

H. Lundbeck A/S

On 30 March 2017 at 10 a.m., the Annual General Meeting of H. Lundbeck A/S, Central Business Register (CVR) no. 56759913, was held at the Company's address, Ottiliavej 9, DK-2500 Valby.

The Chairman of the Board of Directors, Lars Rasmussen, opened the General Meeting by introducing the Company's Board of Directors and management. Attorney Jørgen Kjergaard Madsen had been appointed Chairman of the Meeting by the Board of Directors. The Chairman announced that the General Meeting had been duly convened and formed a quorum for the transaction of business.

In accordance with Article 8.1 of the Articles of Association, the agenda was as follows:

1. Report of the Board of Directors on the Company's activities during the past year.
2. Presentation and adoption of the annual report.
3. Resolution on the appropriation of profit or loss as recorded in the adopted annual report.
4. Election of members to the Board of Directors.
5. Approval of remuneration for the Board of Directors for the current financial year.
6. Election of one or two state-authorised public accountants.
7. Any proposals by shareholders or the Board of Directors.
 - 7.1 Proposal by the Board of Directors to authorise the Board of Directors to allow the Company to acquire own shares.
 - 7.2 Proposal by the Board of Directors to authorise the Chairman of the Meeting to register the resolutions passed by the General Meeting with the Danish Business Authority.
8. Any other business.

Re agenda items 1 and 2: Report of the Board of Directors on the Company's activities during the past year and presentation and adoption of the annual report.

Chairman of the Board, Lars Rasmussen, reported on the Company's activities and noted that 2016 marked the beginning of a new journey for Lundbeck. Revenue rose by 7%, reaching close to DKK 16bn. At the same time, the Company significantly improved profitability, and EBIT rose to DKK 2.3bn.

Lundbeck's portfolio of key products (Rexulti, Onfi, Northera, Brintellix/Trintellix, and Abilify Maintena) continued to grow substantially through 2016. Sales of these products rose by close to 80% compared to 2015.

Also, the Company still saw strong growth in the important US market where sales increased to DKK 8.4bn, up 32% compared against 2015. European sales declined by 25%, landing at DKK 2.9bn, mainly because of the

handing-over of Azilect rights to Teva. The Company still believes the European region will prove to be relatively stable or possibly experience moderate growth in the time to come. On the international markets, which are mainly Canada, China, Japan, Australia and a number of Asian and Latin American countries, the Company achieved sales of around DKK 4bn, up 4%, driven primarily by Abilify Maintena and Brintellix.

Lars Rasmussen then proceeded to give a little additional information on Lundbeck's key products. He informed the meeting that the Company has, as mentioned, seen significant progress in the sale of its five key products, all of which now - with the exception of Rexulti, which was launched in 2015 - have hit the DKK 1bn mark for annual sales. In aggregate, the key products generated sales of DKK 6.5bn, thus accounting for a little over 40% of total sales for 2016. Lundbeck has been pleased to see impressive sales growth for its key products in recent years, and the Board of Directors expects this growth will continue. Driving this growth in the 4 coming years will be the recent launchings of Brintellix on a number of European and international markets as well as the upcoming releases of Rexulti in a number of countries outside the US, one such country being Canada, where the product has just been approved.

Lars Rasmussen then turned to Lundbeck's pipeline. Developments in the Company's pipeline in 2016 in relation to the kick-off on the clinical phase III programme of Lu AF35700 for patients with therapy-resistant schizophrenia were most gratifying. It is an area where the need for medication is extensive, and Lundbeck is confident that this product has the potential to make an appreciable difference to patients. The FDA also approved the extending of the applicability of Abilify Maintena to also include maintenance treatment of bipolar type 1.

In September of last year Lundbeck announced that results of the first clinical phase III study of Idalopirdin for treatment of Alzheimer's disease had not been as hoped for. February 2017 saw the closing of the two other studies in the clinical phase III programme evaluating the safety and effect of Idalopirdin. The product was found to be safe and well-tolerated corresponding to results of the first study. In all three clinical studies, however, the effect profile showed no treatment effect, as observed in the positive clinical phase II study, and therefore does not warrant the submitting of an application for registration. Lundbeck is disappointed with the negative result, for the sake of the many Alzheimers' patients who are in need of new innovative medicine, and for the sake of the Company. But Lundbeck remains dedicated to developing the best and most innovative medicinal products within the Company's four strategic illness areas of Alzheimer's disease, depression, Parkinson's disease, and schizophrenia,

The financial, overall results achieved by Lundbeck in 2016 were most gratifying and fully in line with the Board's updated expectations.

As stated initially, sales totalled approx. DKK 15.6bn, corresponding to a growth of 7%. Profit from operating activities (EBIT) was DKK 2.3bn, corresponding to an EBIT margin of 14.7%. The result exceeded the Board of

Directors' expectations at the beginning of the year and is due primarily to a less generic erosion of Xenazine, strong growth on the US market, and a reduction of the Company's cost base.

Overall, costs have been brought down considerably in 2016 compared against 2015. However, the 2015 results were influenced heavily by write-downs on product rights and by the restructuring programme introduced that year. While the main explanation for the decline of production costs is that the product mix was changed, the drop in sales, distribution and administration costs is attributable to the staff reductions that followed from the restructuring programme. Lars Rasmussen informed the meeting that R&D costs also decreased considerably in 2016 compared to 2015. The main reason for this, however, is the aforementioned write-downs, which meant R&D costs were extraordinarily high in 2015. Overall, the effect of all of this has been a much-improved profitability for the Company in 2016 compared to 2015.

Lars Rasmussen explained that the drastic improvement in operations has improved the Company's cash and cash equivalents relative to 2015. Thus, at year-end 2016, Lundbeck's cash and cash equivalents were DKK 2.2bn, even after substantial reductions of the Company's debts. With improved cash and cash equivalents and the reduction of interest-bearing debt, the Company's net cash and cash equivalents grew by approx. DKK 2.5bn from 2015 to 2016. Thus, net cash and cash equivalents were DKK 300m at year-end 2016 and are expected to increase further still, reaching an anticipated DKK 2.5bn-3bn by year-end 2017.

Despite increased generic competition for Xenazine and the fact that Sabril is losing exclusivity, Lundbeck expects record-breaking turnover and EBIT in 2017. Once again, these results are driven by the Company's key products.

The financial expectations for 2017 are as follows:

- Sales: DKK 16.3bn-17.1bn, corresponding to 4% - 9% growth
- Profit from operating activities (EBIT): DKK 3.4bn-3.8bn, corresponding to 48% - 66% growth

Lars Rasmussen further informed the meeting that the Company's Board of Directors and management, as mentioned at last year's general meeting, have set up long-term financial targets to improve overall profitability. The following objectives have been established:

- EBIT margin: 25% (the objective is to increase the Company's profit margin)
- ROIC: 25% (the objective is a sufficient return on the invested capital)
- Cash-to-earnings: >90% (the objective is to turn a large part of the Company's cash into earnings)

In 2016, the EBIT margin was close to 15% and is expected to increase to at least 20% in 2017. Lundbeck's Executive Management and Board of Directors are therefore confident that the financial targets for 2018-2020 will be reached. In the years ahead, profitability should be increased as a result of the continued effect of the restructuring programme and a change in the Company's product mix, including growth in the sale of key products with higher margins.

Lars Rasmussen explained that Lundbeck ended up having a positive net cash balance of DKK 326m in 2016. Cash flows are expected to continue to be positive in the years to come as profitability increases. Lundbeck will therefore continue reducing its debt and establish a cash reserve corresponding to approx. one year's cash flow. Also, Lundbeck contemplates increasing its dividend payments from the current 30-40% to 60-80% from the 2017 financial year and onward. Thus, the shareholders may expect higher dividend payments as from 2018 if approved by the general meeting.

Finally, Lars Rasmussen thanked the audience for listening and gave the floor to Jørgen Kjergaard Madsen.

The chairman of the meeting opened discussions about agenda items 1 and 2.

Michael Thøgersen from the Danish Shareholders Association was very satisfied with the Company's results and wanted to know if there was any particular reason for Kåre Schultz's optimism for 2017, if it is correct that Lundbeck will continue focusing on 4 diseases in the central nervous system, and if it makes any difference to Lundbeck's future research that all human genes have now been identified and can be interpreted. Finally, Michael Thøgersen asked if it had been considered to sell Selincro and how many employees had left by natural turnover and how many had been dismissed in connection with the staff cut.

Kåre Schultz thanked Michael Thøgersen for asking the questions, explaining that the US market is a very important market for the pharmaceutical industry. It is also important to Lundbeck whose sales on this market accounted for approx. 55% of total sales in 2016. The growth has primarily been driven by the growth in Lundbeck's key products: Abilify Maintena, Trintellix, Rexulti, Northera and Onfi. Lundbeck is convinced that these products will continue growing in the USA and is therefore optimistic in relation to this market.

Kåre Schultz confirmed that Lundbeck is focused on developing new and innovative medicine for the treatment of depression, schizophrenia, Parkinson's disease and Alzheimer's disease.

Kåre Schultz then noted that the Company realises that it involves many important gene varieties, and that the Company works both within in-house and with different universities to exploit that knowledge in the best possible way. He further noted that the work is still at an early stage and that, therefore, it is not likely to benefit patients in the near future.

Finally, Kåre Schultz explained that Lundbeck is not contemplating a divestment of Selincro and that, unfortunately, most of the approx. 1,000 persons who are no longer employed by Lundbeck had to be dismissed. The dismissals involved employees in the entire organisation, from R&D to sale and marketing, and all groups of employees, both those paid by the hour, salaried employees and executives.

Shareholder Bjørn Hansen requested further details on the remuneration of Lundbeck's employees and Board of Directors, on the EU committee case, on the number of patents currently held by Lundbeck and on the US market expectations following the election of Donald Trump.

Lars Rasmussen thanked Bjørn Hansen for asking his questions, stating initially that there is no maximum limit to the number of shares that may be purchased or sold on the market by Lundbeck's board members and employees. Lars Rasmussen further noted that Lundbeck's Executive Management and selected key employees participate in an annual incentive programme as part of their remuneration. The Board of Directors does not participate in Lundbeck's incentive programmes and therefore receives no shares. Lundbeck has as its objective to pay its employees a salary that reflects the market level.

Lars Rasmussen explained that Lundbeck, as previously announced, was ordered by the European Court of Justice to pay a fine in 2013. The fine was paid out of operating funds and was not deductible and therefore not included in the tax accounts. Lundbeck disagrees with the courts' findings and has therefore filed two appeals against the decision - most recently at the end of 2016. The current action, which only involves the EU, is still pending.

Lars Rasmussen explained that Lundbeck seeks to protect all of its products in the best possible way by taking out patents. Most of the Company's recent products will still be protected many years ahead, including in China, Japan, the USA and the EU. Finally, Lars Rasmussen explained that Lundbeck has a market share of approx. 1.5% on the US market for treatment of brain diseases. Lundbeck is still confident that its key products will continue growing and does not expect that the election of president Donald Trump will make any difference in this respect.

As no one else wanted to speak, the chairman of the meeting announced that the Board of Directors' report had been adopted, and that the 2016 annual report had been approved.

Re agenda item 3: Resolution on the appropriation of profit or loss as recorded in the adopted annual report

The Board of Directors proposed to pay a dividend of 40% of the net profit for the year, corresponding to DKK 2.45 per share or DKK 484m in total, for the financial year 2016.

The proposal was adopted.

Re agenda item 4: Election of members to the Board of Directors

According to article 5.1 of the articles of association, the members of the Board of Directors who are elected by the general meeting are elected for one-year terms. The Board of Directors proposed to re-elect Lars Rasmussen, Lene Skole, Jesper Ovesen and Lars Holmqvist. The board also proposed to elect Jeremy M. Levin as new member. Terrie Curran was not up for reelection.

The requirements in section 120 of the Danish Companies Act had been met.

Lars Rasmussen, Lene Skole, Jesper Ovesen, Lars Holmqvist and Jeremy M. Levin were then elected as members of the Company's Board of Directors.

Following the election, the Board of Directors consists of:

- Lars Rasmussen
- Lene Skole
- Jesper Ovesen
- Lars Holmqvist
- Jeremy M. Levin
- Jørn Møller Mayntzhusen (elected by the employees)
- Henrik Sindal Jensen (elected by the employees)
- Mona Elisabeth Elster (elected by the employees)

Re agenda item 5: Approval of remuneration for the Board of Directors for the current financial year.

The chairman of the meeting presented the Board of Directors' proposal for remuneration to the Board of Directors for the current financial year:

- Ordinary members of the Board of Directors will receive a basic remuneration of DKK 350,000 (up from DKK 300,000).
- The chairman of the Board of Directors will receive three times the basic remuneration.
- The vice-chairman of the Board of Directors will receive two times the basic remuneration.
- Ordinary committee members will receive DKK 200,000 in addition to the basic remuneration.
- Committee chairmen will receive DKK 300,000 in addition to the basic remuneration.

No one wished to speak.

The chairman of the meeting announced that remuneration proposed by the Board of Directors for 2017 was adopted.

Re agenda item 6: Election of one or two state-authorized public accountants

According to article 8 of the articles of association, the auditor was up for re-election at the general meeting. The Board of Directors proposed to re-elect Deloitte Statsautoriseret Revisionspartnerselskab as recommended by the Audit Committee (and by the Board of Directors). The Audit Committee has not been influenced by any third party or been bound by any third-party agreement restricting the number of auditors or audit firms that may be elected by the general meeting.

The chairman of the meeting explained the proposal which was adopted.

Re agenda item 7.1

The chairman of the meeting explained the Board of Directors' proposal to authorise the Board of Directors to acquire own shares on behalf of the Company.

The proposal was adopted.

Re agenda item 7.2

The chairman of the meeting explained the Board of Directors' proposal to authorise the chairman to make amendments and additions to the resolutions passed by the general meeting and to register the resolutions with the Danish Business Authority.

The proposal was adopted.

Re agenda item 8 Any other business

Shareholder Bjørn Hansen inquired about the costs of the EU committee case, and Lars Rasmussen answered that the annual legal fees amount to single-digit million kroner amount.

Shareholder Kjeld Beyer pointed out that he is against the large-scale bonus programmes and that it was better to award bonuses to the employees. Lars Rasmussen explained that Lundbeck's share programmes and bonuses are structured in a way which, in the management's opinion, serves the Company's and the shareholders' interests best.

The chairman of the meeting then announced that there was no further business to transact, and gave the floor to the chairman of the Board of Directors. Lars Rasmussen thanked those attending and closed the meeting.

The General Meeting was closed at 11.00.

Jørgen Kjergaard Madsen
Chairman of the meeting