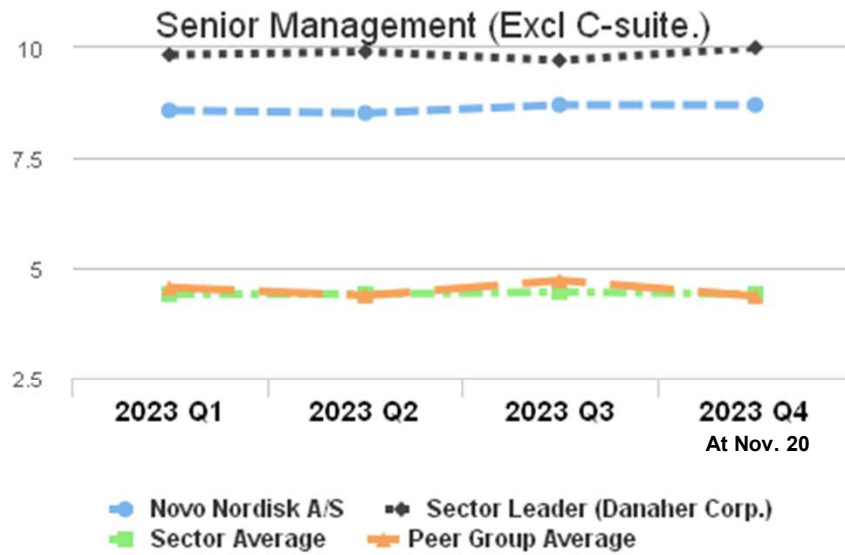
Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results



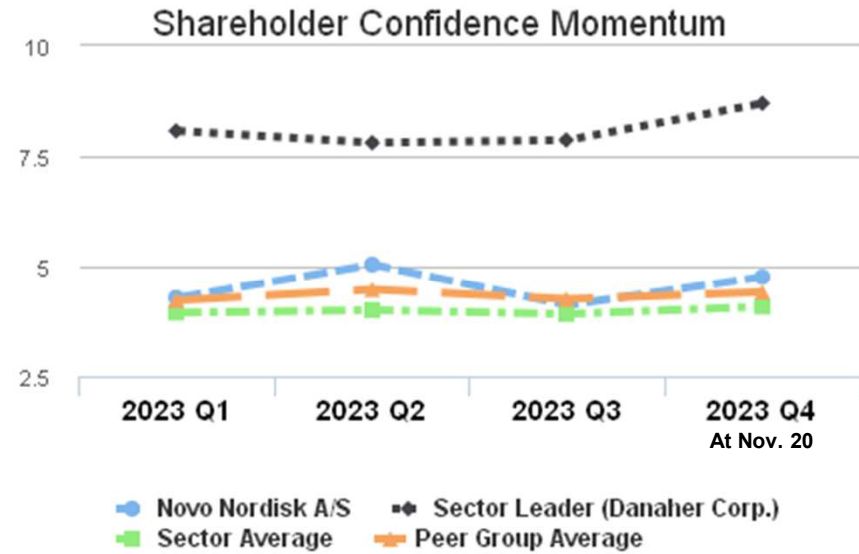
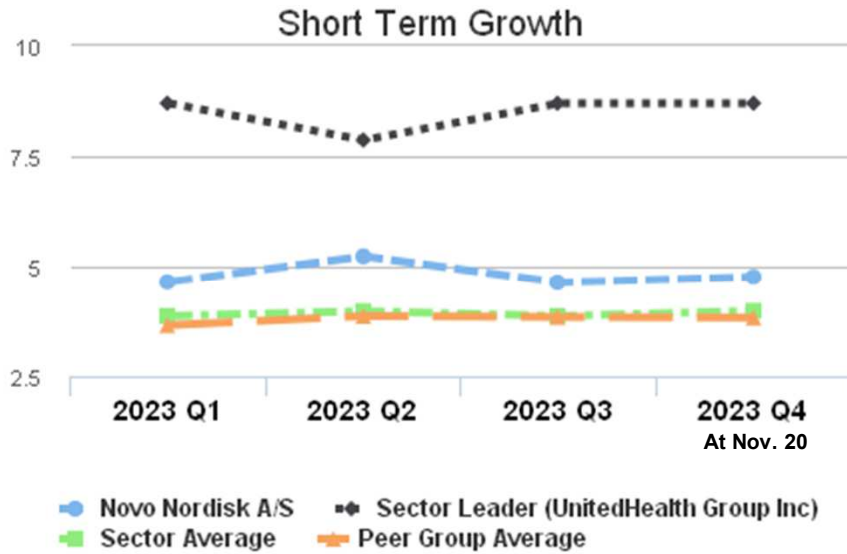
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Quarter over Quarter Results



Shareholder Confidence Metrics Forecast for the Year Ahead

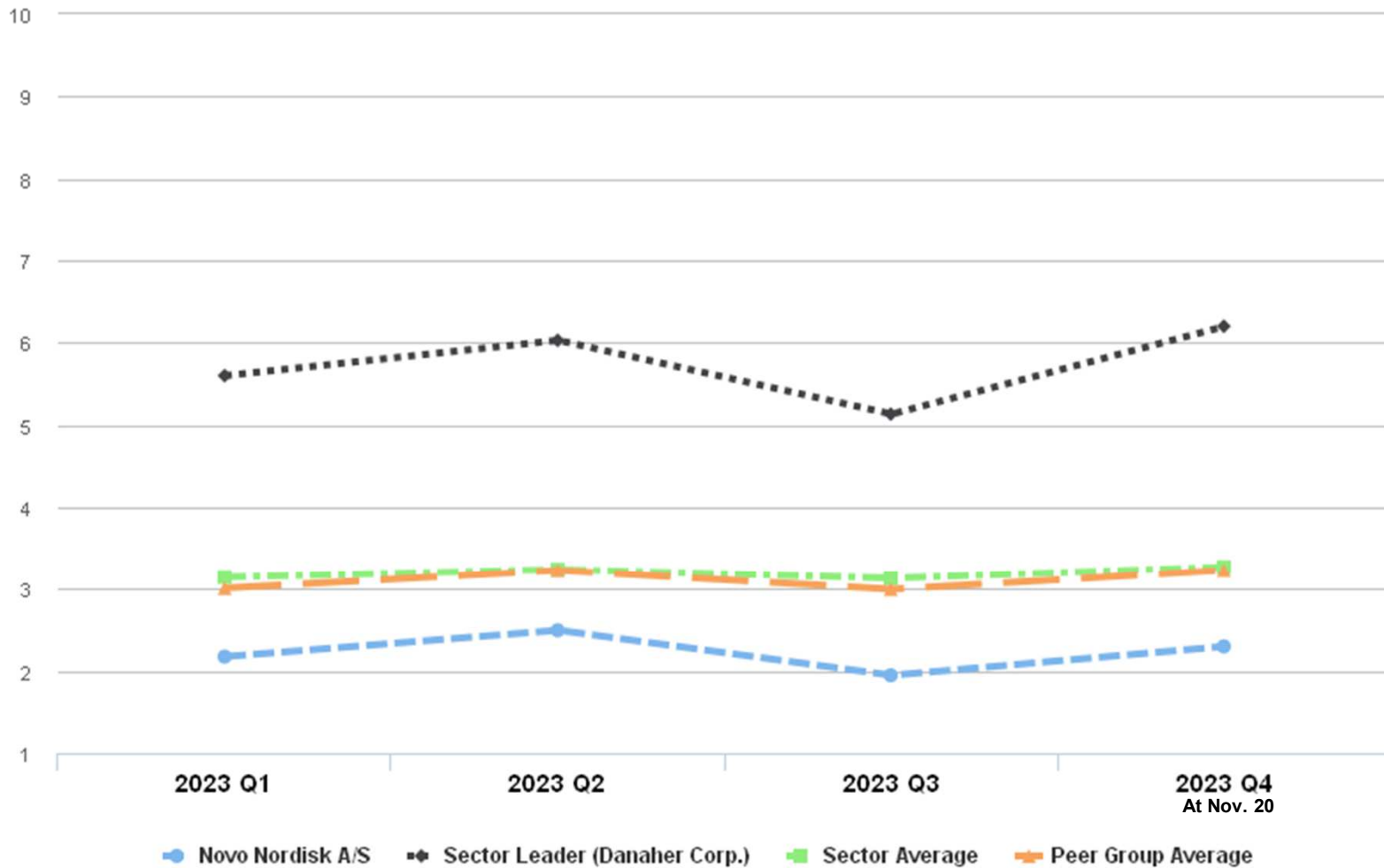
Quarter over Quarter Results



Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results

Price Appreciation Potential



Typical Investor Verbatim

Positive Momentum Verbatim

“Everyone knows Novo Nordisk's management, and they are great.”

“Novo Nordisk is the best in terms of their accounting and reporting.”

“Novo Nordisk always had a great IR team.”

“Everyone is assuming that obesity is enough for Novo, and they don't need anything else, but Novo's strategy is actually to try and be broader in cardiovascular in the future.”

“Eli Lilly is more diversified than Novo, but for these two names, I don't think diversification matters. The key is whether they can sustain the franchise and innovate on top of what they have. I have conviction in both of them.”

“Novo Nordisk has a lot of opportunity for long-term growth.”

“Novo Nordisk has a strong management team. It's not all about the figurehead, the CEO.”

“Novo Nordisk is the only name that has given such good visibility on the long-term growth. There are no other European companies that can compete with them.”

“Everyone in senior management at Novo Nordisk is on the same message, and the access to management is second to none. They are all nice people, but I'm glad we're not in business against them because they will destroy you.”

Typical Investor Verbatim

Positive Momentum Verbatim

“Novo Nordisk has quality people on the bench. When things go south, Europeans will buy Novo Nordisk at any valuation. Eli Lilly and Novo Nordisk are delivering on obesity. You want to own these stocks for three or four years, at least until a third entrant. Amgen coming in is two years out.”

“Novo Nordisk's IR team is doing a good job. They are all professionals and give a good level of disclosure.”

“Novo Nordisk's IR team is really reliable and accessible. They are very transparent and have the highest earnings quality in terms of reporting.”

“We have limited visibility on the growth of Novo Nordisk, but we have very high confidence that it will be a lot in the short term. In the short term, it is one of the fastest-growing companies in the entire space. Novo Nordisk has an endless stream of clones from the Copenhagen Business School. You will never be surprised by the senior management at Novo because they are all the same; you know what you're getting. Furthermore, Novo Nordisk's IR function is very solid.”

“Novo Nordisk's accounting is very simple, and their reporting is very clean. They have a big IR team, and the business is relatively simple. Additionally, they consistently provide access to their management team every quarter and during road shows. They do everything to make analysts feel good.”

“Novo Nordisk's IR is very slick. They do an exceptionally good job.”

“Novo Nordisk is by far the best reporter in the sector. They don't do anything funny within their accounting.”

Typical Investor Verbatim

Neutral Momentum Verbatim

“Novo Nordisk could be at the beginning of their journey or fully priced in. Who knows?”

“The spread between Novo Nordisk and Eli Lilly is 14x on P/E and EV/EBITDA, which is interesting. There is no easy way to look at it. Eli Lilly's valuation has been frustrating as the gap seems unjustified. However, Lilly seems to have more shots on goal with their drugs in the pipeline, especially Alzheimer's. However, Novo's recent data is more positive; they have performed better. Not owning Lilly means there is no way to win. All generalists think the same thing and maintain or even build their positions, which is hurting; it is what it is.”

“Novo Nordisk has been performing exceptionally well. We have exceeded the market and management by 15%, as well as guidance and analyst forecasts. Although the share price has increased significantly due to the company's success, investors are concerned about the company's future prospects. However, we believe that the demand for Novo Nordisk's drug will continue to grow as patients use the treatment for longer than expected. We anticipate that Novo Nordisk will have more aggressive negative pricing than Eli Lilly despite it being the largest drug in human history. The demand for the product is greater than the supply, so the company does not need to spend much on marketing. However, the cost of the drug will be reduced due to a molecule that Novo has, which is part of the Ozempic molecule and will appear on the IRA list in about four or five years. By cutting prices fairly aggressively, Novo Nordisk can steal market share from Eli Lilly, making it more likely to appear on the Medicare reimbursement list. Even with some pretty aggressive price cuts, the company is expected to achieve \$25 billion of topline sales. That number could double if there is a wider audience, people use it for longer, or the pricing is too aggressive. Although some investors may be concerned about the short-term supply disruptions that may affect the Q3 numbers, we believe that Novo Nordisk will continue to perform well in the long term. We would buy on a pullback, as the company has nothing structurally wrong.”

Typical Investor Verbatim

Neutral Momentum Verbatim

“It's hard to evaluate how good Novo Nordisk's IR is when everything is going amazingly well with the company. That makes it an easy job for the IR team. Calling shareholders to say how good trial results are is much easier than calling shareholders to say it was tough because of this and that. They do a good job, but they also have a good deck of cards.”

“Novo Nordisk's use of the balance sheet is fine, but it's nothing special. They also overpaid for the last deal.”

“Anyone could run Novo Nordisk. The CEO, Lars Fruergaard Jorgensen, doesn't have to do much. After the patent expiry, there is a huge question mark around Novo Nordisk's ability to grow beyond Semaglutide. Competition is coming, but Novo will grow in the short term.”

“There is a lot that Novo Nordisk needs to do to diversify the business. The guidance itself around flattish margins implies that they are going to make a lot of acquisitions and bolt-ons. They are trusted, and they have been very sensible in terms of financial discipline. Novo Nordisk's share price could be down 10% or up 10%, depending on what will happen with this weight loss trial.”

“Novo Nordisk needs to diversify away from the obesity franchise. It's fine now because it's the buzzword. If that changes, they will be in a bad position again.”

“Novo Nordisk rotates people into different positions and promotes them internally. The management team are all similar characters with similar backgrounds. If you like the mold, then you like the bench.”

Typical Investor Verbatim

Negative Momentum Verbatim

“Novo Nordisk is placing way too big of a bet on the obesity market. They are basically trying to convince every country head and every payer that they need to pump all of their patients full of this stuff because there is no other way to lose weight. That is going to blow up in their faces at some point. If I were on the board, I would tread more carefully. Plus, they really messed up the manufacturing. That is a pretty big glitch if you believe this should be a high-priority product. They were so unprepared for the rollout, so I don't understand why the board of Novo is getting so much credit.”

“I have always thought these weight loss drugs would blow up in big pharma's face in two to three years. Now, it's already starting to happen. There are concerns about suicide risk as well. I would have thought that would rattle investors because it's the kind of product that big pharma has been shunning for many years. The spin 5-10 years ago was that they were focusing on very patient-specific and very serious illnesses. Now they are basically just pumping everybody full of their weight loss drugs. It's a very risky strategy. However, generalists feel comfortable with something they understand, and it's easier to understand than a cancer drug.”

“Novo Nordisk always has tons of cash, but they have a poor track record in M&A. They are in a leading position in their field, so they can't really make a big deal. They would have to acquire a different business and then diversify the company. That could be a good idea, but it's not their strategy.”

“Eli Lilly doesn't have the delivery problems that Novo Nordisk has with obesity. Eli Lilly is also more diversified. Novo Nordisk has delivery problems with Wegovy. There isn't enough capacity.”

“Novo Nordisk is a one-molecule company. To me, the pipeline is how many new chemical entities you have, and are those going into areas of unmet need? Are you going to disrupt? GLP-1 is just one franchise for Novo.”

Typical Investor Verbatim

Negative Momentum Verbatim

“Novo Nordisk's CEO, Lars Fruergaard Jorgensen, is nothing special. He came from manufacturing. He isn't particularly impressive.”

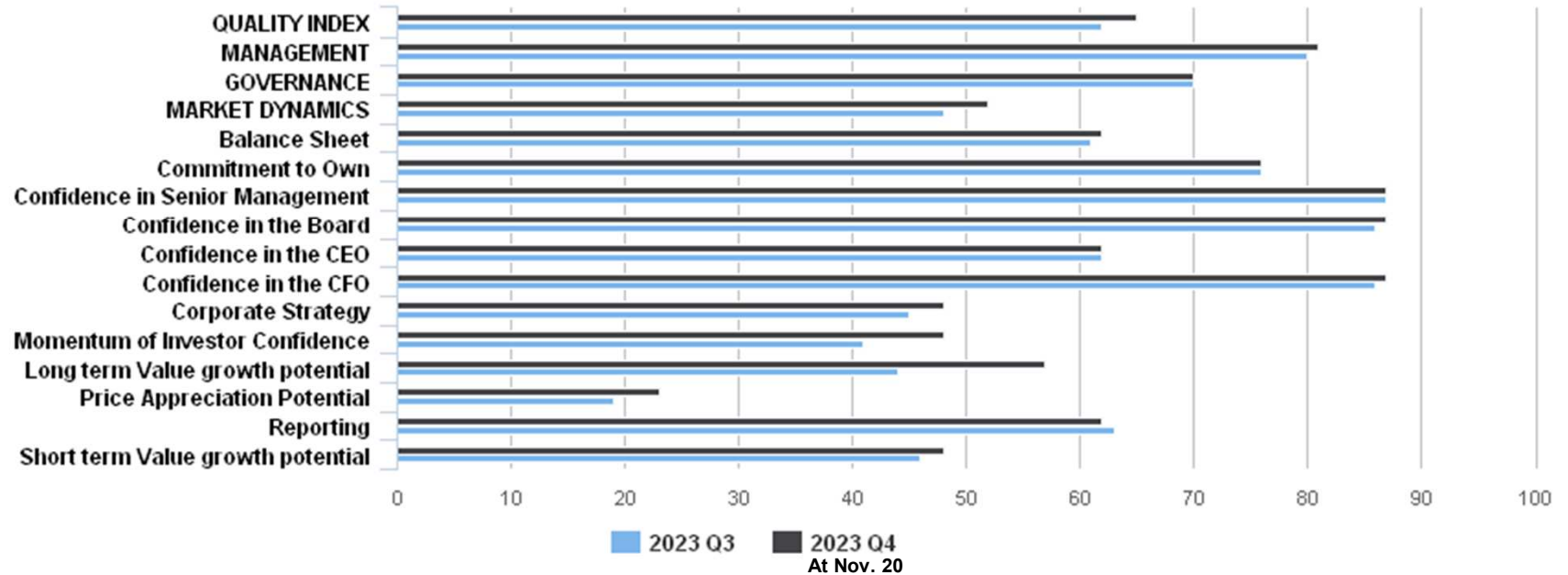
“I put Eli Lilly and Novo Nordisk in the same bucket because people mostly care about obesity at the moment. Our view is that the consensus obesity expectations are going to come down because American insurance companies don't want to pay for it. We have people saying to us that it's going to be a \$100 billion market, but that is ridiculous.”

“It is not smart to buy more of Novo Nordisk at this level. When you grow in pharma, people tend to overpay, like Eli Lilly and Novo Nordisk. Everyone is tripping over themselves to snap these things up. It seems a little nuts.”

Quarter over Quarter Results

Forecast for the Year Ahead

Novo Nordisk A/S



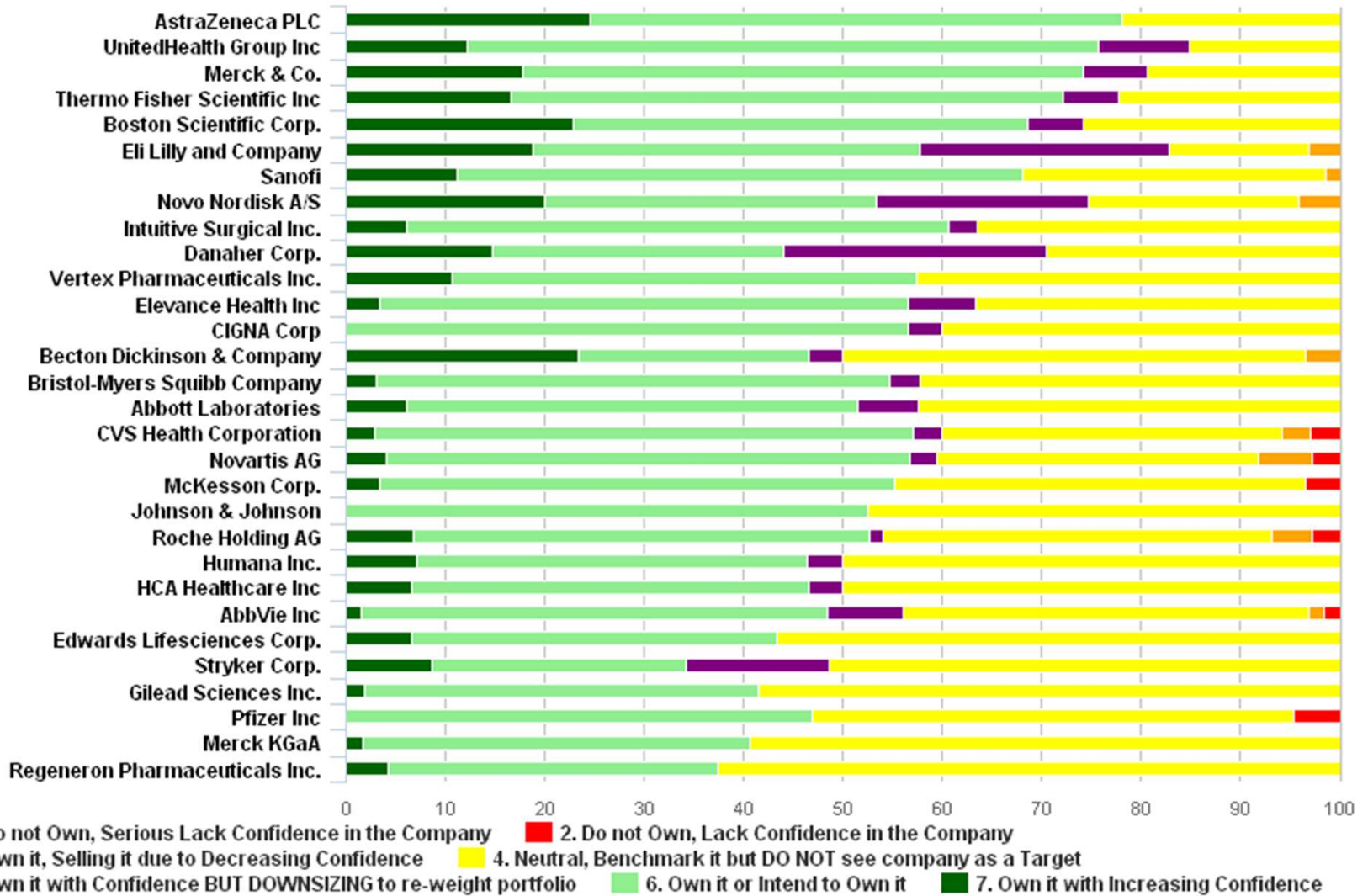
Rolling Year Data*

*Rolling Year Data = Accumulation of the rolling 12 month intelligence from the
BWI Shareholder Confidence Panel

What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

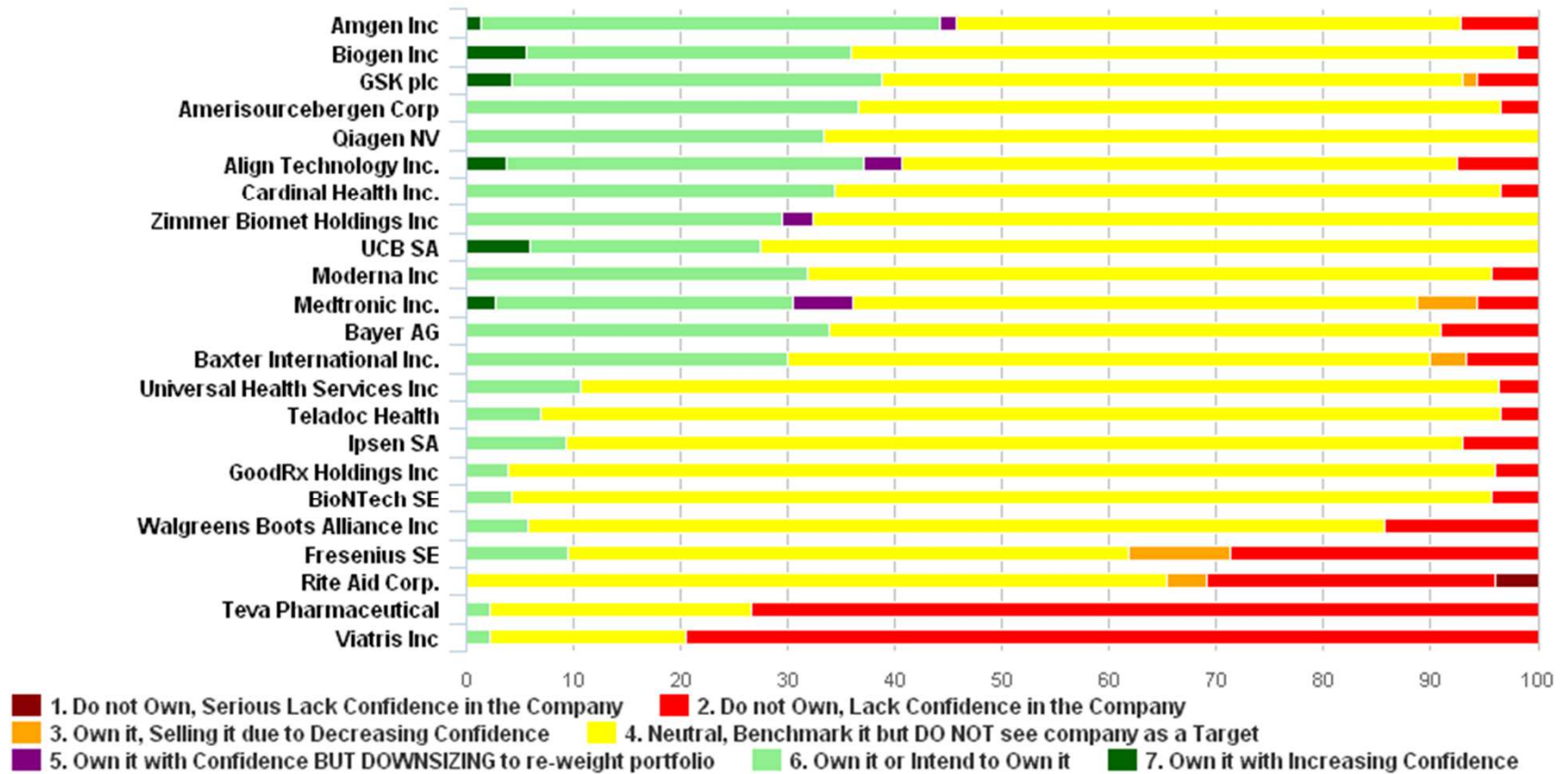
Buyers/Sellers by Sector



What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

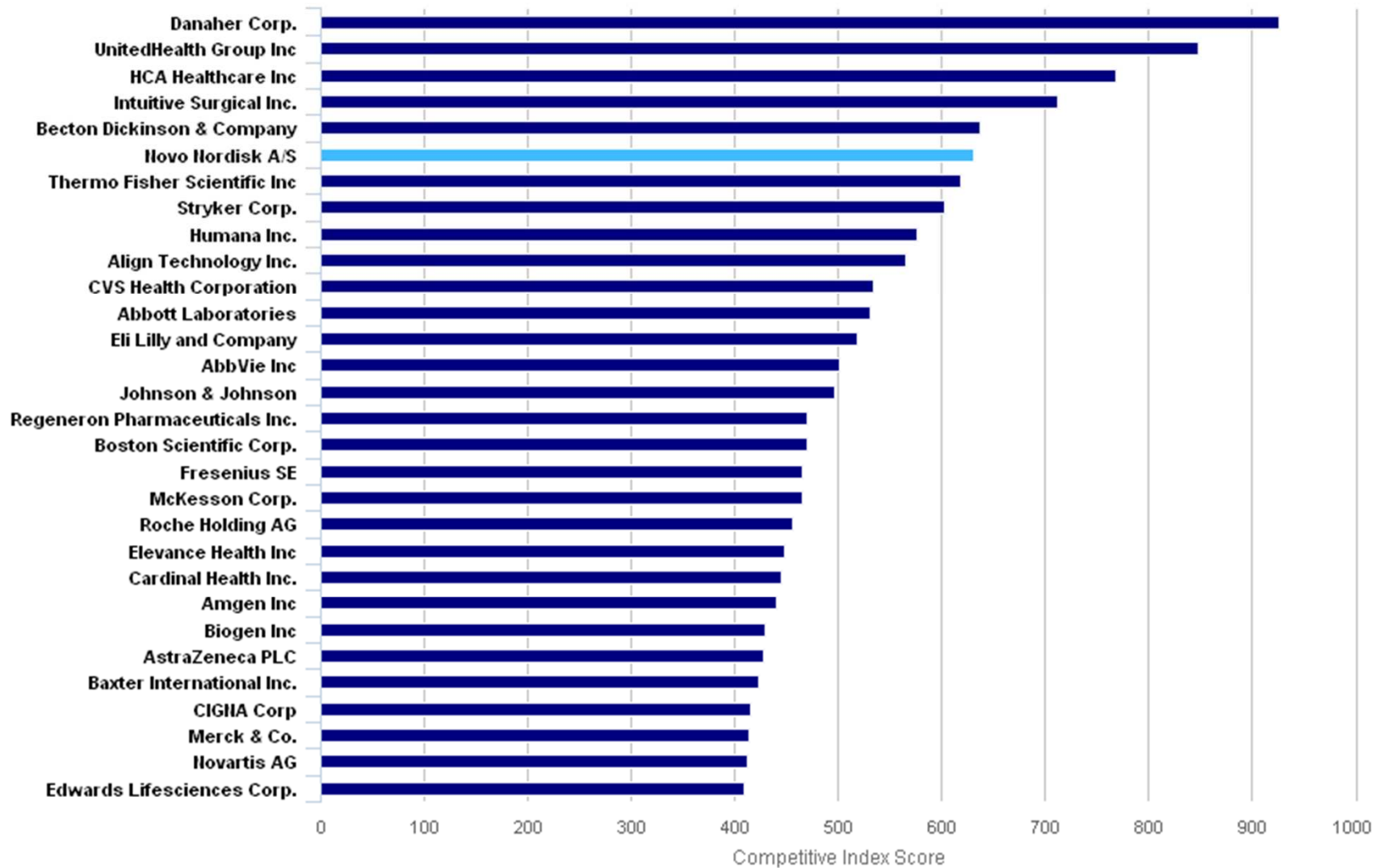
Buyers/Sellers by Sector



Shareholder Confidence Competitive Index

Rolling Year Data

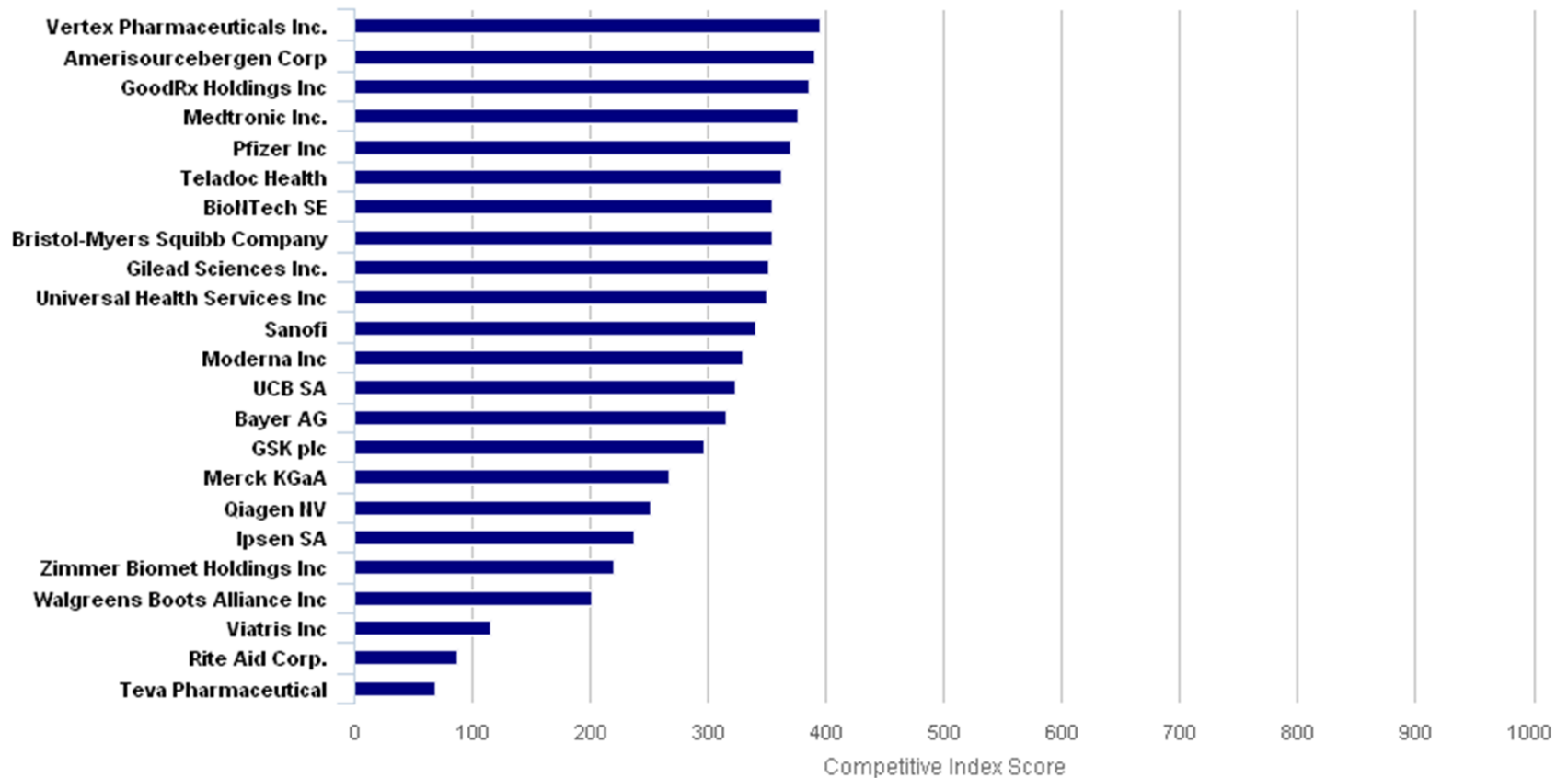
Global Investors - Investment Quality Index



Shareholder Confidence Competitive Index

Rolling Year Data

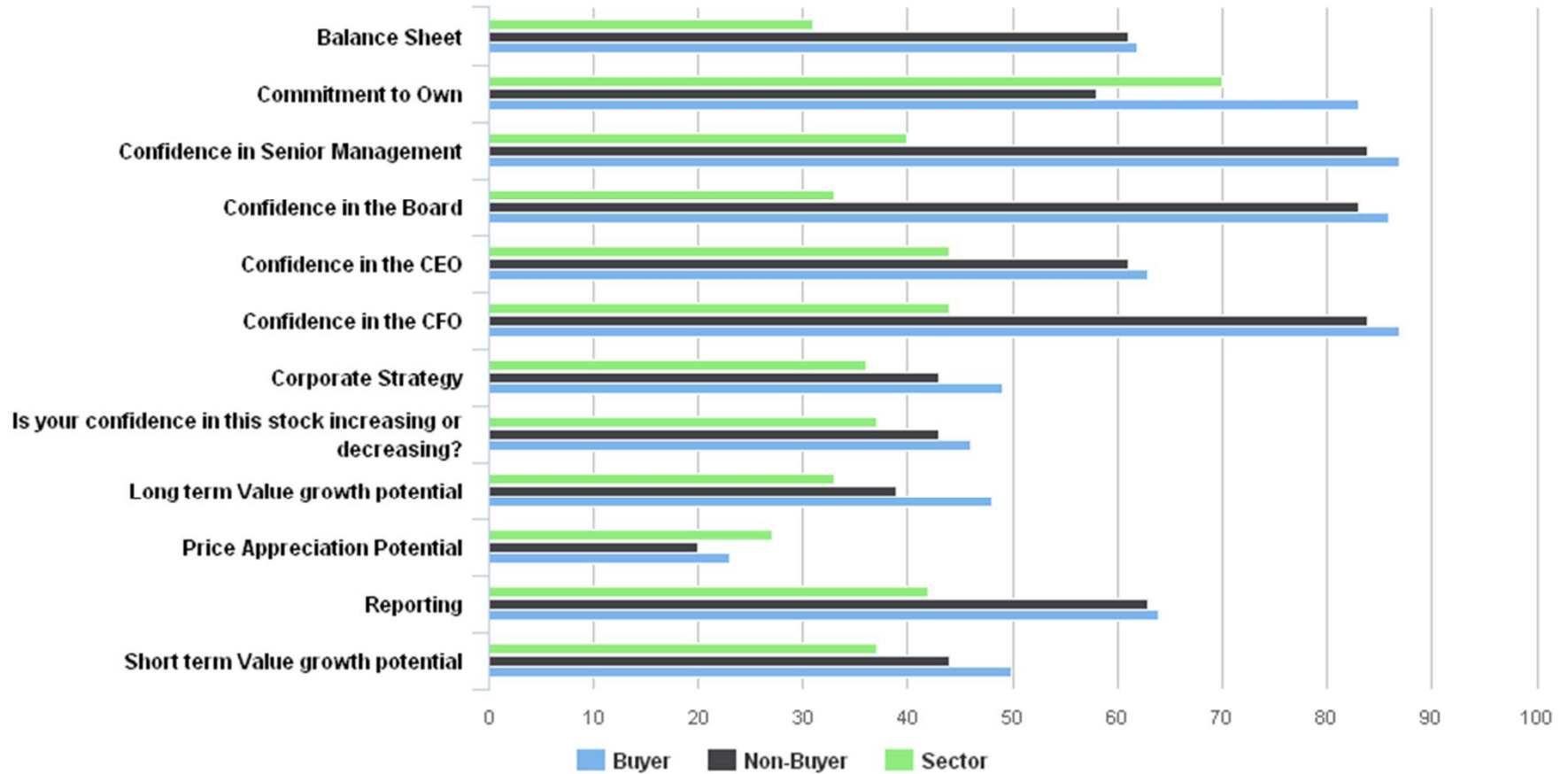
Global Investors - Investment Quality Index



Investment Target: Buyer Ratings Vs Non-Buyer Ratings Forecast for the Year Ahead

Rolling Year Data

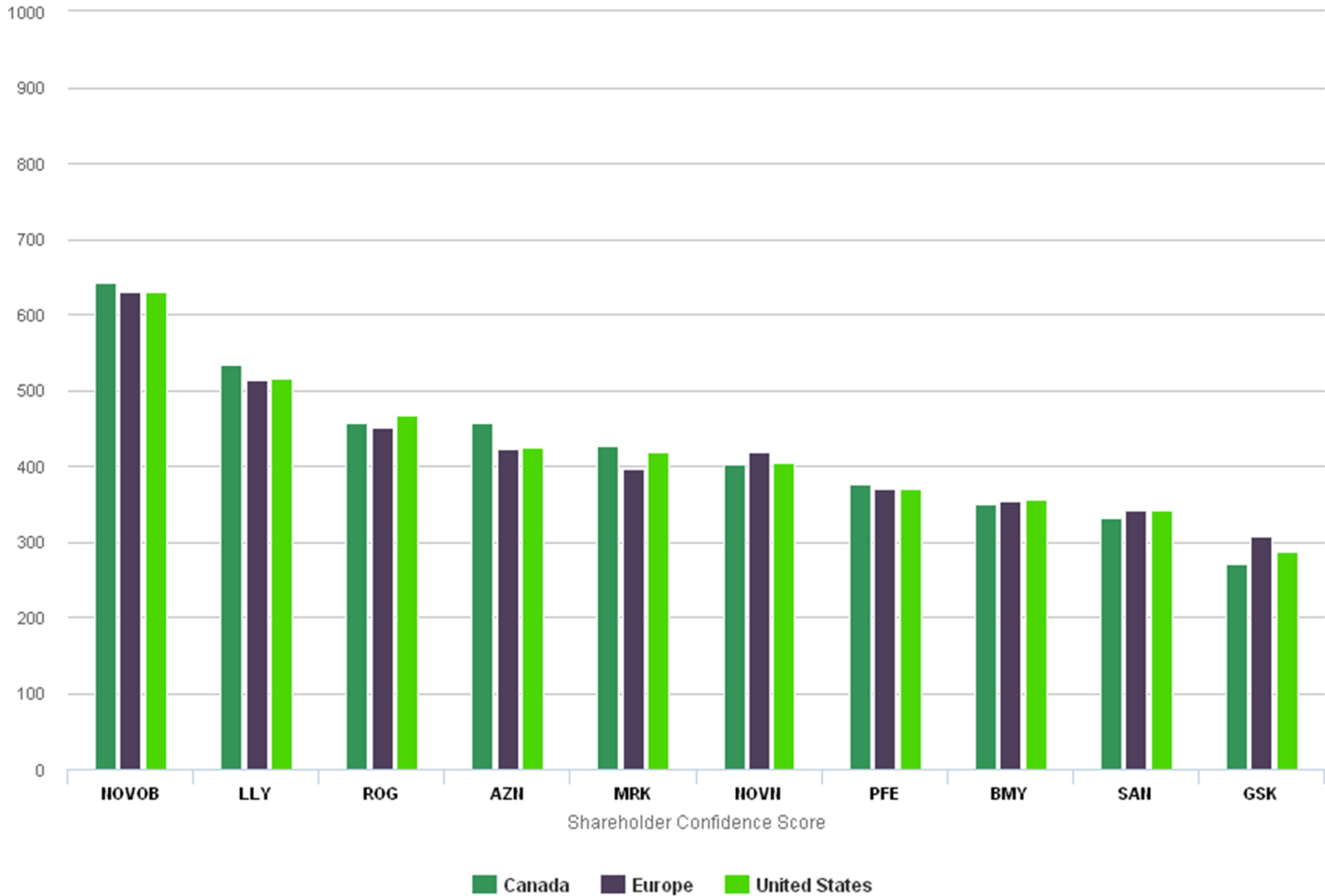
Novo Nordisk A/S



How Does Overall Investor Confidence in Novo Nordisk A/S Peer Group Vary Per Region?

Rolling Year Data

Forecast for the Year Ahead



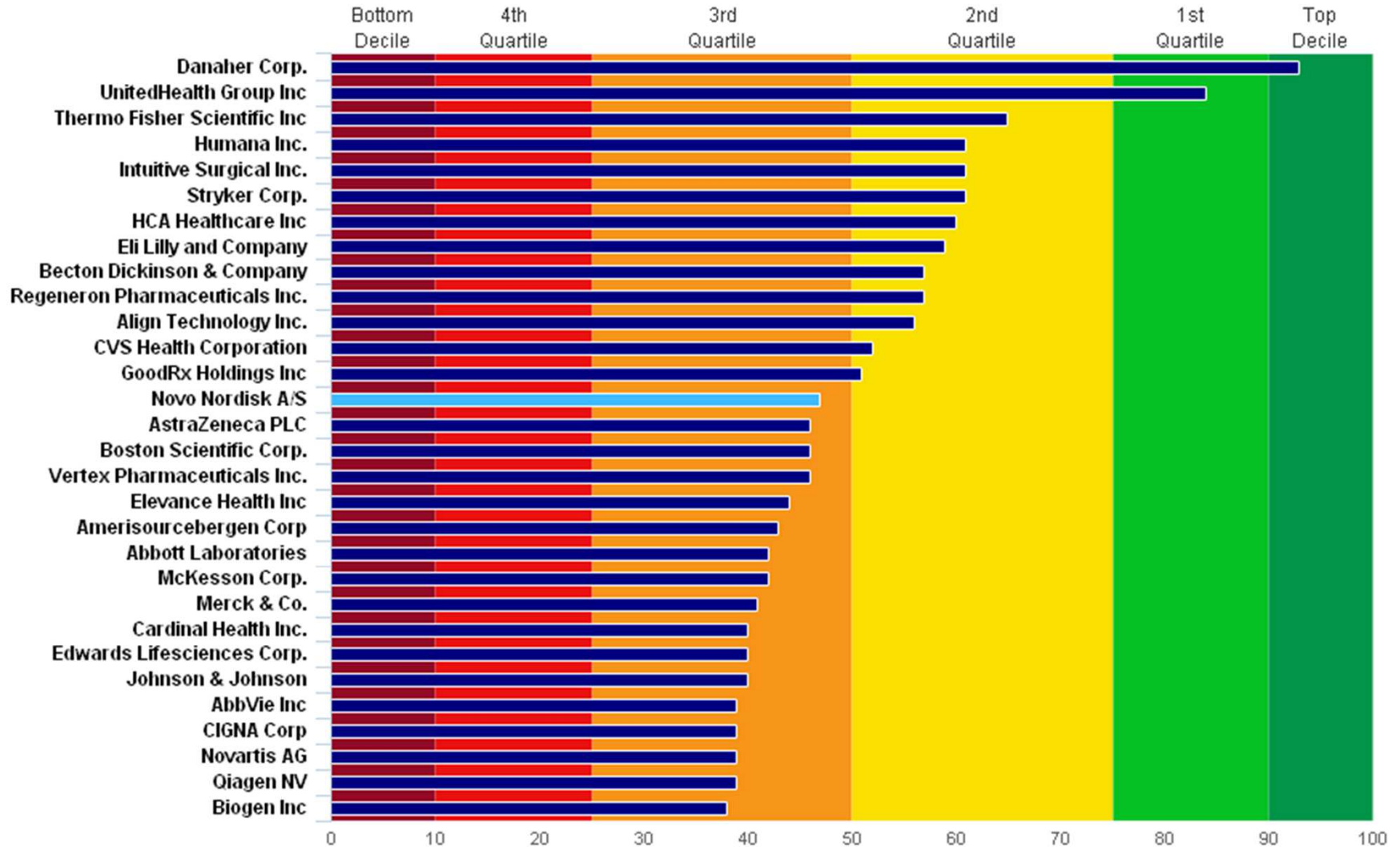
Advance Proxy Poll - Strategy Forecast for the Year Ahead

Rolling Year Data

What is Your Vote or Recommended Vote* to Retain/Replace the Existing Strategy?

(*Applies to cases where compliance/administration executes the proxy.)

(TD: Very Strong Vote to Retain, Q1: Strong Vote to Retain, Q2: Vote to Retain, Q3: Vote to Replace, Q4: Strong Vote to Replace, BD: Very Strong Vote to Replace)



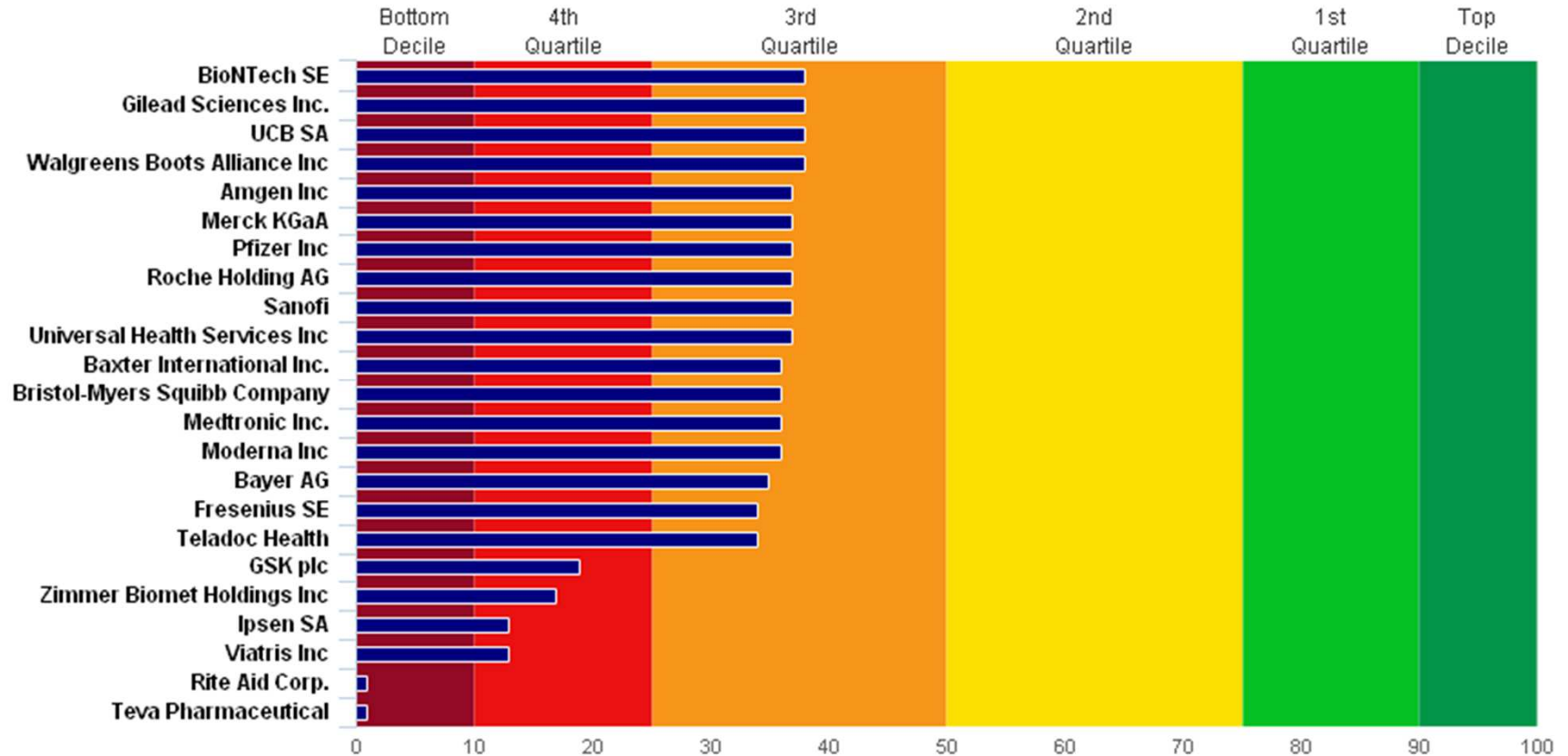
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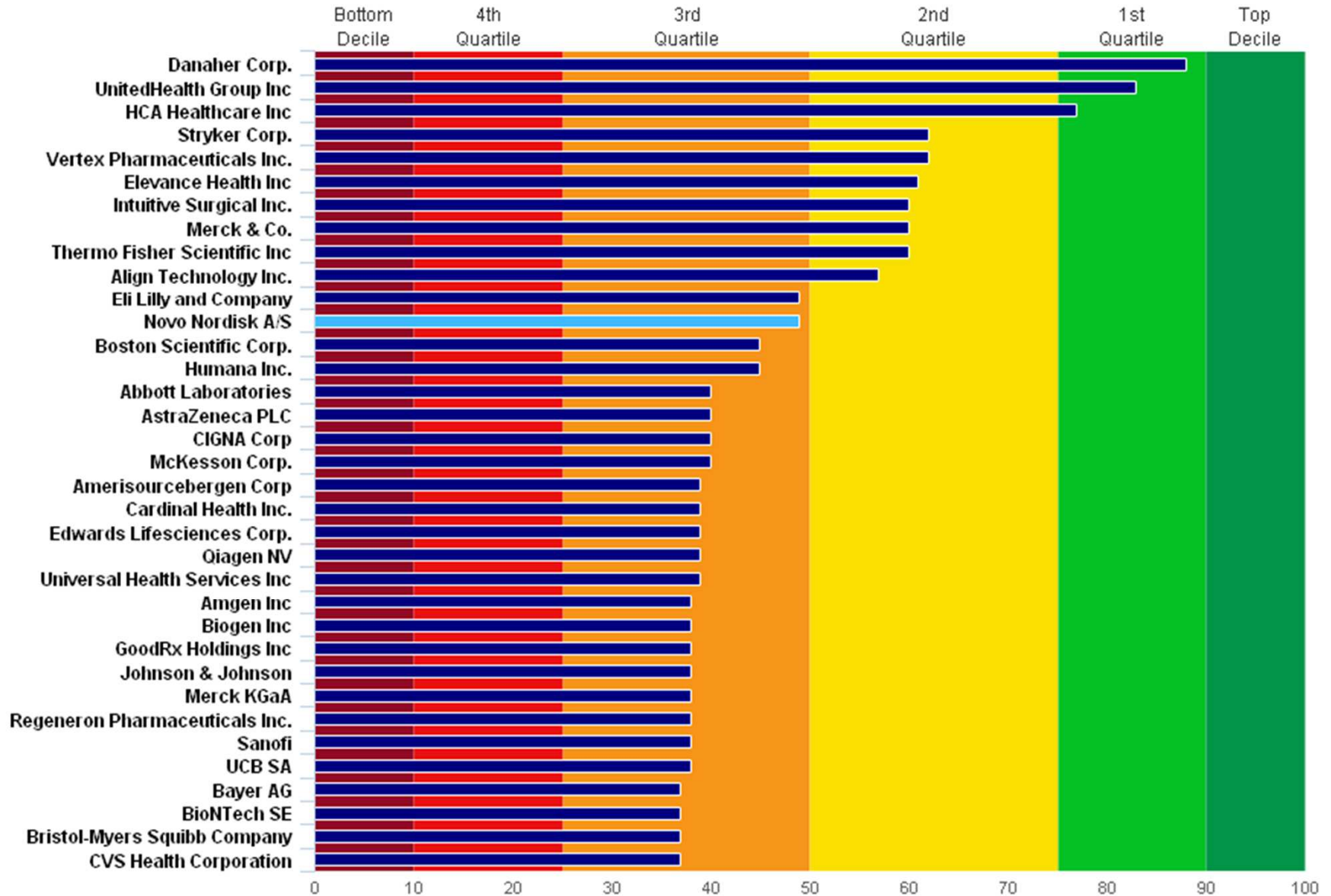
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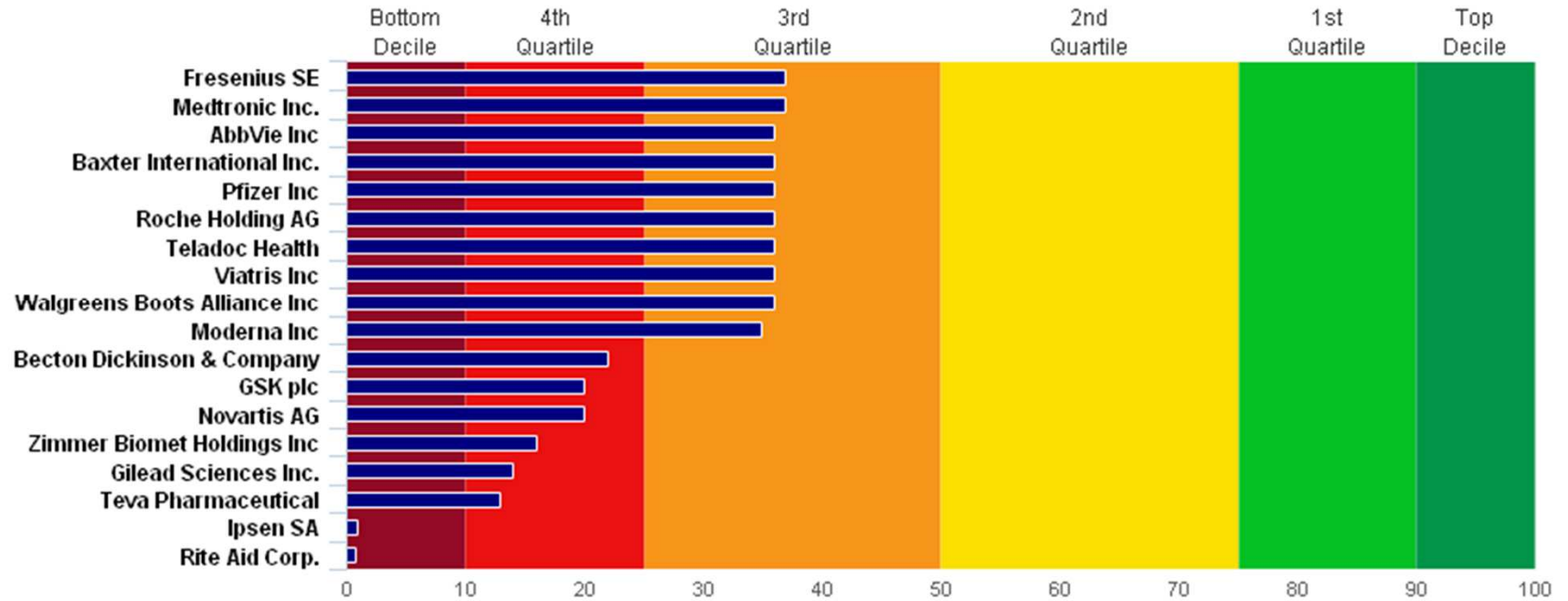
Confidence in Short Term Growth Forecast for the Year Ahead

Rolling Year Data



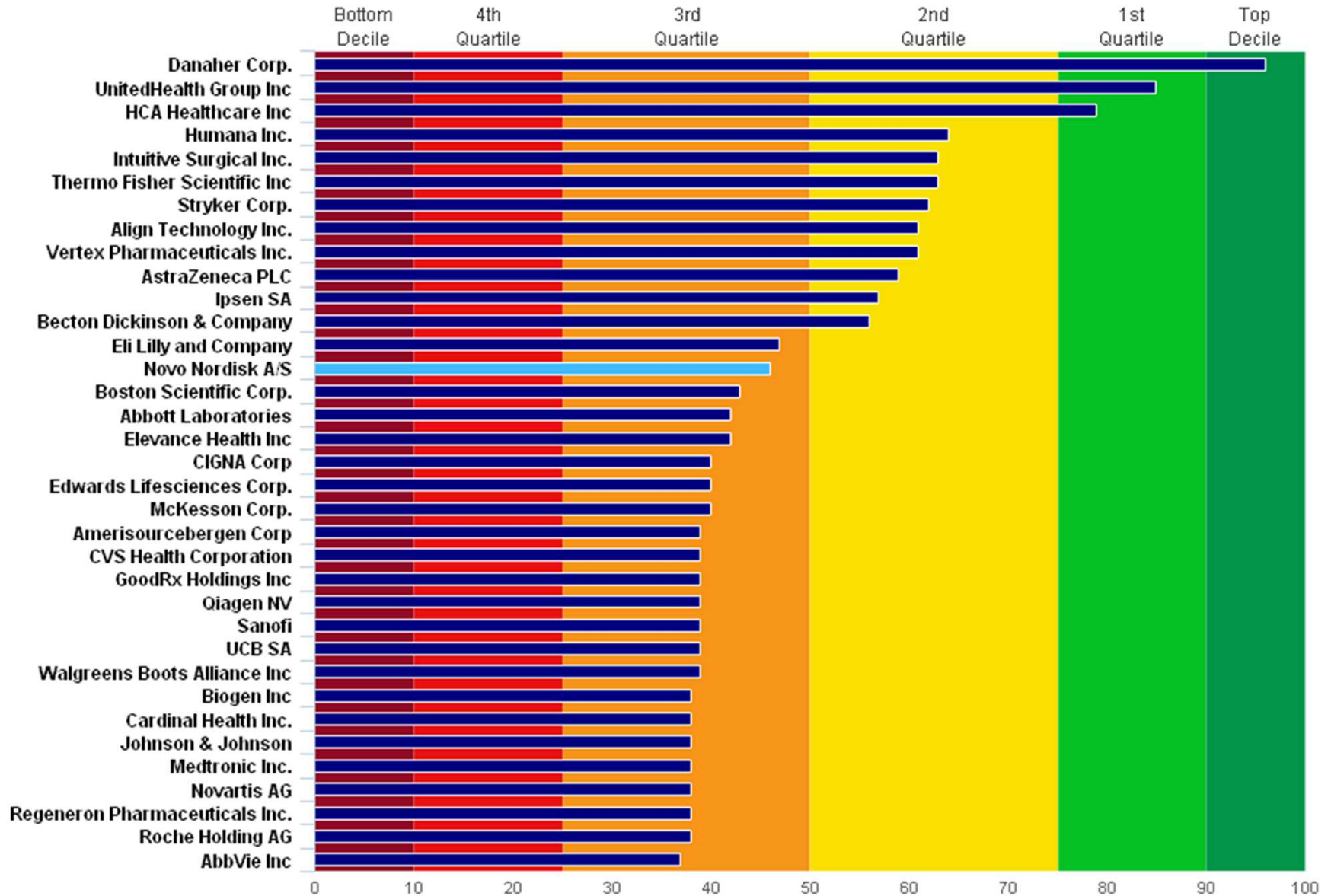
Confidence in Short Term Growth Forecast for the Year Ahead

Rolling Year Data



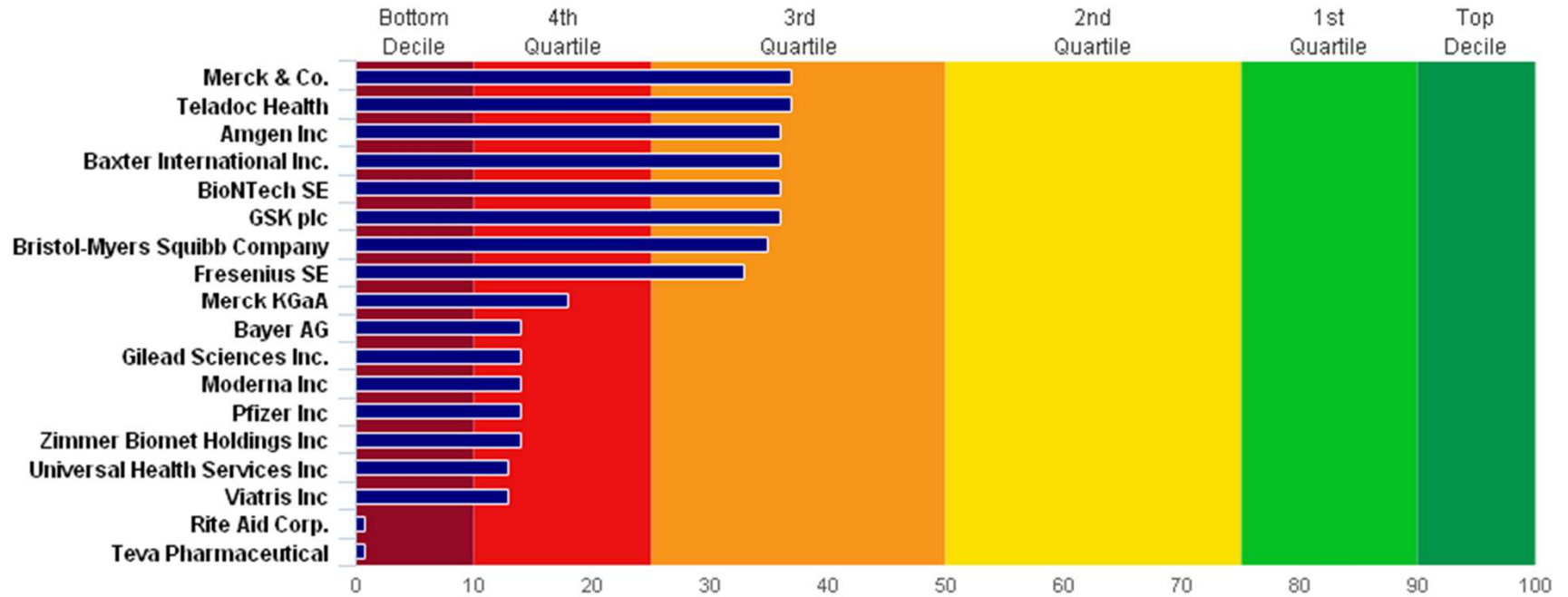
Confidence in Long Term Growth Forecast for the Year Ahead

Rolling Year Data



Confidence in Long Term Growth Forecast for the Year Ahead

Rolling Year Data



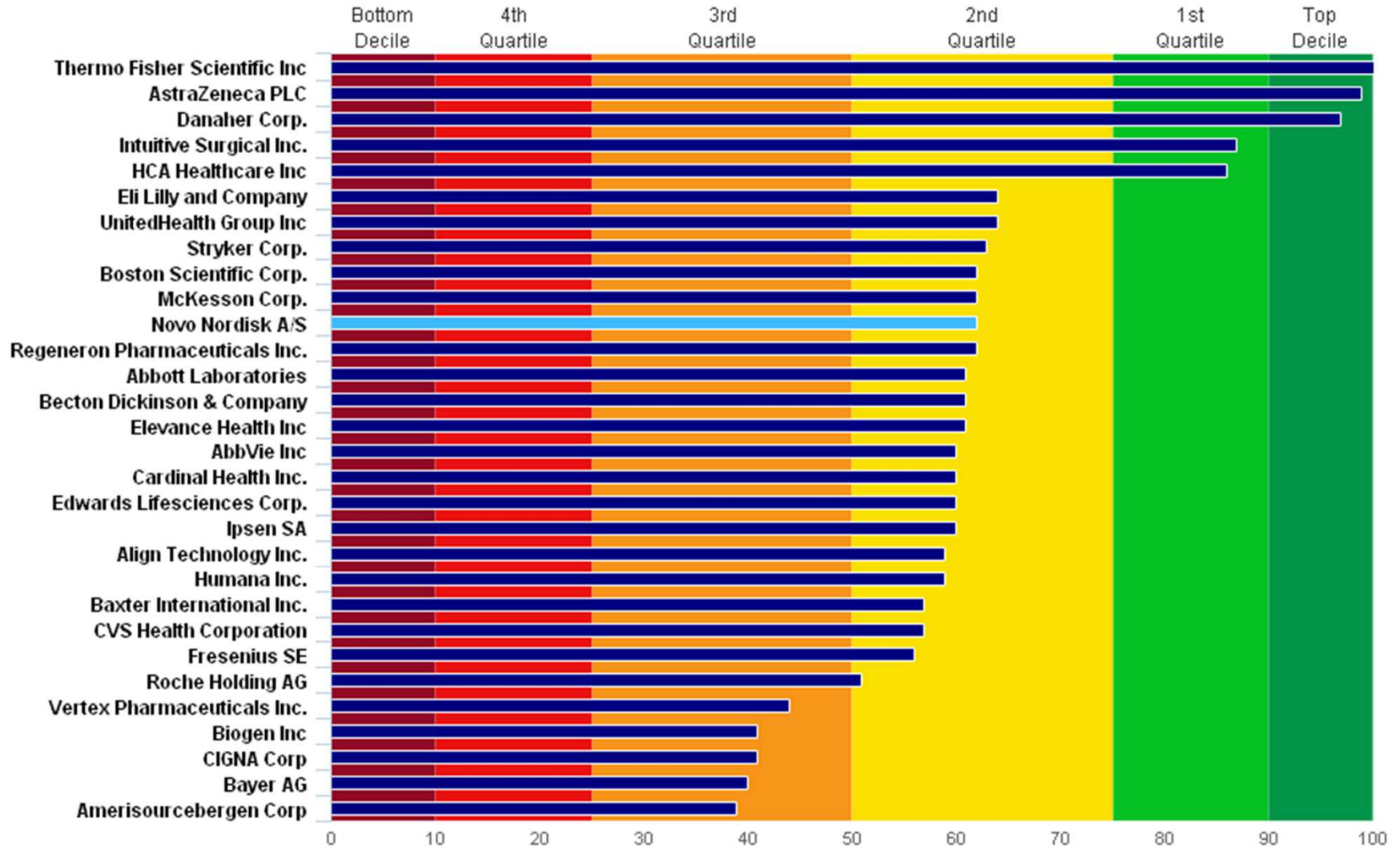
Advance Proxy Poll - CEO Forecast for the Year Ahead

Rolling Year Data

What is Your Vote or Recommended Vote* to Retain/Replace the Existing CEO?

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(>80 Very Strong Vote to Retain, 70-80 Strong Vote to Retain, 60-70 Neutral, 50-60 Strong Vote to Replace, <50 Very Strong Vote to Replace)



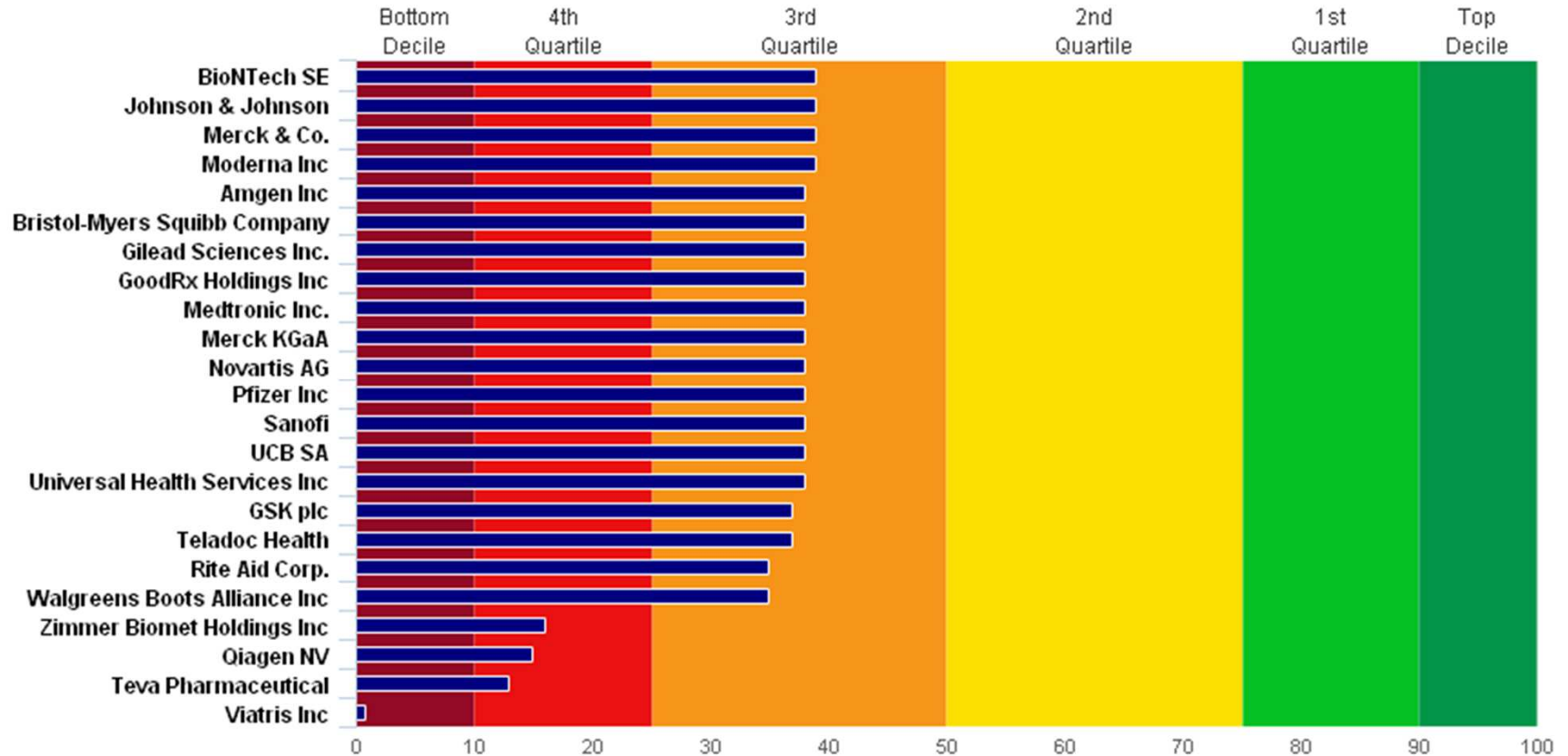
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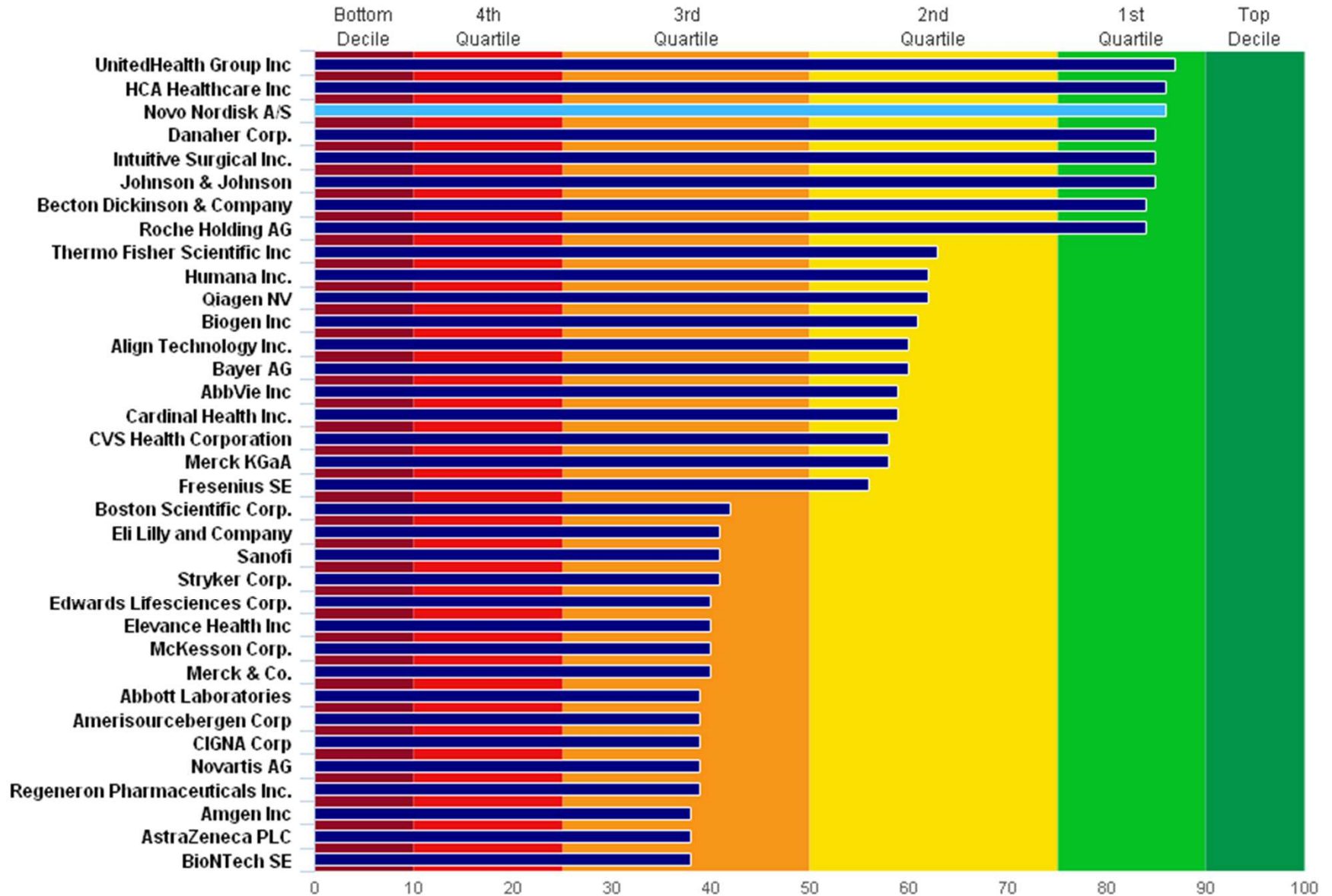
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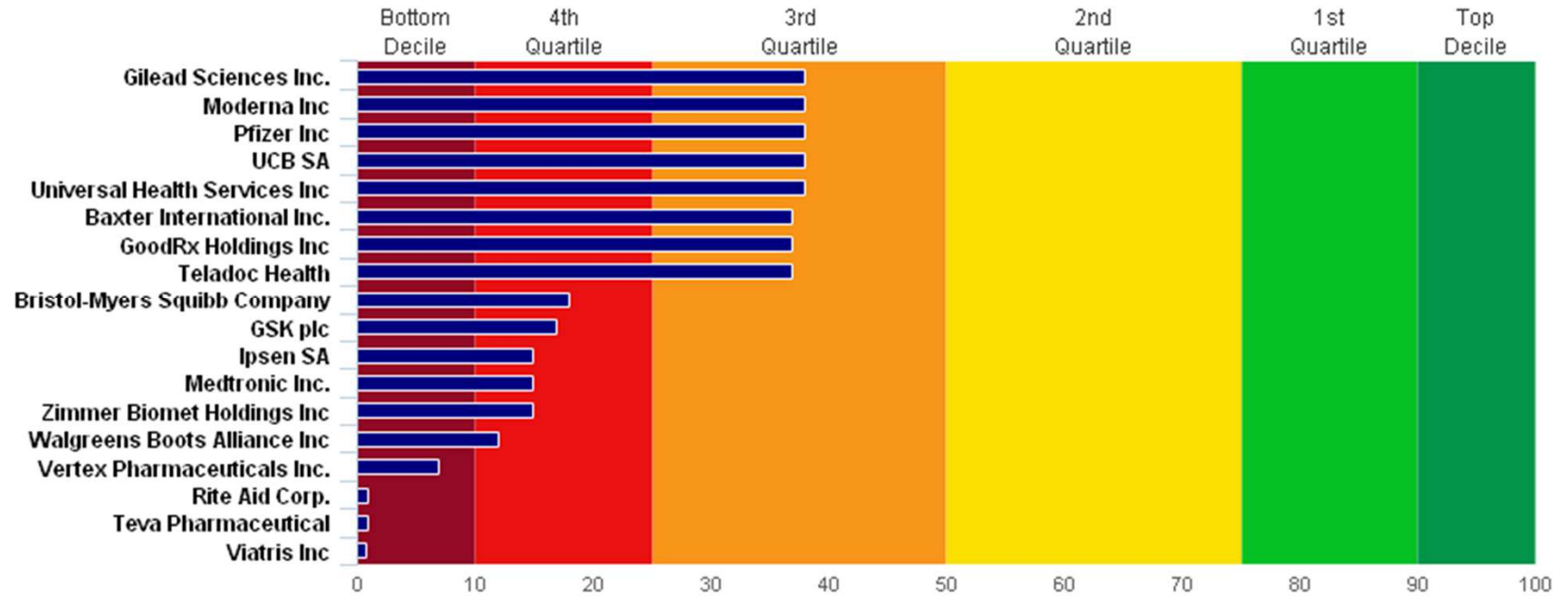
Confidence in CFO Forecast for the Year Ahead

Rolling Year Data



Confidence in CFO Forecast for the Year Ahead

Rolling Year Data



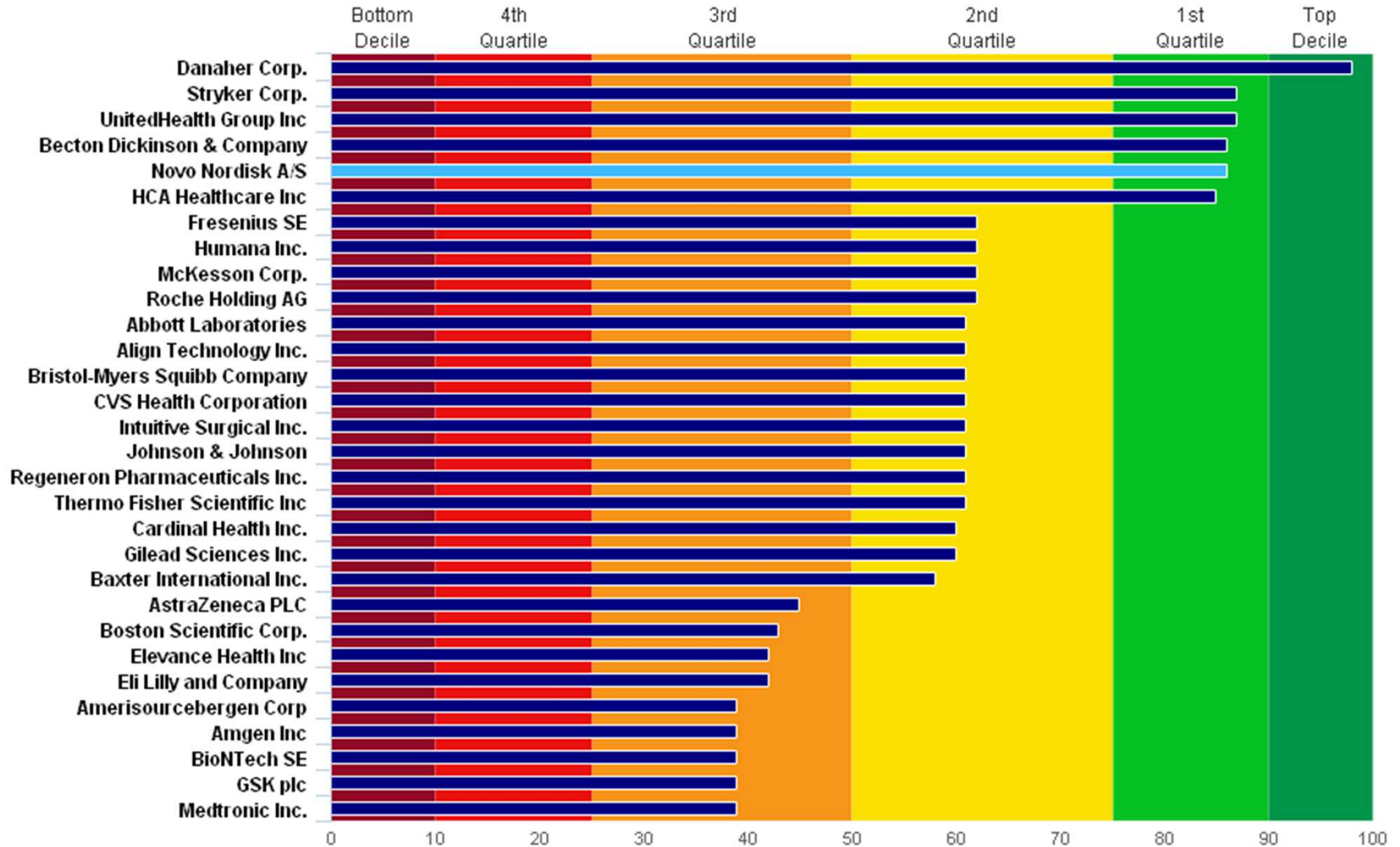
Advance Proxy Poll - Senior Management Forecast for the Year Ahead

Rolling Year Data

What is Your Vote or Recommended Vote* to Retain/Replace the Existing Senior Management?

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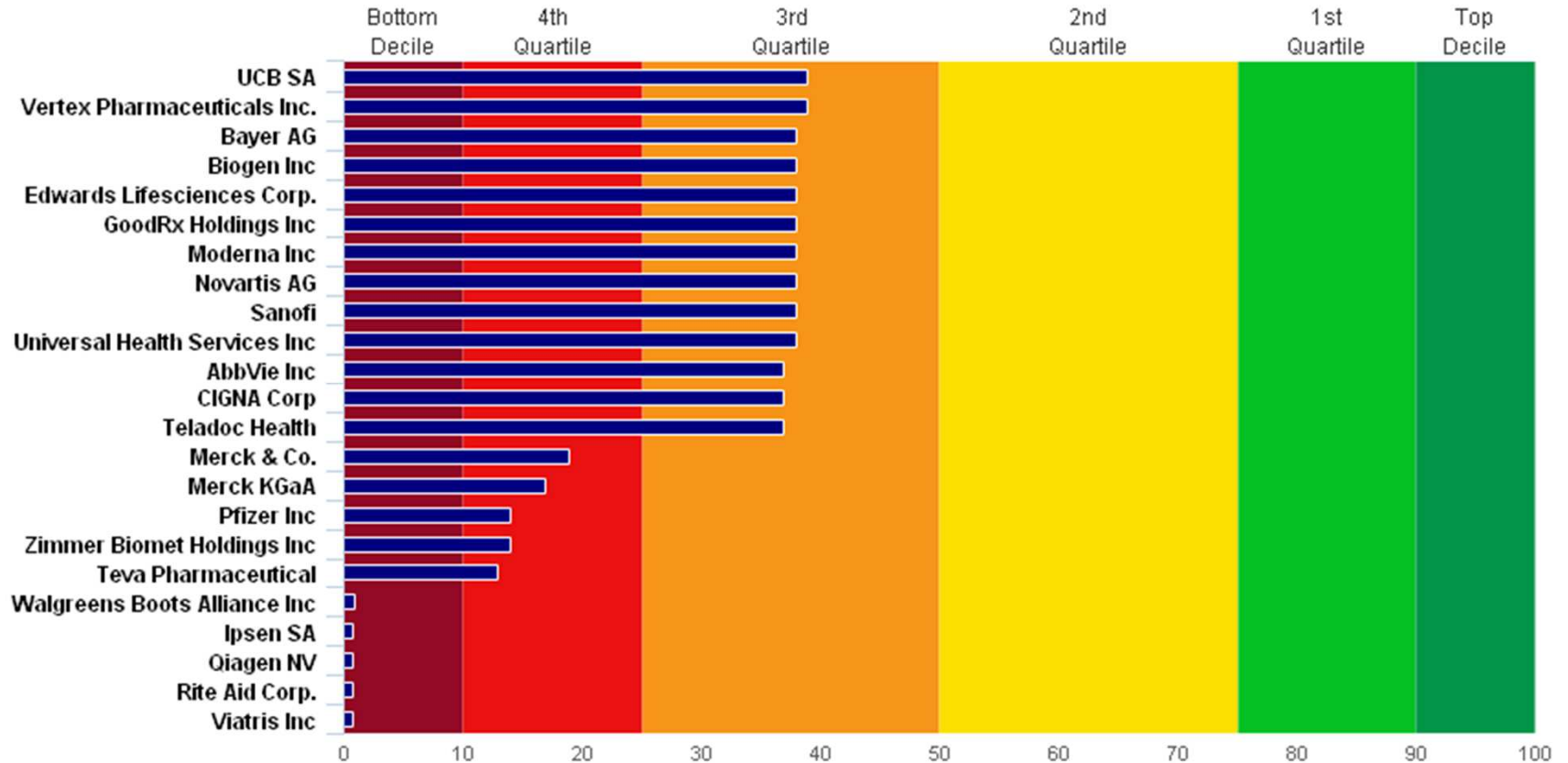
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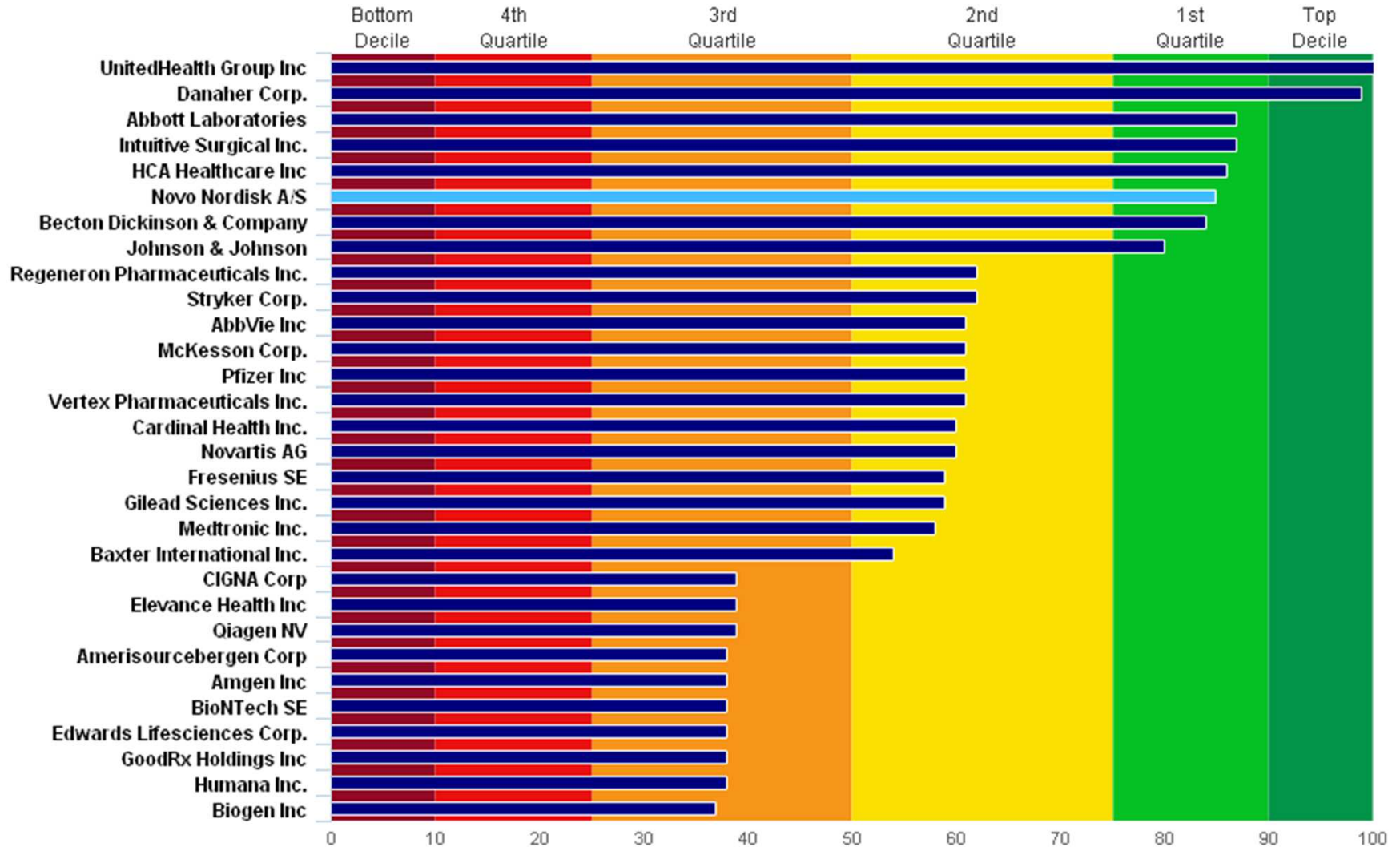
Advance Proxy Poll - Board Forecast for the Year Ahead

Rolling Year Data

What is Your Vote or Recommended Vote* to Retain/Replace the Existing Board?

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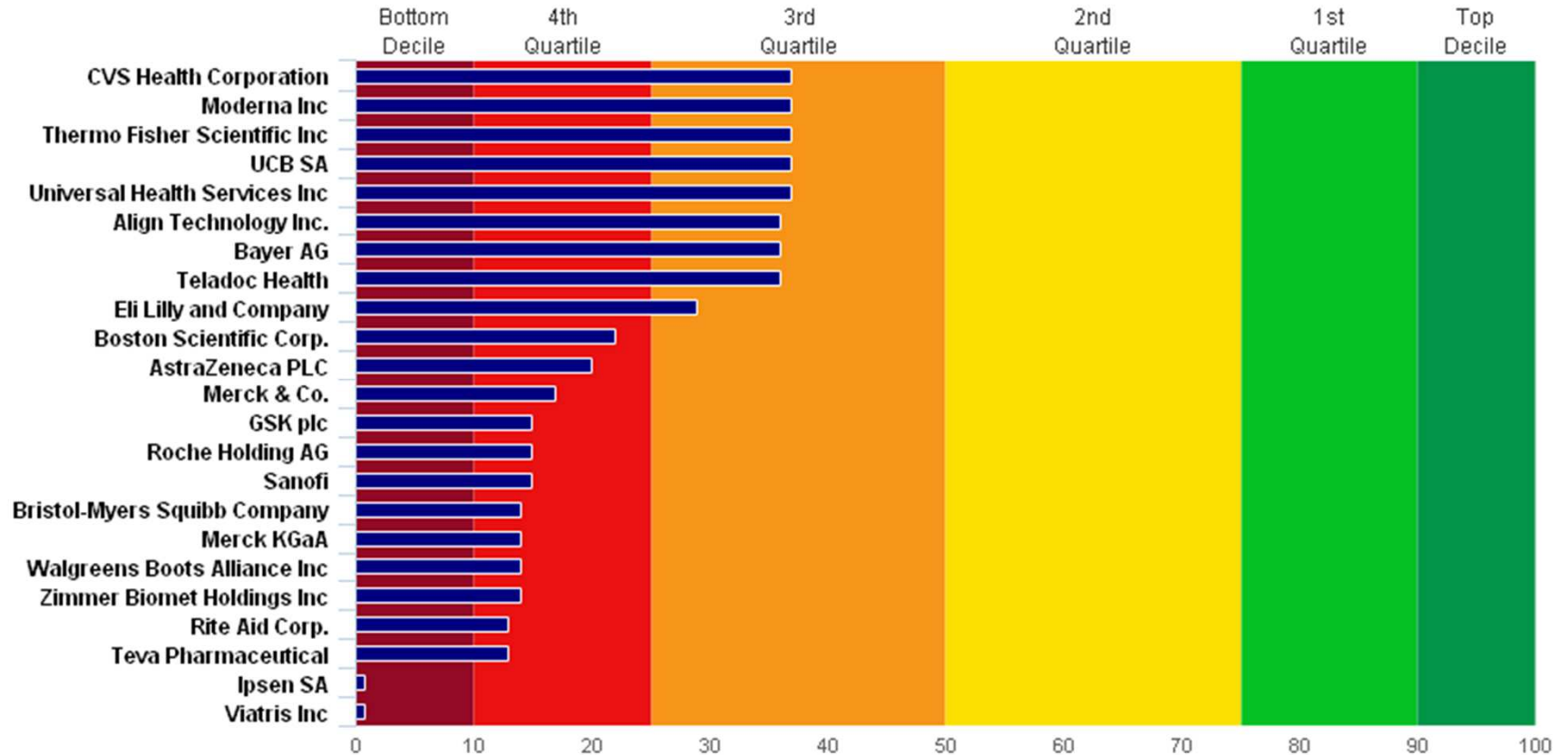
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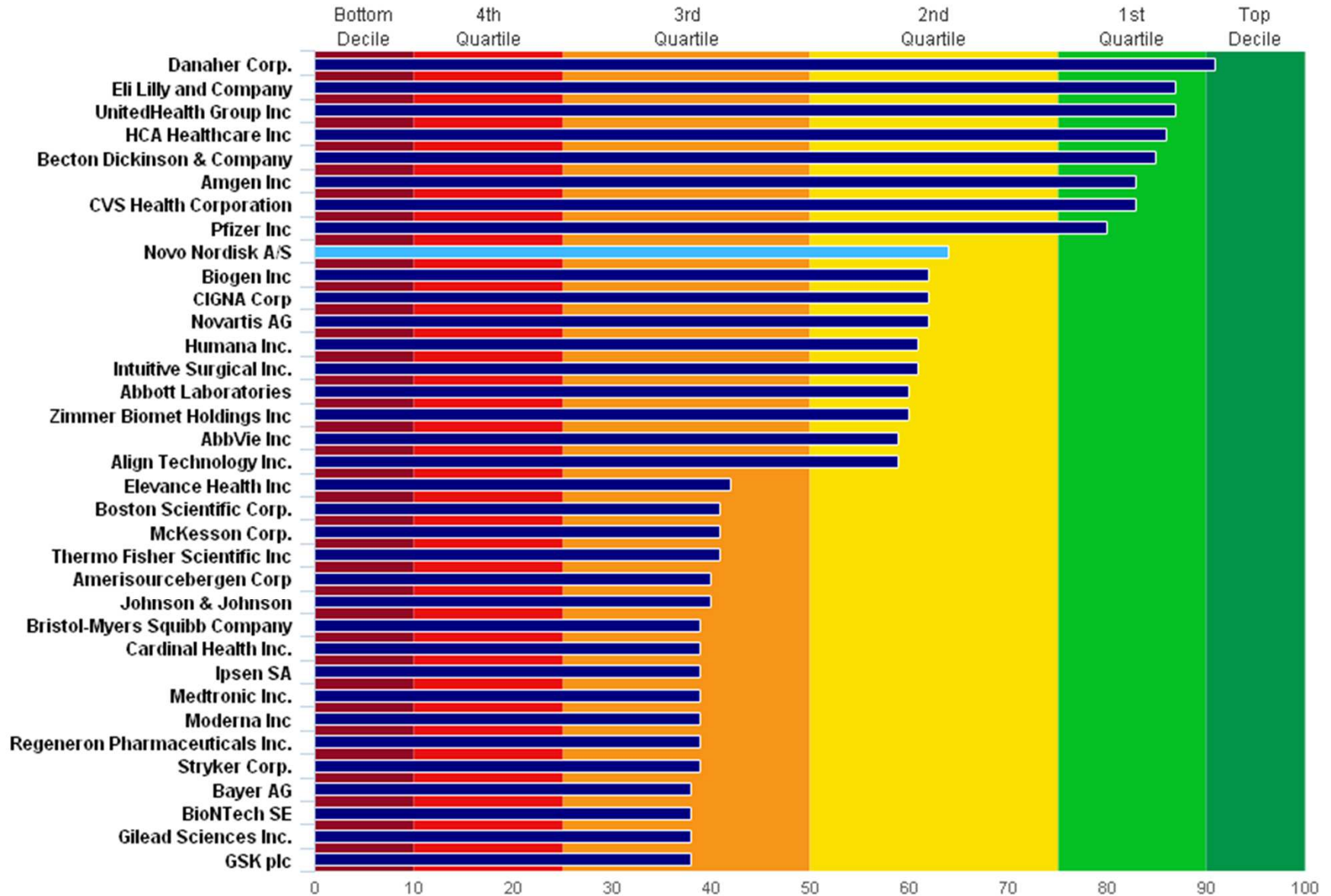
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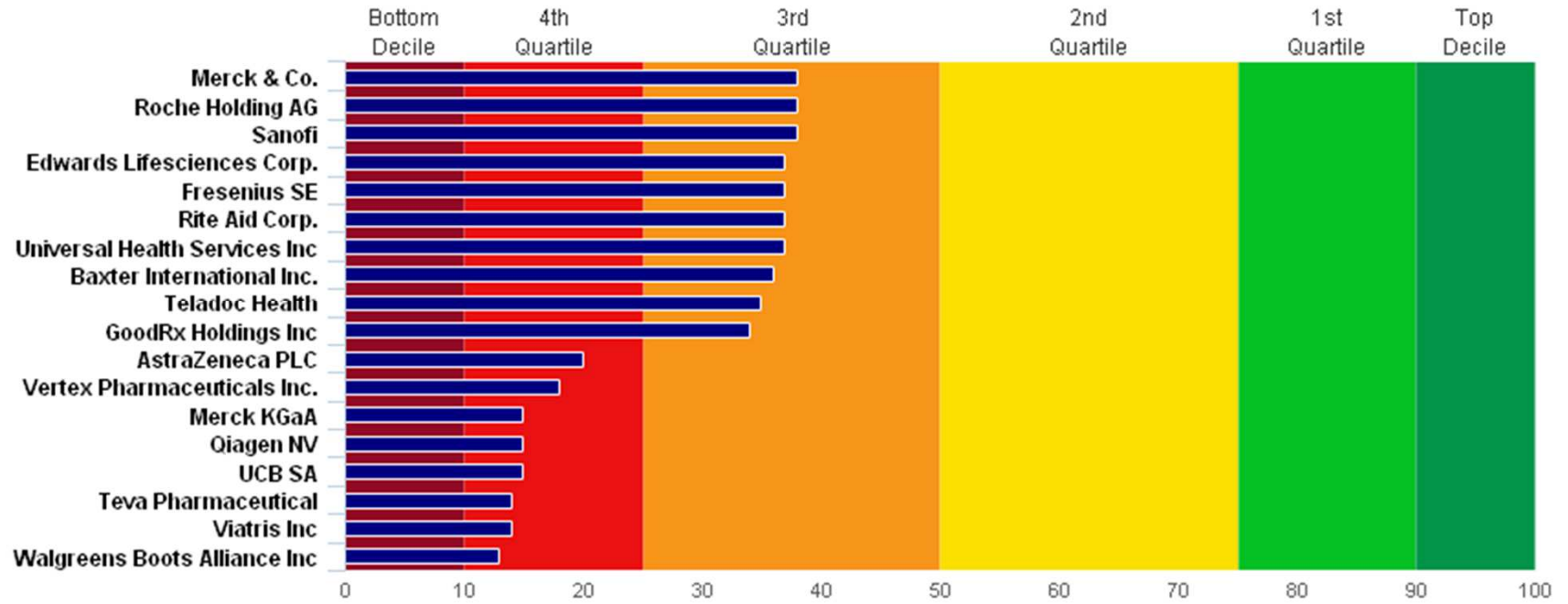
Confidence in Reporting Forecast for the Year Ahead

Rolling Year Data



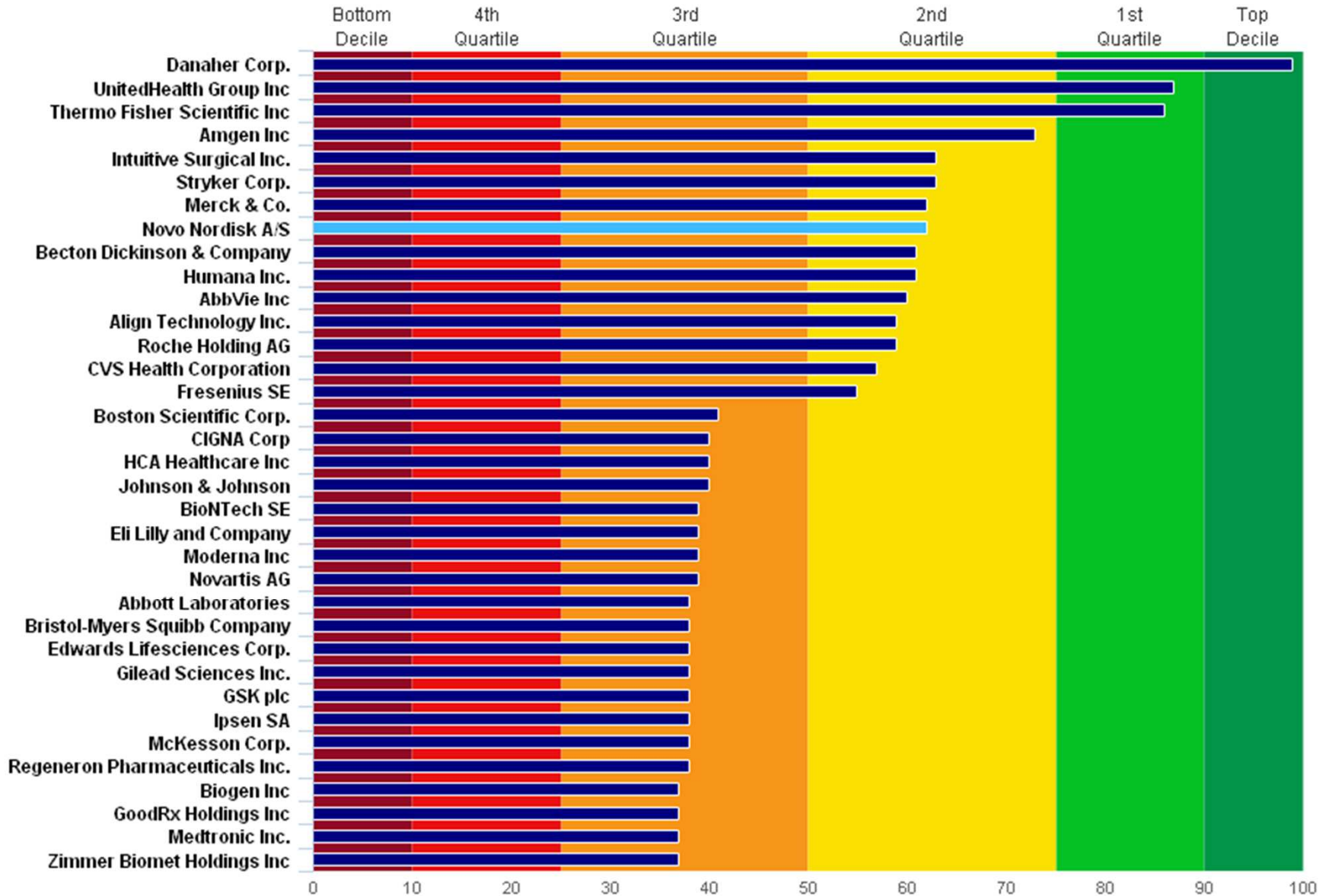
Confidence in Reporting Forecast for the Year Ahead

Rolling Year Data



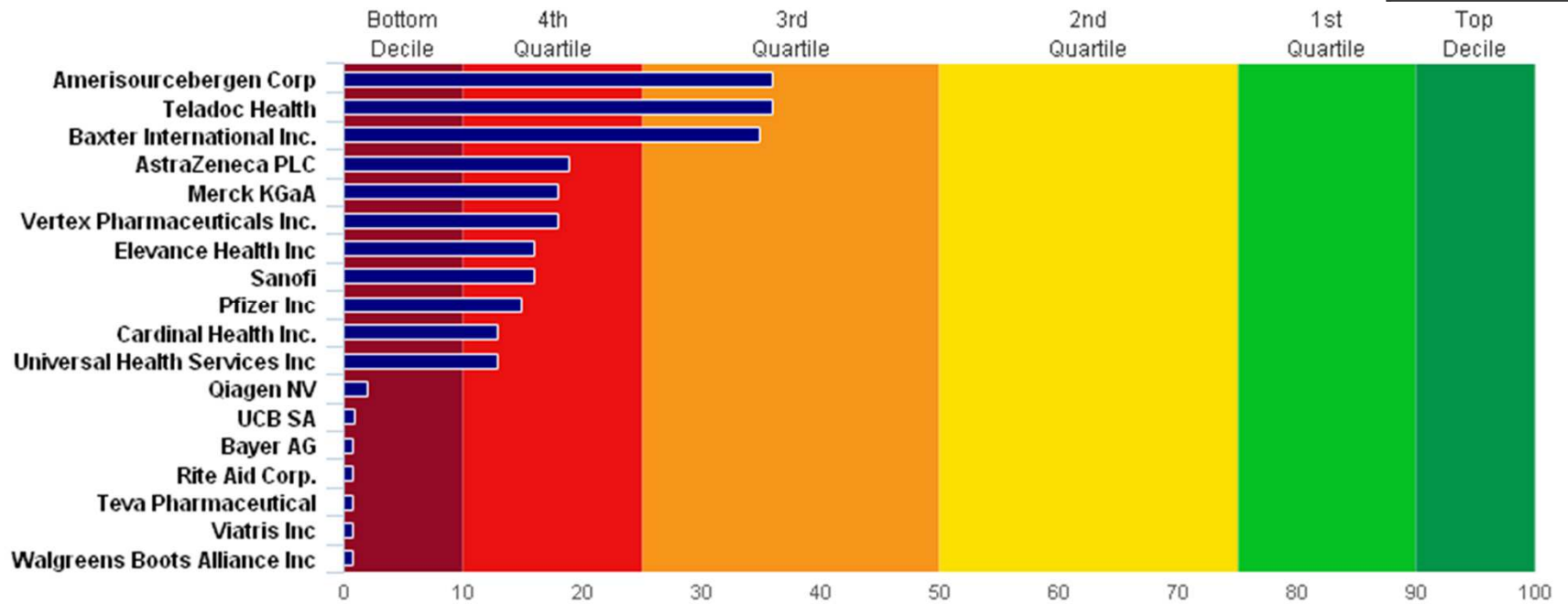
Confidence in Strength of Balance Sheet Forecast for the Year Ahead

Rolling Year Data



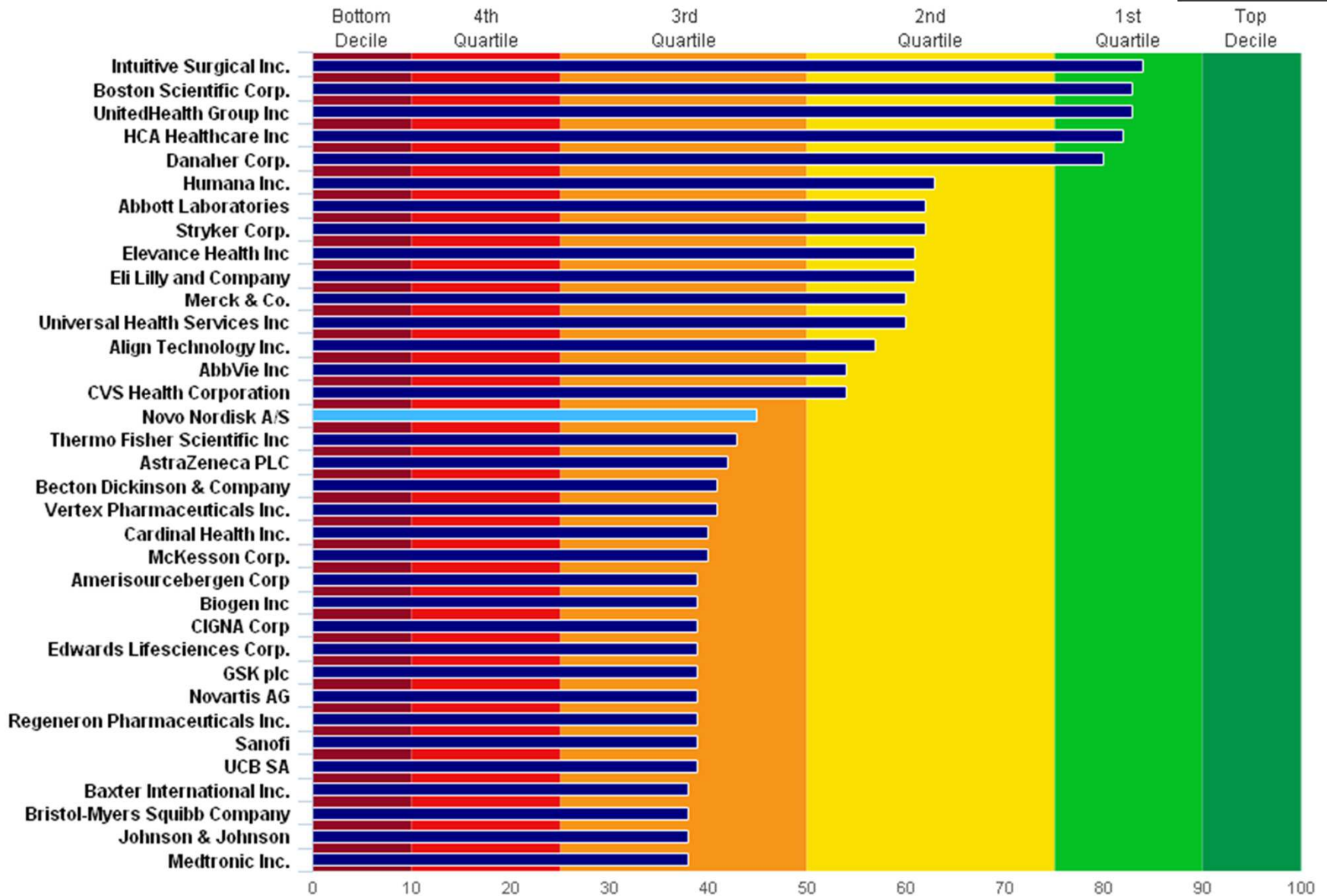
Confidence in Strength of Balance Sheet Forecast for the Year Ahead

Rolling Year Data



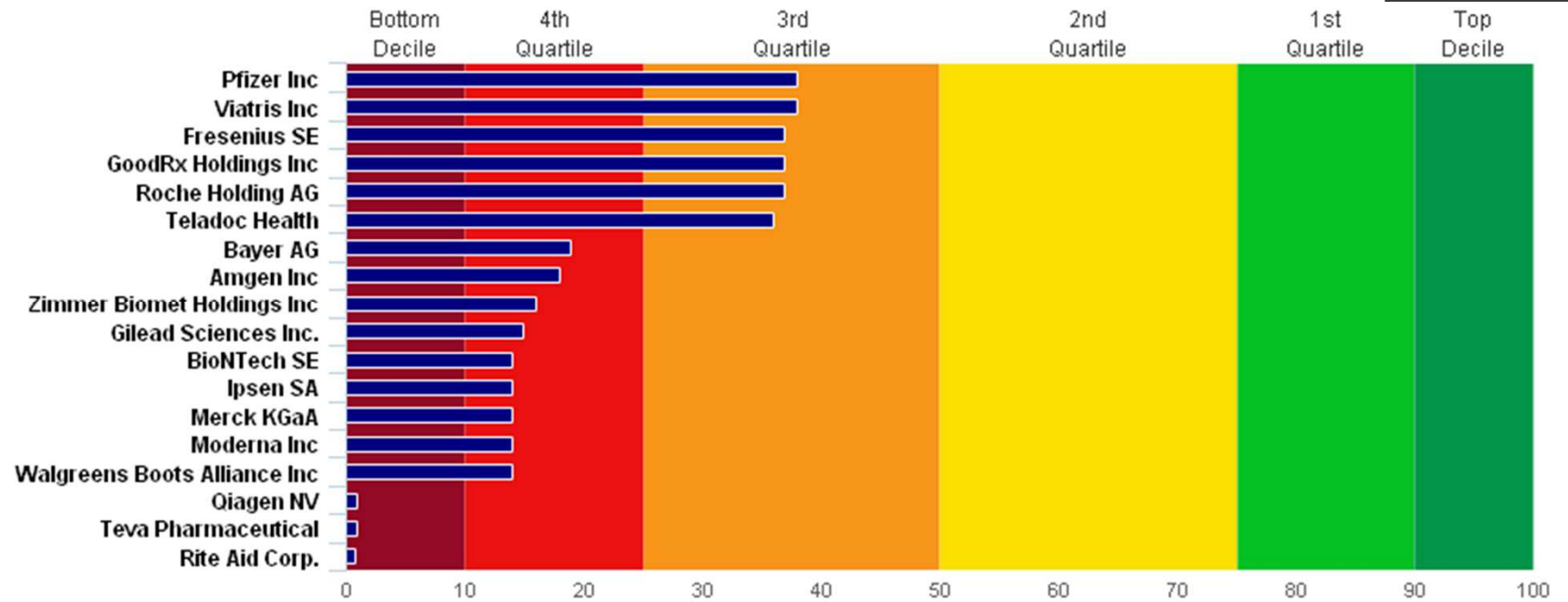
Momentum of Investor Confidence Forecast for the Year Ahead

Rolling Year Data



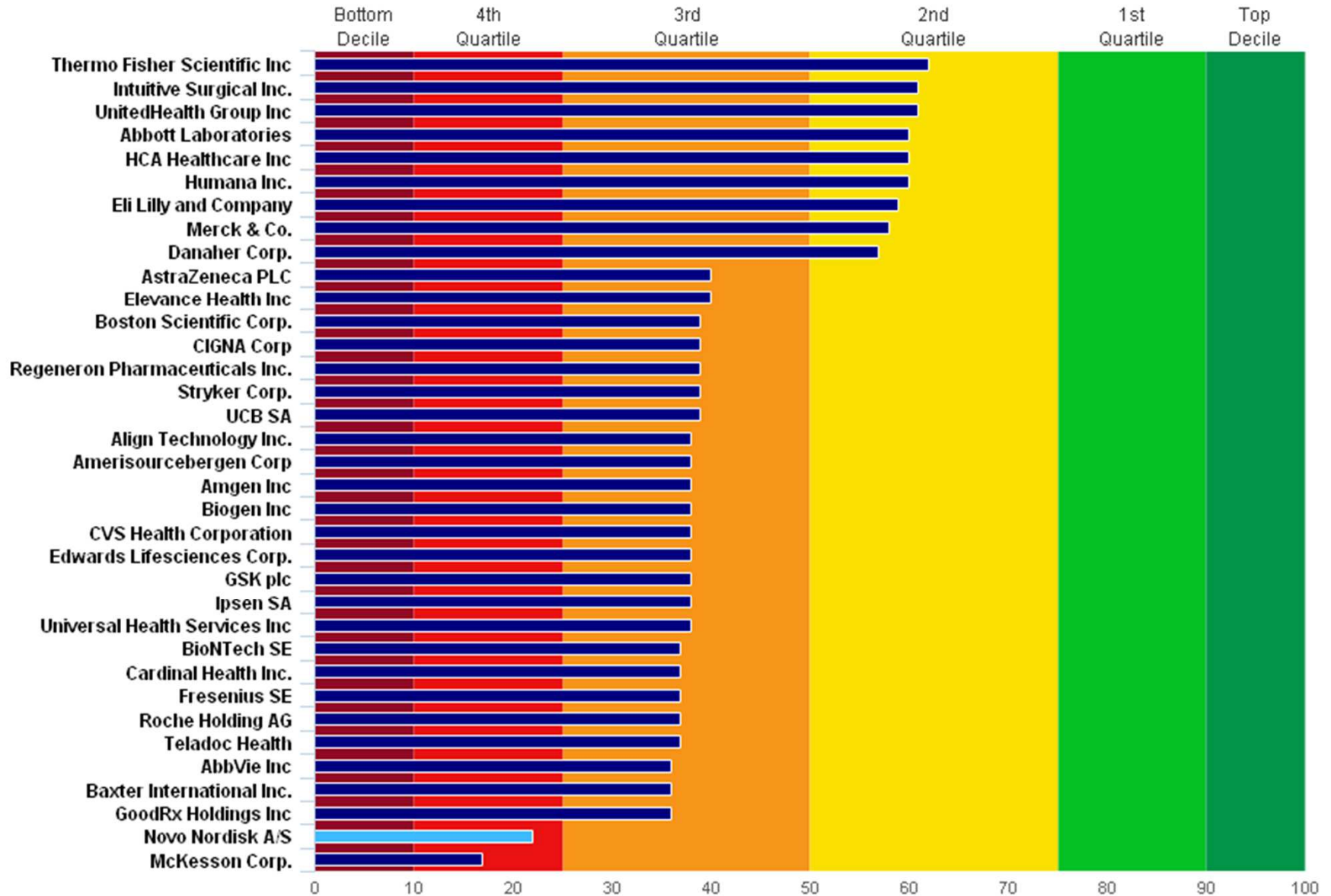
Momentum of Investor Confidence Forecast for the Year Ahead

Rolling Year Data



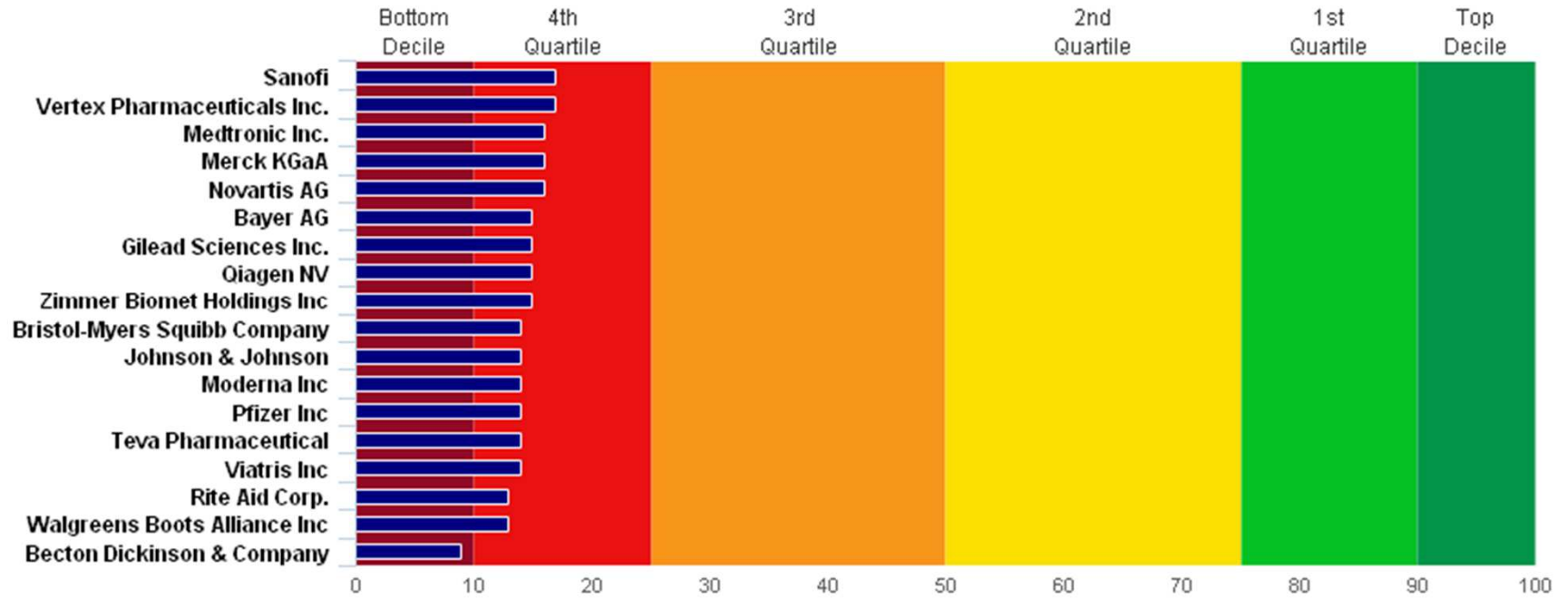
Price Appreciation Potential Forecast for the Year Ahead

Rolling Year Data



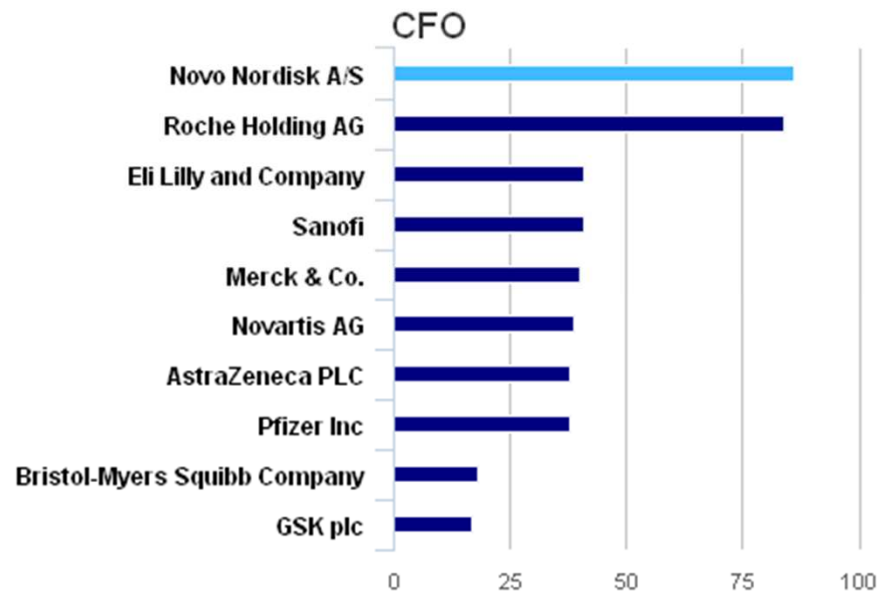
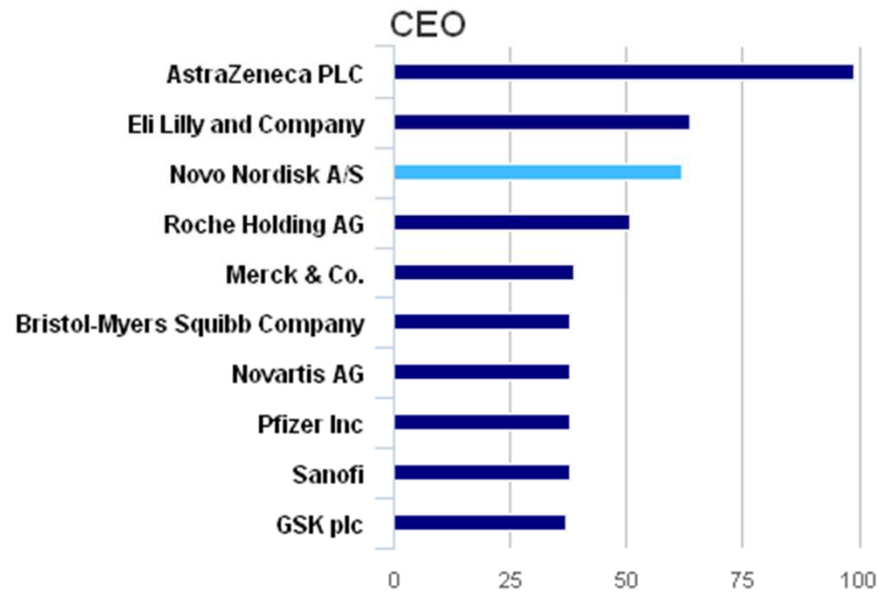
Price Appreciation Potential Forecast for the Year Ahead

Rolling Year Data



Novo Nordisk A/S vs. Comparables Forecast for the Year Ahead

Rolling Year Data

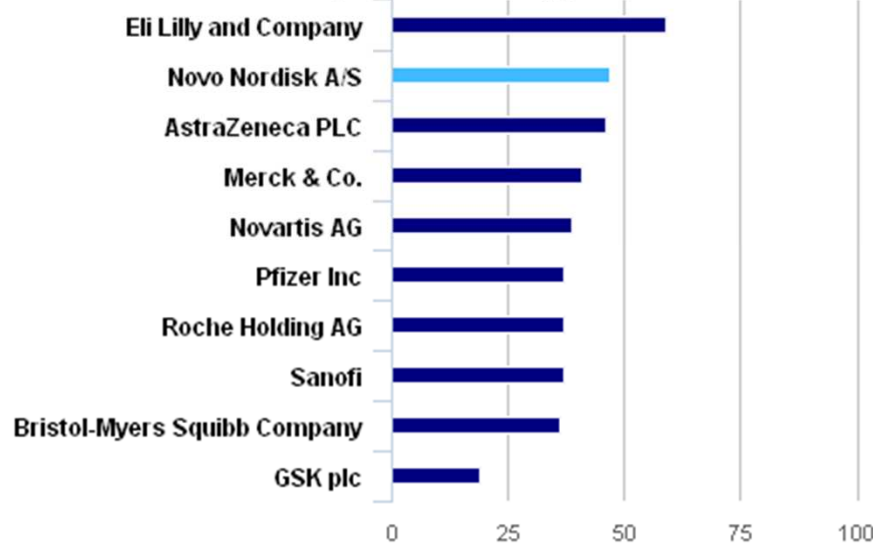


Novo Nordisk A/S vs. Comparables

Forecast for the Year Ahead

Rolling Year Data

Corporate Strategy



Long Term Growth



Short Term Growth



Balance Sheet



Novo Nordisk A/S vs. Comparables

Forecast for the Year Ahead

Rolling Year Data

