H. Lundbeck A/S
Listing of 199,148,222 new A-shares and 796,592,888 new B-shares

(a public limited liability company incorporated in Denmark under company registration (CVR) no. 56759913)

This document (the "**Listing Document**") relates to a share split under Danish law (the "**Share Split**") of H. Lundbeck A/S' ("**Lundbeck**", the "**Company**" or the "**Issuer**") existing ordinary shares (the "**Existing Shares**") admitted to trading and officially listed on Nasdaq Copenhagen A/S ("**Nasdaq Copenhagen**") and conversion of the Existing Shares into two share classes with differentiated voting rights resulting in the admission to trading and official listing on Nasdaq Copenhagen of a new A share class (the "**A Shares**") and a new B share class (the "**B Shares**") (the "**Admission**"). Lundbeck's Existing Shares are currently listed on Nasdaq Copenhagen in ISIN DK0010287234 trading under the symbol "LUN". Upon completion of the Share Split, Lundbeck will have an A share class consisting of the A Shares and a B share class consisting of the B Shares (together the "**Shares**"), both of which are to be admitted to trading and official listing on Nasdaq Copenhagen. This Listing Document does not constitute an offer to sell or a solicitation of an offer to buy any of the A Shares or the B Shares in any jurisdiction. No offer of Shares or sale of Shares is made in connection with the issuance of the Listing Document or the Share Split.

Upon completion of the Share Split, the A Shares and the B shares will be distributed proportionally to the holders of Lundbeck's Existing Shares (each of a nominal value of DKK 5.00) (the "**Receiving Shareholders**") that are registered as shareholders of Lundbeck in VP Securities A/S ("**VP Securities**") at 17:59 CEST on 13 June 2022 (the "**Share Split Record Date**"). Accordingly, the holding of shares in Lundbeck as of the Share Split Record Date will allow the Receiving Shareholders as follows: one (1) Existing Share of nominal value DKK 5.00 in Lundbeck will entitle the Receiving Shareholder to receive one (1) A Share and four (4) B Shares. Each A Share will have a nominal value of DKK 1 and each B Share will have a nominal value of DKK 1. There will be no dilution of the shareholders interest in the Issuer as a result of the Share Split, and no additional new share capital is issued.

Any trading in Lundbeck's Existing Shares until and including 9 June 2022 at 17:00 CEST (the "**Cut-Off Date**") will be inclusive of rights to receive A Shares and B Shares in Lundbeck in connection with the Share Split, except to the extent registration of that particular trade in VP Securities does not take place until after the Share Split Record Date due to, for example, shares being held in nominee or omnibus account structures. Any trading in Lundbeck shares after the Cut-Off Date will be for either an A Share or a B Share exclusive of any rights to receive a share in the other share class in Lundbeck for the buyer, unless the parties to the trade in question have taken specific measures to settle the trade in VP Securities prior to the Share Split Record Date.

The share class structure of Lundbeck will, after completion of the Share Split, be different from the share class structure of Lundbeck before the completion of the Share Split. All A Shares in Lundbeck will belong to the same share class and carry ten (10) votes per A Share and have representation rights. All B Shares in Lundbeck will belong to the same share class and carry one (1) vote per B Share and have representation rights. Upon completion of the Share Split, the Receiving Shareholders will each hold the same relative nominal ownership percentage as they have in Lundbeck as of the Share Split Record Date.

Completion of the Share Split is subject to approval by the extraordinary general meeting of the Company convened to be held on 8 June 2022 (the "**Extraordinary General Meeting**"). Reference is made to the section "*Available Information*" of this Listing Document and to Lundbeck's IR webpage https://www.lundbeck.com/global/investors, where the agenda for the Extraordinary General Meeting, proxies and other relevant information related to the Share Split and the Extraordinary General Meeting can be found and downloaded. The information on the Company's website does not form part of the Listing Document, is not incorporated by reference into this Listing Document (except as set out in "*Additional Information – Documents incorporated by reference*"), and has not been scrutinized or approved by the Danish FSA, unless otherwise specifically stated herein.

Application will be made for the A Shares and the B Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the symbol "LUND A" and "LUND B", respectively, immediately after the Share Split. The A Shares will be issued in a new permanent ISIN DK0061804697 and the B Shares will be issued in a new permanent ISIN DK0061804770. The first day of trading in, and official listing of, the A Shares and the B Shares on Nasdaq Copenhagen is expected to be 10 June 2022, subject to approval of the Share Split at the Extraordinary General Meeting.

The A Shares and the B Shares are expected to be delivered in dematerialized book-entry form to Receiving Shareholders' accounts with VP Securities or through the facilities of Euroclear Bank S.A. /N.A. ("**Euroclear**"), as operator of the Euroclear System, and Clearstream Banking S.A ("**Clearstream**") depending on the Receiving Shareholders' custody arrangements with their account holding bank, starting on or around 14 June 2022.

The timetable for the Share Split, including the Share Split Record Date, the Cut-Off Date, the first day of trading in, and official listing of, the B shares on Nasdaq Copenhagen is subject to change. Any such change will be announced via Nasdaq Copenhagen.

The Receiving Shareholders and prospective future investors in Shares are advised to examine all risks and legal requirements described in this Listing Document that might be relevant in connection with the Share Split together with subsequent information published by the Company before making transactions in the Shares. Investing in Shares involves a high degree of risk. See also "*Risk Factors*" for a discussion of certain risks related to the Company and the Share Split.

The Listing Document has been prepared by the Issuer in connection with the Admission and the Issuer has consented to the use of this Listing Document by Lundbeckfond Invest A/S, CVR no. 21855545 (a wholly owned subsidiary of Lundbeckfonden) ("Lundbeckfond Invest" or the "Foundation") and Lundbeckfond Invest's financial intermediary Carnegie Investment Bank, filial af Carnegie Investment Bank AB (publ), Sverige, CVR no. 35521267 and other entities within the Carnegie group ("Carnegie") in an expected voluntary share exchange offer to be made by Lundbeckfond Invest through Carnegie to Eligible Shareholders and executed in connection with and following the Admission (the "Exchange Offer"). The issuance and completion of the Exchange Offer is entirely the decision and liability of Lundbeckfond Invest and the Company shall have no responsibility for the Exchange Offer, its terms and/or its proper performance. Persons are referred to the Foundation's Exchange Offer documentation if and when published for further information as to whether they may be an Eligible Shareholder to participate in the Exchange Offer and related securities law considerations with respect thereto.

This Listing Document has been prepared under Danish law, and this Listing Document does not constitute an offer to sell or the solicitation of an offer to buy any of the A Shares or B Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer in such jurisdiction. The distribution of this document in certain jurisdictions is restricted by law. Persons into whose possession this Listing Document comes should inform themselves about and to observe such restrictions. For a description of certain restrictions on distribution of this document, see "*Important Notice Relating to the Listing Document*".

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or under the securities laws of any state or other jurisdiction of the United States. For the Share Split it is expected that the Company will rely on the exemption from registration pursuant to Section 3(a)9 of the U.S. Securities Act. Section 3(a)(9) of the U.S. Securities Act provides an exemption from registration for any security exchanged by an issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange. When securities are exchanged for other securities of the issuer under Section 3(a)(9) of the U.S. Securities Act, the securities received in essence assume the character of the exchanged securities for purposes of the U.S. Securities Act. This means that the A Shares and the B Shares generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act to the extent the Existing Shares were not "restricted securities" as defined therein, and persons who receive such securities as a result of the Share Split (other than affiliates) would be able to resell them without restriction under the U.S. Securities Act. A Receiving Shareholder who is an affiliate within the meaning of Rule 144(a)(1) under the U.S. Securities Act of the Lundbeck Group as of the date and time at which the Share Split becomes effective or who became affiliates thereafter will be subject to certain U.S. transfer restrictions relating to the A Shares and B Shares received pursuant to the Share Split. For certain restrictions on the transfer of the A Shares and B Shares, see "*Selling and Transfer Restrictions*". Restrictions applicable to the Exchange Offer will be set out in the Foundation's Exchange Offer documentation.

The A Shares and the B Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or determined the adequacy or accuracy of the information contained in this Listing Document. Any representation to the contrary is a criminal offence in the United States.

The date of this Listing Document is 20 May 2022

IMPORTANT NOTICE RELATING TO THE LISTING DOCUMENT

In this Listing Document, "**Lundbeck**", the "**Company**" or the "**Issuer**" refers to H. Lundbeck A/S, "**Existing Shares**" refer to Lundbeck's shares in issue at the time hereof, and which upon completion of the Share Split shall be converted into new A shares and B shares (the "**A Shares**" and the "**B Shares**") to be issued and admitted to trading and official listing at Nasdaq Copenhagen following completion of the Share Split, the "**Foundation**" refers to Lundbeckfond Invest A/S, a company wholly owned by Lundbeckfonden, and the "**Lundbeck Group**" refers to Lundbeck and its direct and indirect subsidiaries.

Statements, beliefs, opinions and views expressed by Lundbeck in this Listing Document are made by the executive management of Lundbeck registered with the Danish Business Authority as such and by the board of directors of Lundbeck (referred to as the "**Executive Management**" and the "**Board of Directors**", respectively, and the Executive Management and the Board of Directors jointly the "**Management Boards**").

The Share Split will be completed under Danish law and this Listing Document has been prepared under Danish law in compliance with the requirements set out in the Consolidated Act No. 2014 of 1 November 2021 on Capital Markets, as amended (the "**Danish Capital Markets Act**"), Regulation (EU) no. 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 (as amended) as well as Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 (as amended). Lundbeck accepts responsibility for the information contained in this Listing Document as set out in "*Responsibility Statement*" in accordance with Danish law, except to the extent it has specifically indicated in connection with information included in the Listing Document that other parties are responsible for such information.

No person has been authorized to give any information or make any representation not contained in this Listing Document and, if given or made, such information or representation must not be relied upon as having been authorized by Lundbeck. Lundbeck does not accept any liability for any such information or representation.

The information in this Listing Document is as of the date printed on the front of the cover, unless expressly stated otherwise. The delivery of this Listing Document at any time does not imply that there has been no change in the Lundbeck Group's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. In the event of any changes to the information in this Listing Document that may significantly affect the potential value of the A Shares and the B Shares during the period from the date of the Listing Document to the first day of trading of the A Shares and the B shares, such changes will be announced in accordance with the rules in the Prospectus Regulation which, *inter alia*, governs the publication of Listing Document supplements.

In making a decision with regard to the Share Split, Receiving Shareholders must rely on their own assessment of the Share Split and the Lundbeck Group including, but not limited to, the information contained in this Listing Document and the merits and risks involved as well as the legal basis and consequences of the Share Split, and including possible tax consequences that may apply. This also applies to subsequent information published by Lundbeck in relation to any subsequent transaction in the A Share or the B Shares entered by Receiving Shareholders or any potential future investors.

The distribution of this Listing Document in certain jurisdictions is restricted by law. Receiving Shareholders and other prospective investors should be aware that they may be required to bear the financial risks of an investment in the A Shares or the B Shares for an indefinite period of time. Persons into whose possession this Listing Document may come shall inform themselves about, and to observe, such restrictions. This Listing Document may not be used for, or in connection with, any offer, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful. For further information with regard to restrictions on offers and sales of the A Shares and B Shares and the distribution of this Listing Document, see below. This Listing Document does not constitute an offer to sell or a solicitation of an offer to buy any of the A Shares or the B Shares in any jurisdiction.

This Listing Document may not be forwarded, reproduced in whole or in part, or distributed by persons other than the Company, and no recipient of this Listing Document may disclose its content of or use any information herein for any purpose other than considering the Share Split.

NOTICE TO SHAREHOLDERS AND INVESTORS

United States

The Shares have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States. For the Share Split it is expected that the Company will rely on the exemption from registration pursuant to Section 3(a)9 of the U.S. Securities Act. Section 3(a)(9) of the U.S. Securities Act provides an exemption from registration for any security exchanged by an issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange. When securities are exchanged for other securities of the issuer under Section 3(a)(9) of the U.S. Securities Act, the securities received in essence assume the character of the exchanged securities for purposes of the U.S. Securities Act. This means that the A Shares and the B Shares generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act to the extent the Existing Shares were not "restricted securities" as defined therein, and persons who receive such securities as a result of the Share Split (other than affiliates) would be able to resell them without restriction under the U.S. Securities Act. Under the U.S. securities laws, persons who are affiliates within the meaning of Rule 144(a)(1) under the U.S. Securities Act of the Company as of the date and time at which the Share Split becomes effective, or who become affiliates thereafter, may not resell the A Shares or the B Shares received pursuant to the Share Split without registration under the U.S. Securities Act, except pursuant to an applicable exemption from or in a transaction not subject to the registration requirements of the U.S. Securities Act. Whether a person is an affiliate of a company for such purpose depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders. Receiving Shareholders who believe they may be affiliates for the purposes of the U.S. Securities Act should consult their own legal advisors prior to any resale of A Shares or B Shares received pursuant to the Share Split. Restrictions applicable to the Exchange Offer will be set out in the Foundation's Exchange Offer documentation if and when published.

European Economic Area ("EEA") and the United Kingdom

This Listing Document has been prepared in connection with the Share Split and the issue and admission to trading and official listing of the A Shares and the readmission of the redenominated B Shares on Nasdaq Copenhagen and on the basis that no offer to the public of the A Shares or the B Shares will be made in that connection in Denmark or in any other member state of the EEA or the United Kingdom. Accordingly, any person making or intending to make any offer within the EEA or the United Kingdom of A Shares or B Shares should only do so in circumstances in which no obligation arises for the Company to produce a prospectus for such offer. The Company has not authorized the making of any offer of A Shares or B Shares through any financial intermediary. Lundbeck has consented to the use of this Listing Document by Lundbeckfond Invest A/S through Carnegie as described in the section entitled "*Plan of Distribution – The Exchange Offer*" of this Listing Document.

Australia

This document is only made available in Australia pursuant to a specific relief instrument granted by the Australian Securities and Investments Commission ("**ASIC**") pursuant to the Australian Corporations Act 2001 (Cth) ("**Australian Corporations Act**"). This document is not a listing document, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act, and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. This document has not been and will not be lodged or registered with ASIC or any other regulatory body or agency in Australia. This document does not take into account the investment objectives, financial situation or needs of any particular person, and accordingly should be read with this in mind.

Canada

Lundbeck is created under the laws of Denmark and is not a reporting issuer in any province or territory in Canada, Lundbeck has its head office outside of Canada and all of its executive management, officers and directors will be ordinarily resident outside of Canada. A Shares and B Shares of Lundbeck will not be listed on any stock exchange in Canada. As there is no market for the A Shares or B Shares in Canada, it may be difficult or even impossible for a Canadian investor to sell them. Any resale of A Shares or B Shares in Canada will be subject to the registration and Listing Document requirements of applicable Canadian securities legislation, unless pursuant to an exemption therefrom, or in a transaction not subject thereto. In certain circumstances Canadian holders of A Shares or B Shares may be able to sell them outside of Canada, without complying with any Canadian Listing Document requirements. Canadian investors should seek legal advice prior to any resale of A Shares or B Shares. Information in this Listing Document has not been prepared with regard to matters that may be of particular

concern to Canadian investors, and accordingly should be read with this in mind. Disclosure, financial statements and investments are, and will be, made, prepared and realized in currencies other than the Canadian dollar and not in accordance with Canadian generally accepted accounting principles.

Hong Kong

The contents of this Listing Document have not been reviewed by any regulatory authority in Hong Kong. Any recipient of this Listing Document is advised to exercise caution. If there is any doubt about any of the contents of this Listing Document, the recipient should obtain independent professional advice.

South Africa

The Share Split, as defined in this Listing Document, does not constitute an "offer" in terms of section 95(1)(g) of the South African Companies Act, 71 of 2008 (the "**SA Companies Act**") and therefore does not constitute an "offer to the public", as envisaged in the SA Companies Act and, accordingly, this Listing Document does not, nor does it intend to, constitute a "registered prospectus", as contemplated in Chapter 4 of the SA Companies Act. South African residents are not permitted to hold or deal in securities abroad except as permitted under the South African Exchange Control Regulations, 1961 promulgated pursuant to the South African Currency and Exchanges Act, 1933 and/or the rulings, circulars and directives issued by the Financial Surveillance Department of the South African Reserve Bank from time to time. South African shareholders should obtain independent advice on the exchange control requirements applicable to them, if any, in relation to the A Shares or B Shares to be distributed to them pursuant to the Share Split.

Switzerland

This Listing Document has been prepared without regard to the disclosure standards for issue prospectuses under art. 40 et subsequent of the Swiss Financial Services Act and the regulations of the Swiss Financial Services Ordinance or the disclosure standards for listing prospectuses under the listing rules of SIX Swiss Exchange or the listing rules of any other stock exchange or regulated trading facility in Switzerland. This Listing Document does not constitute an offer to sell or a solicitation of offers to purchase or subscribe for A Shares or B Shares in Lundbeck in or into Switzerland within the meaning of the Swiss Financial Services Act nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. Lundbeck has consented to the use of this Listing Document by Lundbeckfond Invest A/S through Carnegie as mentioned in the section entitled "*Plan of Distribution – The Exchange Offer*" of this Listing Document for the Foundation's Exchange Offer (if and when published). Neither this Listing Document nor any other material relating to the A Shares or B Shares have been or will be filed with or approved by any Swiss regulatory authority, however, the Listing Document may be passported into Switzerland in accordance with art. 54 of the Swiss Financial Services Act and the regulations of the Swiss Financial Services Ordinance and may be used in connection with the Exchange Offer (if and when published) as set out in the Listing Document.

Stabilization

No price stabilization activities will be undertaken in relation to the Share Split.

TABLE OF CONTENTS

PAGE

RESPONSIBILITY STATEMENT

We hereby declare that we, as the persons responsible for this Listing Document on behalf of Lundbeck in accordance with Danish law, have taken all reasonable care to ensure that, to the best of our knowledge, the information contained in this Listing Document is in accordance with the facts and does not omit anything likely to affect the import of its contents.

We furthermore declare that this Listing Document has been approved by the Danish FSA as competent authority under the Prospectus Regulation. The Danish FSA only approves this Listing Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is the subject of this Listing Document. Investors should make their own assessment as to the suitability of investing in the Shares.

Consent to use of this Listing Document:

Lundbeck hereby consents to the use of this Listing Document and accepts responsibility for the content of this Listing Document also with respect to the contemplated exchange of shares to be carried out by Lundbeckfond Invest through Carnegie as mentioned in the section entitled "*Plan of Distribution" – "The Exchange Offer*" of this Listing Document. The consent is granted for the period from the date of this Listing Document and until 8 August 2022, and Lundbeckfond Invest and Carnegie may use this Listing Document for the Exchange Offer from the date of this Listing Document and until 8 August 2022, in Denmark and in the following EU Member States: Austria, Cyprus, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Spain and Sweden as well as in Switzerland and Norway. Lundbeckfond Invest shall have the full responsibility for the proper legal distribution of this Listing Document in connection with the Exchange Offer and Lundbeck shall have no liability arising thereof.

Lundbeckfond Invest shall in connection with an Exchange Offer provide information to the Eligible Shareholders on the terms and conditions of such offer at the time such offer is made. Lundbeck shall have no liability for the distribution of such information and the terms and conditions, issuance and proper performance of the Exchange Offer. The sole entity responsible for all matters related to the Exchange Offer shall be Lundbeckfond Invest.

The above consent is only given to:

Lundbeckfond Invest A/S
CVR no. 21855545
Scherfigsvej 7
DK-2100 Copenhagen
Denmark

Carnegie Investment Bank, filial af Carnegie Investment Bank AB (publ), Sverige
CVR. no. 35521267
Overgaden Neden Vandet 9B
DK-1414 Copenhagen K
Denmark

Carnegie Investment Bank AB (publ)
Stockholm
Regeringsgatan 56
SE-103 38 Stockholm
Sweden

Carnegie AS
PO Box 684 Sentrum
NO-0106 Oslo
Visiting Address:
Fjordalleen 16, Aker Brygge | Oslo
Norway

Carnegie Investment Bank AB, Finland filial
Eteläesplanadi 22 A 5th fl.
FI-00130 Helsinki
Finland

Carnegie Investment Bank AB, UK Branch
Finwell House
26 Finsbury Square
London EC2A 1DS, UK
England

Any new information with respect to Lundbeckfond Invest A/S and Carnegie, unknown at the time of the approval of this Listing document, shall be published and will be made available on Lundbeckfonden's website (www.lundbeckfonden.com). The information on Lundbeckfonden's website does not form part of this Listing Document and is not incorporated by reference into this Listing Document. The Issuer is not responsible for any information contained on the Lundbeck Foundation's website.

20 May 2022

H. Lundbeck A/S

Board of Directors

Lars Søren Rasmussen
Chairman

Lene Skole-Sørensen
Deputy Chairman

Lars Erik Holmqvist
Board Member

Jeremy Max Levin
Board Member

Jeffrey Berkowitz
Board Member

Dr. Dorothea Wenzel
Board Member

Santiago Arroyo
Board Member

Hossein Armandi
Board Member

Dorte Clausen
Board Member

Lasse Skibsbye
Board Member

Camilla Gram Andersson
Board Member

Primary position:

Lars Søren Rasmussen: Professional board member

Lene Skole-Sørensen: CEO of the Lundbeck Foundation (in Danish: *Lundbeckfonden*) and CEO of Lundbeckfond Invest A/S

Lars Erik Holmqvist: Professional board member

Jeremy Max Levin: CEO of Ovid Therapeutics Inc.

Jeffrey Berkowitz: CEO of Real Endpoints

Dr. Dorothea Wenzel: Professional board member

Santiago Arroyo: Professional board member

Hossein Armandi: Senior Technician at H. Lundbeck A/S

Dorte Clausen: Principal Clinical Study Manager at H. Lundbeck A/S

Lasse Skibsbye: Principal Scientist at H. Lundbeck A/S

Camilla Gram Andersson: Director at H. Lundbeck A/S

Executive Management

Deborah Dunsire
President & CEO

Johan Luthman
EVP, Research & Development

Jacob Tolstrup
EVP, CCO

Lars Bang
EVP, Product Development & Supply

SUMMARY

Section A – Introduction and warnings

Introduction	
Warnings	This summary should be read as an introduction to this Listing Document. In making a decision with regard to the Share Split, Receiving Shareholders must rely on their own assessment of the Share Split and the Lundbeck Group including, but not limited to, the information contained in this Listing Document as a whole and the merits and risks involved as well as the legal basis and consequences of the Share Split, and including possible tax consequences that may apply. This also applies to subsequent information published by Lundbeck in relation to any subsequent transaction in the A Shares or the B Shares entered into by Receiving Shareholders or any potential future investors. Where a claim relating to the information contained in the Listing Document is brought before a court, under the national legislation of the EEA member states, the plaintiff investor might have to bear the costs of translating this Listing Document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Listing Document or it does not provide, when read together with the other parts of the Listing Document, key information in order to aid Receiving Shareholders in making their decision with regard to the Share Split or any subsequent transaction.
Issuer information	H. Lundbeck A/S ("**Lundbeck**") is the issuer of the Existing Shares and will upon completion of the Share Split be the issuer of the A Shares and the B Shares. The A Shares will be issued in the new permanent ISIN DK0061804697. The B Shares will be issued in the new permanent ISIN DK0061804770. Lundbeck has the LEI no. 5493006R4KC2OI5D3470. The Nasdaq Copenhagen symbol for the A Shares is: "LUND A". The Nasdaq Copenhagen symbol for the B Shares is: "LUND B". The address and contact details of the Company are Ottiliavej 9, DK-2500 Valby, Denmark, telephone number: +45 36 30 13 11, email: info@lundbeck.com.
Competent authority	The Listing Document has been approved on 20 May 2022 by the Danish Financial Supervisory Authority as competent authority under the Prospectus Regulation. The address and other contact details of the Danish Financial Supervisory Authority are: Århusgade 110, DK-2100 Copenhagen Ø, Denmark, telephone number +45 33 55 82 82, email finanstilsynet@ftnet.dk.

Section B – Key information on the issuer

Who is the issuer of the securities?	Lundbeck is incorporated in Denmark and operates as a public limited liability company (A/S) under the laws of Denmark with its registered domicile at Ottiliavej 9, DK-2500 Valby, Denmark. Lundbeck's company registration (CVR) no. is 56759913. Lundbeck has the LEI no. 5493006R4KC2OI5D3470.
Principal activities	Lundbeck is a global pharmaceutical company with the clear purpose of restoring brain health, so every person can be their best. The Issuer is one of few global pharmaceutical companies focusing exclusively on brain health. The Issuer specializes in niche and rare indications within psychiatry and neurology (including pain). The Issuer engages in research, development, manufacturing, marketing and sales of pharmaceutical products globally and the Issuer's products are registered in more than 100

	countries, the largest markets being the United States, China, Canada, Spain, Italy, France, Japan, Korea, Australia and Brazil. Research and development form the cornerstone of the Issuer's activities and are essential for the Issuer's ambition to improve the health and quality of life of people living with diseases affecting the brain. The Issuer aims to understand the underlying causes of diseases affecting brain health and develop new medications to treat such diseases more effectively. The Issuer markets and sells a number of pharmaceutical products for the treatment of neurological and psychiatric brain diseases such as, Alzheimer's disease, anxiety, bipolar disorder, depression, epilepsy, migraine, Parkinson's disease and schizophrenia. As of 31 December 2021, the Lundbeck Group employed approximately 5,348 people (calculated as full-time employees) in more than 50 countries.
Major Shareholders	Lundbeckfond Invest A/S (which is wholly owned and controlled by Lundbeckfonden) holds as of the date of this Listing document 137,351,918 Existing Shares corresponding to approximately 69% of the Existing Shares. There are no other entities or persons who directly or indirectly control the Issuer.
Managing directors	Lundbeck has a two-tier governance structure consisting of the Board of Directors and the Executive Management. The members of the Board of Directors are: Lars Søren Rasmussen, Chairman, Lene Skole-Sørensen, Deputy Chairman, Lars Erik Holmqvist, Jeremy Max Levin, Jeffrey Berkowitz, Santiago Arroyo, Dr. Dorothea Wenzel, Hossein Armandi, Dorte Clausen, Lasse Skibsbye and Camilla Gram Andersson. The registered members of the Executive Management are: Deborah Dunsire, President & CEO, Johan Luthman, EVP, Research & Development, Jacob Tolstrup, EVP and CCO and Lars Bang, EVP, Product Development & Supply.
Statutory auditors	The statutory auditors of Lundbeck are PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab. The independent auditors' reports included in the audited Financial Statements for the financial years ended 31 December 2021 and 2020, as well as the Adjusted Supplementary Information to the Annual Report 2019 published by Lundbeck on 5 January 2021 was audited by PricewaterhouseCoopers Statsautoriseeret Revisionspartnerselskab and signed by State Authorized Public Accountants, Lars Baungaard (mne23331) and Torben Jensen (mne18651). The Financial Statement for the financial year ended 31 December 2019 was audited by Deloitte Statsautoriseret Revisionspartnerselskab and signed by State Authorized Public Accountans, Erik Holst Jørgensen (mne9943) and Sumit Sudan (mne33716).
What is the key financial information regarding the issuer?	The key financial information shown below has been derived from the Lundbeck Group's consolidated audited financial statements as at and for the years ended 31 December 2021, 2020 and 2019 (the "**Financial Statements**"). The quarterly key financial information shown below has been derived from the Lundbeck Group's unaudited interim financial statements for the period 1 January 2022 to 31 March 2022, including comparative figures for the period 1 January 2021 to 31 March 2021 (the "**2022 Interim Financial Statements**"):

Income Statement	**For the quarter ended 31 March**		**For the year ended 31 December**		
	2022	**2021**	**2021**	**2020**	**2019**
DKK million					
Revenue	4,372	4,273	16,299	17,672	17,036
Cost of sales	845	946	3,648	4,166	3,840
Gross profit	**3,527**	**3,327**	**12,651**	**13,506**	**13,196**
Profit from operations (EBIT)	**875**	**882**	**2,010**	**1,990**	**3,153**
Profit before tax	**528**	**797**	**1,581**	**1,906**	**3,026**
Net profit for the period	**412**	**621**	**1,318**	**1,581**	**2,313**
Earnings per share (EPS)	2.07	3.13	6.63	7.96	11.64

Statement of financial position	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Total non-current assets	26,027	26,358	26,041	25,924	29,095
Total current assets	9,044	8,107	8,612	10,105	9,038
Total assets	**35,071**	**34,465**	**34,653**	**36,029**	**38,133**

	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Total equity	18,466	17,223	18,279	16,973	16,782
Total non-current liabilities	8,795	9,278	7,556	9,044	11,071
Total current liabilities	7,830	7,964	8,818	10,012	10,280
Total liabilities	**16,625**	**17,242**	**16,374**	**19,056**	**21,351**
Total equity and liabilities	**35,071**	**34,465**	**34,653**	**36,029**	**38,133**

Cash Flow Statement	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Cash flow from operating activities	(205)	108	2,272	3,837	2,609
Cash flow from investing activities	(1,163)	(84)	(610)	(467)	(7,755)
Cash flow from financing activities	669	(2,303)	(3,336)	(2,394)	4,548
Cash and bank balances at beginning of period	2,279	3,924	3,924	3,008	3,605
Unrealized exchange gains/losses on cash and bank balances	34	16	29	(60)	1
Net cash flow for the year	(699)	(2,279)	(1,674)	976	(598)
Cash and cash equivalents at end of the period	**1,614**	**1,661**	**2,279**	**3,924**	**3,008**

What are the key risks that are specific to the issuer?

The risks and uncertainties discussed below are those that Lundbeck's Management Boards currently views as material, but these risks and uncertainties are not the only ones that Lundbeck faces. Additional risks and uncertainties, including risks that are not known to Lundbeck at present or that its Management Boards currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the A Shares or the B Shares.

- The Issuer may experience failure, delay or disruption in the progression of its research and development ("**R&D**") pipeline programs towards the launch of new and innovative products.
- The Issuer may fail to get access to, or execute on, in-licensing and merger and acquisition opportunities, or competition in the industry may result in no in-licensing and acquisitions being made and/or may drive up prices significantly. Further, the Issuer may be unable to realize the expected benefits of in-licensing and acquisitions, to integrate the acquired business or to achieve planned cost savings and synergies.
- Failure in arranging and maintaining successful partnerships and cooperation agreements with third parties could limit the Issuer's access to wider research and development product portfolio, new technologies and shared expertise.
- The Issuer is dependent on and may fail to obtain and maintain necessary regulatory approvals from relevant regulatory governmental bodies.
- Rising pricing pressure, driven by restrictive reimbursement policies and cost control initiatives, legislative and regulatory proposals to lower the costs of prescription drugs and other state or national healthcare system reforms worldwide, may impose downward pressure on the prices of the Issuer's current and future products.
- The Issuer may experience lower than expected sales of its strategic brands due to, for example, failure in its existing partnerships, and the Issuer's mature product portfolio may be subject to increased generic competition.
- The success of the Issuer is based on the ongoing development and execution of the Issuer's strategies working towards its short-, mid- and long-term ambitions.

	However, the strategies may prove inadequate or wrong or the execution of the strategies may fail. • Future changes in the behaviour of competitors or customers and developments in treatment needs may lead to loss of markets or market shares for the Issuer. • The Issuer may experience failure, delay or disruption in its manufacturing processes and supply chain, including its third-party supplier processes. • The Issuer may fail to obtain, defend and enforce protection of patents, trademarks and other intellectual property rights and the lack of protection may be exploited by third parties. Further, the Issuer may experience expiry or loss of intellectual property rights or changes to the regulatory framework applicable hereto and/or increasing competition with generic versions of products. • The Issuer is subject to currency risks, such as fluctuation of exchange rates (including currency devaluation) and interest rate changes. Further, any deterioration of the political, socio-economic and financial situation globally or in individual countries may adversely affect the Lundbeck Group. • Failure of information security or in data protection, cyberattacks or disruption of information technology systems may lead to system down-time and loss of critical or sensitive information. • The Issuer is subject to and may fail to comply with applicable laws, rules, regulations, pharmaceutical industry standards, ethical and scientific standards and GxP regulations.

Section C – Key information on the securities

What are the main features of the securities?	The A Shares and the B Shares are shares of nominally DKK 1.00 per share, they are issued as non-certificated shares (dematerialized shares) through VP Securities A/S, a central securities depository, and they are to be registered in the name of the holders and entered in the Company's register of shareholders that is kept by Computershare A/S. The A Shares will be issued in the new permanent ISIN DK0061804697. The B Shares will be issued in the new permanent ISIN DK0061804770. The A Shares and the B Shares will replace the Issuer's Existing Shares upon the adoption of the Share Split at the Extraordinary General Meeting. The Issuer has issued 199,148,222 Existing Shares that upon completion of the Share Split will become 995,741,110 Shares issued in the form of 199,148,222 A Shares and 796,592,888 B Shares.
Rights attached to the A Shares and the B shares	Each A Share of DKK 1.00 shall carry ten (10) votes. Each B Share of DKK 1.00 shall carry one (1) vote. Other than the difference in voting rights, the A Shares and the B Shares shall have the same rights and rank *pari passu*, meaning that the A Shares and the B Shares will rank with the same seniority and after all creditor interests in the Issuer's capital structure in the event of the Issuer's insolvency.
Restrictions	The A Shares and the B Shares are negotiable instruments, and no restrictions under Danish law apply to the transferability of the A Shares and B Shares.
Dividend policy	Lundbeck's dividend policy is to intend to pay out a dividend of 30% - 60% of profit for the year after tax, with due considerations to Lundbeck's growth plans, possible acquisitions and other liquidity requirements.

Where will the securities be traded?	Application will be made for the A Shares and for the B Shares to be admitted to trading and official listing on Nasdaq Copenhagen, a regulated market, under the symbols "LUND A" and "LUND B", respectively. The Admission will be subject to, among other things, completion of the Share Split, Nasdaq Copenhagen's approval of the distribution of the A Shares and the B Shares and Lundbeck making an announcement to that effect. The Issuer's Existing Shares issued in the ISIN DK0010287234 and trading on Nasdaq Copenhagen under the symbol "LUN" will, in connection with the Admission, cease to be traded on Nasdaq Copenhagen with the last day of trading of the Existing Shares being 9 June 2022.
What are the key risks that are specific to the securities?	The key risks that are specific to the A Shares and the B Shares are: • Following the Share Split, the Foundation will continue to be able to exercise significant influence or control over the Issuer and its interests may differ from those of other shareholders. • The liquidity of, and volume of trading in, A Shares and B Shares or any of them may be lower than that of the Existing Shares, potentially resulting in more volatile and fluctuating share prices for the Shares, and there may be limited free float in the Shares. Further, holding and trading of the Shares comprise a number of general risks and market risks.

Section D – Key information on the Share Split and the admission

Under which conditions and timetable can I invest in this security?	The Listing Document is issued by the Issuer in connection with the Share Split to be adopted by the shareholders of the Issuer at an Extraordinary General Meeting. No offer of Shares or sale of Shares is made in connection with the issuance of the Listing Document or the Share Split.
Terms and conditions of the Share Split	The Share Split will, upon completion, provide a holder of an Existing Share of DKK 5.00 with one (1) A Share and four (4) B Shares. The nominal value of an A Share and a B Share will be DKK 1.00 each. In order to be adopted the resolution for the Share Split, as proposed for the extraordinary general meeting of the Issuer to be held on 8 June 2022, shall be approved by shareholders holding two-thirds (2/3) of the votes cast and holding more than two-thirds (2/3) of the shares represented at the Extraordinary General Meeting.
Admittance to trading	The first day of trading in and official listing of the A Shares and the B Shares on Nasdaq Copenhagen is expected to be 10 June 2022 in the ISIN DK0061804697 for the A Shares and ISIN DK0061804770 for the B Shares.
Plan of distribution	Subject to approval at the Extraordinary General Meeting, the A Shares and the B Shares will be distributed to the holders of the Existing Shares. The issuance will be completed following the registration of the resolution with the Danish Business Authority, whereupon the Shares will be issued in dematerialized form through VP Securities, against the cancellation of the Existing Shares, expectedly on the following dates: General Meeting: 8 June 2022 Registration with the Danish Business Authority: 8 June 2022 Share Split Record Date: 13 June 2022 Cancellation of Existing Shares and delivery of A Shares and B Shares: 14 June 2022

Dilution	There will be no dilution of the shareholders interest in the Issuer as a result of the Share Split. The Existing Shares are substituted by the A Shares and the B Shares, and no additional new share capital is issued.
Estimated expenses	The total expenses in relation to the Share Split and the Admission of the A Shares and the B shares are estimated to be approximately DKK 20 million. Lundbeck will not charge expenses to shareholders. Shareholders will have to bear customary transaction and handling fees charged by their account holdings banks, if any.
Why is this Listing Document being produced?	This Listing Document has been produced and published in connection with the Share Split by Lundbeck and the Admission of the A Shares and the B shares to trading and official listing on Nasdaq Copenhagen. The Share Split and the Admission has been proposed to increase financial capacity to fund future growth opportunities.
Net amounts and use of proceeds	Lundbeck will not receive any proceeds as a result of the Share Split as there will be no sale of new Shares in connection with the Share Split.
Underwriting agreement	There is no underwriting of the issuance of A Shares and B Shares. The conversion of Existing Shares into and issuance of the A Shares and B Shares will follow as a result of the proper adoption of the resolution for the Share Split by shareholders acting in general meeting.
Material conflicts of interest	There are no material conflicts of interest by members of the Management Boards in relation to the Share Split or the Admission. Certain members of the Management Boards hold Existing Shares or instruments convertible to Existing Shares in the Company and will therefore be affected by the Share Split similar to how other Receiving Shareholders' shareholdings will be affected by the Share Split (i.e., for each Existing Share owned by them, they will, following the Share Split, hold one (1) A Share and four (4) B Shares instead). This is not considered a conflict of interest. Moreover, certain members of the Board of Directors have been appointed by the Foundation and, accordingly, represent the Foundation's interests in the Share Split. The Share Split may support the Foundation's long-term ownership and control over the Issuer, for example by allowing the Issuer to raise capital in the future by way of new issuances of shares, without diluting the Foundation's control over the Issuer. This is not considered a conflict of interest.

RISK FACTORS

Owning shares such as the A Shares or the B Shares involves a high degree of financial risk. Receiving Shareholders and prospective future holders of the A Shares and the B Shares should carefully consider all information in this Listing Document (together with subsequent information published by Lundbeck), including the risks described below. This section addresses general risks associated with the industry in which the Lundbeck Group operates, and the specific risks associated with the Lundbeck Group's business. The actual occurrence of any such risk could have a material adverse effect on the Lundbeck Group's business, financial condition, results of operations and/or the value of the A Shares or the B Shares. Further, this section describes certain risks relating to the Share Split, which could also adversely impact the value of the A Shares and the B Shares.

The risks and uncertainties discussed below are those that the Management Boards believe could be material, but these risks and uncertainties are not the only ones that the Lundbeck Group faces. Additional risks and uncertainties, including risks which are not currently known to the Management Boards or which the Management Boards currently deem immaterial, may also arise or become material in the future and could have a material adverse effect on the Lundbeck Group's business, financial condition, and results of operations and could lead to a decline in the value of the A Shares and/or the B Shares.

The Management Boards have assessed the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact. Within each category of risk factors, the most material risk factors are mentioned first. In the opinion of the Management Boards, it is not possible to qualify or describe the probability of its occurrence for each risk factor but where it is possible, such description has been provided.

Pipeline and Research & Development and Products Portfolio Risks

1. The Issuer may experience failure, delay or disruption in the progression of its R&D pipeline programmes towards the launch of new and innovative products

The Issuer's success is highly dependent on research and development of new pharmaceutical products that obtain regulatory market authorization as therapeutics with a wide global reach. Those products have to be highly innovative and able to deliver medically impactful effects on complex disease symptoms or disease progression, while at the same time obtaining good valuation (price) with a return on investment that continues to support the Issuer's research and development (R&D) effort to serve patients with high medical needs.

The R&D of new products and the development of new indications or formulations for already approved products require significant financial investments and entail highly complicated processes and methods, that requires a high level of expertise throughout the entire R&D value chain. Due to the long-term nature of R&D and the inherent high risk of technical and scientific failure the Issuer cannot predict with any certainty whether a new product, or a new indication for a marketed product, or a new formulation for an existing product, can be successfully introduced to the market from its pipeline of programs.

The Issuer operates within neuroscience R&D. This field has a multitude of diseases with high medical need and new therapeutics are consequently in high demand. However, neuroscience is also generally considered to be among one of the most demanding areas for pharmaceutical R&D, since it is associated with significant technical and scientific hurdles. Obstacles, such as the ability to find robust and objective measures of drug effect and low translatability between preclinical studies to human condition, are particularly high in the neuroscience field. As a consequence, the ability to replicate data obtained in either preclinical or clinical studies, and the possibility to build on prior experimental data represent particular challenges in neuroscience drug R&D.

Although the scientific and technical risks are gradually reduced during the development process of a drug candidate program, unfavorable data may occur throughout its progression, such as read out of clinical trial data that does not support the drug candidate's expected effect or an unraveling of a safety profile which affects the benefit-risk assessment. The discovery of such data is not limited to certain phases of drug development, but commonly occurs at end of clinical phase 2. However, lack of reproducing initial encouraging data can occur even at a very late development stage, for example, at the end of clinical phase 3. Further, executing clinical development programs are associated with high uncertainty of timelines, and clinical trials can be affected by unexpected long delays, caused by factors such as challenges in enrolling trial subjects (due to, for example, the Covid-19 pandemic, as outlined in the risk factor entitled "*9. The Covid-19 pandemic, or any future epidemics and pandemics may adversely impact the Issuer's business*" and the Russian war against Ukraine as further outlined in the risk factor entitled *"26. The Lundbeck Group operates in more than 100 countries and any deterioration of the political, socio-economic and financial situation globally or in individual countries may adversely affect the Lundbeck Group's supply and distribution chain and its customers' ability to purchase its*

products"), or high dropout rate in ongoing trials, or needed stops of trials due to emerging safety findings. Consequently, a product that is considered successful at an initial stage may fail or be delayed at a later stage due to various factors, for example, failure to, problems with or delays in obtaining relevant regulatory approval, increased regulatory requirements for clinical trials, data requirements for conducting nonclinical studies and clinical studies, issues with data integrity including security breaches. Delays in production of drug product and/or commercial batches and delays in required inspections, for example, due to Covid-19 may also impact the progression of projects/products. Changes to the competitive environment may also severely impact the continued development support or commercial efforts of a product.

Further, several of the Issuer's current and future R&D programs are conducted together with the Issuer's partners and in alliances. The Issuer is dependent on the successful collaboration with such partners, and failure or disagreements in such partnerships and alliances may significantly impact the Issuer's development opportunities and results.

The Issuer generally considers the inherent and significant risks and uncertainties outlined above as a natural part of operating within neuroscience R&D. Consequently, the Issuer has previously experienced and the Issuer expects that it will also in the future experience failure, delay or disruption in the progression of certain projects in its R&D pipeline due to one or more of the factors described.

If any of the above risks materializes, the Issuer may, for example, not be able to successfully execute, or may experience delays or disruptions, in its R&D of new and innovative products, in the development of new indications and formulations for already approved products, or in its continued support to and protection of such products after being marketed. Consequently, if the above risks materialize, this could impair the Issuer's achievement of R&D targets, increase costs of investments and lead to impairment losses. Further, a failure to achieve R&D targets could, *inter alia*, have a direct material adverse effect on the Issuer's prospects, financial targets, future growth, revenue and results of operations.

2. The Issuer may fail to get access to, or execute on, in-licensing and merger and acquisition opportunities, or competition in the industry may result in no in-licensing and acquisitions being made and/or may drive up prices significantly. Further, the Issuer may be unable to realize the expected benefits of in-licensing and acquisitions, to integrate the acquired business or to achieve planned cost savings and synergies

In-licensing and mergers and acquisitions are key strategic elements for the Issuer to build and diversify its R&D pipeline and product portfolio, expand its offering and acquire access to innovative technologies, knowledge and expertise.

The Issuer's more recent acquisitions include Alder BioPharmaceuticals Inc. ("**Alder**"), acquired in October 2019, and Abide Therapeutics Inc. ("**Abide**"), acquired in May 2019. The acquisitions are further described under the section "*Business - Investments, Holdings and Recent Acquisitions*".

However, the Issuer may not be able to identify, get access to, or successfully execute on in-licensing and acquisition opportunities that can supplement the Issuer's pipeline or product portfolio on satisfactory terms and conditions. The competition for in-licensing and acquisitions of new drug candidates and companies is fierce, which may drive up prices, and the Issuer may risk not being able to successfully in-license or acquire new drug candidates or acquire companies to further strengthen or diversify its pipeline and portfolio or to acquire new technologies and platforms.

Current and future in-licensing and acquisitions, if concluded, involve risks related to the ability to realize the anticipated benefits of the acquisition. The Issuer may not, for example, be able to successfully integrate new acquisitions into its group and its operations. Even if compounds and drug candidates are in-licensed or acquired, there can be no guarantee that the Issuer will be able to successfully bring a new pharmaceutical product to the market. As described in this risk category, "*Pipeline, Research & Development and Product Portfolio Risks*", the results from current or future (if any) clinical studies on compounds, new indications or formulations of acquired drug candidates and existing drugs may fail or be unfavorable, preventing the Issuer from moving forward and bringing a product to the next phase of clinical studies or to the market, irrespective of the prospects at the time of an acquisition. Even after in-licensing or mergers or acquisitions have been completed, the launch of new products, or the expansion and growth of existing products may be delayed or fail due to, for example, difficulties in manufacturing and marketing, or they may not have the positive financial impact expected due to a large number of factors, such as unfavorable market conditions, less demand than anticipated, the introduction of new competitor products which can replace the product, or unexpected requirements from regulatory bodies.

Moreover, successful integration may require unexpected resources and may not be achieved, anticipated costs savings and synergies may not materialize, unforeseen expenses may occur, and there may always be tax risks and a potential risk that any unidentified and/or latent, unwarranted or uninsured liabilities of the acquired company materialize and are not recoverable but must be assumed by the Issuer.

Since the identification and acquisition of appropriate business targets and the benefits therefrom depend on a large number of varying circumstances, the Issuer cannot reasonably assess the probability of whether the Issuer will succeed in executing its in-licensing and acquisition strategies. In the past, the Issuer has managed to pursue its acquisition strategies in the form of the acquisitions of Alder and Abide, however, the Issuer has also experienced periods of time where no relevant acquisition and in-licensing candidates were available and/or successfully acquired.

If the Issuer fails to get access to and execute on potential in-licensing and acquisition opportunities, this may have a direct material adverse effect on the prospects, growth, revenue and financial performance and results of the Issuer. If a completed in-licensing, merger, or acquisition does not generate the results or provide the expected synergies, this may have a material adverse effect on the Issuer's business, financial condition, financial performance and results of operations, in particular due to the significant costs that are often associated with strategic acquisitions.

3. Failure in arranging and maintaining successful partnerships and cooperation agreements with third parties could limit the Issuer's access to wider research and development product portfolio, new technologies and shared expertise

Pharmaceutical companies are increasingly forming strategic partnerships with third parties, for example by entering into cooperation agreements with other pharmaceutical and biotech companies to access a greater portfolio of products, technology and shared expertise. The Issuer has entered into important strategic partnerships with several key partners, including, among others, Otsuka Pharmaceuticals Co., Ltd. ("**Otsuka**"), Takeda Pharmaceutical Company Limited ("**Takeda**") and Mochida Pharmaceutical Co., Ltd for the development, co-development, commercialization and co-commercialization of product candidates and products. The most significant partnerships are described in "*Business – Significant Partnerships, Collaborations and Licenses*".

The Issuer's partners play an important role in the Issuer's business as they assist with or conduct clinical and regulatory development, manufacture products and/or commercialize several of the Issuer's product candidates and products. Further, several of the Issuer's existing partners are the proprietary owners and/or licensors of intellectual property rights to commercialized products and the Issuer often operates under a limited license to commercialize the relevant partner's product. For example, Rexulti/Rxulti and Ability Maintena, which are Strategic Brands of the Issuer, are sold under license from the Issuer's partner, Otsuka, and several of the Issuer's activities in its pipeline are conducted in collaboration with Otsuka.

The Issuer is dependent on current and potential future partners' ability and willingness to successfully pursue, develop and commercialize product candidates, continue commercialization of existing products and otherwise support the collaboration as contemplated in the relevant partnership agreements. The partners operate with significant discretion in conducting and timing the activities and the Issuer cannot control the quantity and nature of the resources allocated. The Issuer and its partners may have different opinions and the Issuer may be dependent on agreement with the partner. For product candidates developed by the Issuer's partners, the Issuer does not have direct access to the progress and results of clinical studies and the regulatory process. Further, negative events related to the partnership may be outside the Issuer's control, for example, a partner's loss of intellectual property rights, regulatory inspections and sanctions against a partner, a partner's problem in manufacturing and distribution or a partner's development of competing products or change of strategic focus and priorities.

Failures or delays in completing collaborative projects in a timely, cost-effective manner, disputes with strategic partners, termination or expiry of key partnerships or other failures to or delays in successfully executing on existing and future partnerships could significantly harm or delay the Issuer's development and commercialization of product candidates, significantly harm the commercialization of existing important commercialized products and/or result in the Issuer not receiving significant royalty or milestone payments. Material breach of collaboration agreements by the Issuer may cause the partners to terminate the agreements without any financial compensation to the Issuer and material breach by the Issuer's partners may cause the Issuer to terminate the agreements, in each case with potential significant impact on the Issuer's financial performance.

The Issuer may also be unable to enter into future partnerships or cooperation agreements on suitable or attractive terms and conditions, which could limit its access to other development candidates, products, licenses, shared expertise or knowledge. Increasing competition among different pharmaceutical and biotech companies

for the acquisition of licenses and technologies developed by third parties also makes it more difficult for the Issuer to form suitable strategic partnerships.

While the Issuer has been able to form and maintain strong partnerships in the past, it is given the nature of partnerships and the many varying circumstances potentially impacting current partnerships and the Issuer's possibility of entering into new partnerships, not possible for the Issuer to reasonably assess the probability of whether the Issuer will succeed in arranging and maintaining successful partnerships and co-operation agreements with third parties in the future.

Given the Issuer's reliance on its ability to arrange and maintain successful partnerships and co-operation agreements with third parties, failure to do so in the future may, among others, harm or delay the Issuer's development and commercialization of product candidates and the commercialization of existing important products. As a consequence, if any of the above risks materializes, this may have a direct material adverse effect on the Issuer's business, prospects, financial condition, financial performance and results of operations.

4. The Issuer is dependent on and may fail to obtain and maintain necessary regulatory approvals from relevant regulatory and governmental bodies

The Issuer is subject to increasingly strict statutory and regulatory control on development, launch and commercialization of pharmaceutical products. In many of the jurisdictions in which the Issuer operates, the Issuer is required to obtain and maintain regulatory approval (including marketing authorization) from regulatory and governmental authorities to launch and sell its products and/or introduce new therapies, including, but not limited to, approval from the Food and Drug Administration ("**FDA**") in the United States, the European Medicines Agency ("**EMA**") in the European Union, the National Medicine Products Administration ("**NMPA**") in China and the Pharmaceuticals and Medical Devices Agency ("**PDMA**") in Japan. The Issuer is required to comply with requirements in a number of areas, including the development, manufacture, distribution, import, advertising and marketing of its pharmaceutical products.

The requirements for obtaining regulatory approval vary by product, country and region. Even though a product may have already been approved and launched in one country or region, the regulators of other countries or regions may refuse to grant regulatory approval for market authorization or may require additional data and clinical studies from the Issuer before granting regulatory approval. The regulators may consider a large variety of factors when granting approval, for example, new laws and policies, public receptivity, whether the product's benefits outweigh its known risks, the product's efficacy and benefits compared to other products and views of other third-party interest groups, which increases the difficulty for obtaining regulatory approval. Further, approvals may be granted for fewer or more limited indications than applied for and decisions from regulatory authorities may impact labeling, manufacturing processes, level of safety monitoring and/or other matters that could affect the availability or commercial potential of any product and its competitive potential.

A regulatory approval process is time-consuming, costly and uncertain. The Issuer or its partners may, for a large number of reasons, experience delays in or not be able to obtain regulatory approval on the basis of submitted nonclinical and clinical data and support documentation. Requirements for obtaining and maintaining regulatory approval may change over time and unpredictable policymaking by governments and regulators adds uncertainty to the process, which could lead to delays or failures of regulatory approvals.

Even after successful registration of a new drug product, significant costs are incurred related to subsequent post-approval R&D activities and other life cycle management activities and confirmatory clinical studies as well as to fulfill post-approval requirements on, for example, safety monitoring, manufacturing and regulatory support for the product. In addition, significant patent and legal activities are needed to obtain, uphold and defend intellectual property rights. An initially approved product may subsequently be negatively impacted by accumulating, or occurrence of previously undetected, side effects, other concerns about its safety and effectiveness benefit, or failure to demonstrate sufficient cost-effective benefits to the relevant authorities and/or buyers. Regulatory approvals may be revoked or suspended due to, for example, safety, manufacturing or efficacy concerns.

The regulatory control on post-marketing regulatory requirements and commitments has been tightened in recent years. Product labeling changes could influence decisions by healthcare professionals on whether to prescribe or supply a specific product to patients. There have also been calls for more third-party access to regulatory and clinical trial data packages with increased requirements for data transparency, which carries significant costs and could lead to loss of IP and increased competition. Inaccurate data analyses could damage the Issuer's reputation and adversely affect its sales. Other post-approval regulatory requirements, such as additional clinical studies and data management, could increase the operational costs, delay market launch of the product, resulting in revocation or impact the Issuer's profitability.

If the Issuer is delayed or fails to obtain or maintain regulatory approval, the development and launch of new products and therapies and the sale of existing products may be delayed, suspended or hindered in all, or some, markets.

If any of the above risks materializes, this could, as also described above, *inter alia*, cause delays, significantly increase costs and/or it could hinder the commercialization of existing products or the development and/or launch of new products and new therapies. Consequently, if these risks materialize, they could have a direct material adverse effect on the Issuer's prospects, financial condition and financial performance and results.

Market and Commercial Risks

5. ***Rising pricing pressure, driven by, for example, restrictive reimbursement policies and cost control initiatives, legislative and regulatory proposals to lower the costs of prescription drugs and other state or national healthcare system reforms worldwide, may limit access to and impose downward pressure on the prices of the Issuer's current and future products***

The Issuer's main markets have been and may in the future be affected by various government restrictions on pricing and reimbursement, cost controls, healthcare reforms and regulatory proposals to lower the costs of pharmaceutical products.

For example, in North America, which is a significant market to the Issuer, the Issuer may be subject to direct and indirect pricing pressure, including pressure not to increase prices or to lower existing prices, as a result of, for example, public sentiment and opinion, current or new restrictive legislative measures and reimbursement policies and cost control initiatives and clauses. The level of profitability of the Issuer's current and future products will depend on the extent of coverage from third party payers (including government healthcare programs like Medicare and Medicaid), insurers and managed healthcare organizations. Step therapy requirements and prior authorization programs that mandate the use of less costly medications before the Issuer's medicines, and requirements for prior authorizations in place by health insurance plans can limit the patients' ability to access the Issuer's medicines. The out-of-pocket costs that patients are responsible for are increasing due to, for example, the insurance industry's shift to high deductible health plans and higher percentage co-pays. The Issuer's ability to help certain patients defray out-of-pocket expenses for co-payment for therapies may also be limited by insurer's use of co-pay accumulator programs. These out-of-pocket expenses impact affordability and may decrease overall sale and utilization of the Issuer's products.

Several of the risks applicable to North America also apply for other countries and regions in which the Issuer operates. Further, the costs of prescription drugs are also affected by regulatory and healthcare reforms, as there is an ongoing push for lowering the price of pharmaceutical products and driving the preferred use of generic products, globally, including in the Issuer's main markets, such as the US, Canada, China, Japan and Europe. Such regulatory and healthcare reforms could significantly affect prices, coverage, reimbursement and access schemes for both new products introduced on the market and for the Issuer's existing strategic and mature product portfolio. Further, a regulatory or healthcare reform in one country could have an impact on other countries due to international reference pricing systems.

The pharmaceutical industry outside North America has been affected by ongoing cost-containment measures and reference pricing mechanisms, including a push for transparency and comparison in the prices of pharmaceutical drugs between the countries, resulting in the pressure to lower the costs of prescription drugs. The pharmaceutical industry is also affected by national processes, such as the Health Technology Assessment (the **"HTA**") which reviews the clinical and cost-effectiveness of healthcare treatments. Such regulations and key stakeholders (such as government agencies and healthcare providers) may impose a downward pressure on the pricing of the Issuer's products. The EU Regulation on Health Technology Assessment entered into force in January 2022 and will be applied in January 2025. It is currently unknown to the Issuer how this regulation will materialize, but the regulation could potentially negatively impact the Issuer's business.

In certain jurisdictions, commercialization is subject to the determination of pricing and reimbursements levels. Consequently, even if the Issuer is able to obtain marketing approval for its products, the Issuer's further commercialization and launch of such products may be limited, significantly delayed or prevented in important markets if the Issuer is unable to ensure competitive pricing and reimbursement levels.

While it is not possible to predict the future pricing of pharmaceutical products with any certainty, the Issuer expects that certain of the contributing factors described above and the increasing pricing pressure seen in the Issuer's main markets over the past years will continue in the near future.

Pressure to maintain or reduce prices and margins on pharmaceutical products may have a direct material adverse effect on the Issuer's prospects, revenue from existing products and on its financial condition and performance. Moreover, as described above, increased pricing pressure may also have a material adverse effect on the Issuer's ability to invest and on the development and future commercialization of the Issuer's R&D pipeline products which form a critical part of the Issuer's future prospects.

6. The Issuer may experience lower than expected sales of its strategic brands due to, for example, failure in its existing partnerships, and the Issuer's mature product portfolio may be subject to increased generic competition

The successful commercialization of the Issuer's strategic product portfolio (the part of the portfolio generally covered by patent protection or data exclusivity, which are Abilify Maintena, Brintellix/Trintellix, Rexulti/Rxulti and Vyepti) is a key driver for the Issuer's current and future revenue generation and growth.

The commercialization of both the Issuer's strategic and mature product portfolio, including the global launch of Vyepti, may be negatively affected by a significant number of factors, including changes in the competitive landscape, difficulties in obtaining regulatory approvals, failure in post-approval studies and market access challenges in the Issuer's key markets, such as lack of or difficulties in hospital listings or failure to achieve support from patients, payers, insurers and health care professionals.

The Issuer's Strategic Brands, Abilify Maintena and Rexulti/Rxulti, have been developed by and in collaboration with Otsuka and the products are commercialized pursuant to the collaboration agreement between the parties. The Issuer's strategic product, Brintellix/Trintellix, is commercialized with the Issuer's collaboration partner, Takeda in US and Japan. Please refer to "*Business – Significant Partnerships, Collaborations and Licenses*" for more information on the partnerships. Consequently, the Issuer is highly dependent on the successful collaboration with its key collaboration partners. The parties may fail to successfully execute, deliver and develop their partnerships, which could significantly impact and harm the commercialization, sale and growth of the Issuer's strategic products and/or result in the Issuer receiving significantly lower milestone and royalty payments. For a further description of the risks relating to the Issuer's partnerships, please refer to the risk "*3. Failure in arranging and maintaining successful partnerships and cooperation agreements with third parties could limit the Issuer's access to wider research and development product portfolio, new technologies and shared expertise*".

Further, a substantial part of the Issuer's revenue derives from the sale of mature products, which are subject to continued and increasing generic competition, pricing pressure and erosion as outlined in the risk "*14 Issuer may experience expiry or loss of intellectual property rights or changes to the regulatory framework applicable hereto and/or increasing competition with generic versions of products*". The Issuer considers it likely that the Group will continue to experience increasing generic competition on its Mature Brands in the future.

Fundamentally, lower than expected sales correlate directly with lower than expected revenue, growth and results of operations. Should the Issuer experience lower than expected sales, for any of the reasons outlined above, this may consequently have a material adverse effect on the Issuer's future prospects, ability to make future investments, financial condition, financial performance and results of operations. Moreover, the factors that may contribute to lower sales (e.g. increasing generic competition or pricing pressure) may themselves have direct material adverse effect on, *inter alia*, the Issuer's business and prospects (see for example the risk factor "*5. Rising pricing pressure, driven by restrictive reimbursement policies and cost control initiatives, legislative and regulatory proposals to lower the costs of prescription drugs and other state or national healthcare system reforms worldwide, may limit access to and impose downward pressure on the prices of the Issuer's current and future products*").

7. The success of the Issuer is based on the ongoing development and execution of the Issuer's strategies working towards its short-, mid- and long-term ambitions. However, the strategies may prove inadequate or wrong or the execution of the strategies may fail

The Issuer's current Expand and Invest to Grow Strategy comprises the following five strategic imperatives: Maximizing Existing Brands, Expand Operating Space, Rebuilding the Pipeline, Maintain Focus and Profitability, Enhance Organizational Agility and Collaboration. For a detailed description of each of the imperatives, please see "*Business – Purpose and Strategy*".

The Issuer's Expand and Invest to Grow strategy was launched by the Issuer in 2019. The purpose of the strategy is to grow the business by focusing its efforts around five strategic imperatives. These imperatives aim to ensure that the Issuer's existing product portfolio is maximized in terms of market reach and through life cycle management, while simultaneously building a sustainable pipeline of de-risked drug candidates, with early signals of clinical efficacy in specialized indications relevant to brain health. In the opinion of the Issuer, the successful

implementation and ongoing execution of the Issuer's Expand and Invest to Grow-strategy is of significant importance for the Issuer's ability to meet its short- and mid-term goals and ambitions, as well as the Issuer's goals and ambitions on the longer term.

However, the Expand and Invest to Grow Strategy and any new strategies outlined by the Issuer in the future may prove wrong or inadequate or the execution of the strategies may be delayed, be interrupted or may fail due to a large number of factors inside or outside the Issuer's control, including, but not limited to, the Issuer's failure to attract, retain and replace key management and qualified employees. Further, the Issuer may not be able to adequately and timely adopt and execute on new strategies if needed to, for example, meet changing customer demands, changing market conditions, changing political and/or financial conditions or otherwise.

If any of the above risks materializes, this may have a material adverse effect on the Issuer's short-, mid- and long-term ambitions, planning and results, business, prospects, financial condition, financial performance and results of operations.

8. Future changes in the behavior of competitors or customers and developments in treatment needs may lead to loss of markets or market shares for the Issuer

The competition in the pharmaceutical industry is fierce and the Issuer faces intense competition from individuals, partnerships between other pharmaceutical companies, significantly larger pharmaceutical companies with larger resources and expertise and smaller, more focused companies or start-ups developing new modes of actions. Competition includes not only the development of new and innovative product candidates and products that may compete directly or indirectly with the Issuer's existing and current product portfolio and development of proprietary technologies that could affect or compete with the Issuer's business, but also includes competition in recruiting and retaining qualified key and senior personnel. As outlined in the risk factor "*14 Issuer may experience expiry or loss of intellectual property rights or changes to the regulatory framework applicable hereto and/or increasing competition with generic versions of products*", the Issuer may also face significant competition from generic versions of its products.

The number and the behavior of competitors in the market and their impact on the Issuer may quickly change due to, for example, collaborations, licensing arrangements, new discoveries and patent protection and potential competitors may be working actively on products that may be directly competitive to those of the Issuer. Competitive products, their characteristics and pricing may impact the current and future pricing, including reference pricing, of the Issuer's products and the possibility of the Issuer obtaining satisfactory approval, pricing and reimbursement.

The Issuer may face competition from lower priced imports of the Issuer's own products from one country to another as well as lower priced competing products from one territory to another.

The size of target populations within the field of medicine or specific indications is difficult to predict and determine and may change or evolve over time due to changes in the markets or in the competitive situation or development and changes in treatment needs, making it difficult to assess the probability of the occurrence of these risks. Some of the Issuer's products and product pipeline candidates are used as second- or third-line therapies for patients who have not benefitted from other therapies, which make them dependent on other products and further narrows the target populations. The actual size of a target population may mean that the Issuer is not able to recoup its investment in its products.

The Issuer's business, revenue, growth, results of operations and prospects are dependent on the Issuer maintaining, or for some products increasing, its current market shares. If any of the above risks materializes, this may consequently have a direct material adverse effect on the Issuer's business, revenue, growth, prospects, financial performance and results of operations.

9. The Covid-19 pandemic, or any future epidemics and pandemics may adversely impact the Issuer's business

The rapid spread the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) causing coronavirus disease of 2019 ("**Covid-19**") first identified in late 2019 has had an impact on the political, socio-economic and financial situation globally and Covid-19 has negatively impacted the Issuer's business.

While the Issuer's supply chains and production lines have remained largely uninterrupted throughout 2020 and 2021, R&D, clinical trials, launch of new products and the commercialization and revenue of certain products suffered some adverse effect as a result of the pandemic. For example, Covid-19 has impacted the recruitment

and conduct of most of the Issuer's pipeline projects resulting in extended timelines, changes in protocols and increased costs.

The Issuer's product portfolio has generally been resilient. However, in the United States, for example, a significant reduction of in-person patient visits to physician offices significantly reduced the use of physician-administered therapies across all disease categories, resulting in negative impacts in the revenue of products such as the strategic product Brintellix/Trintellix, where uptake is significantly dependent on new patient starts. Similarly, the launch, in April 2020, of Vyepti, which is an infusion therapy relying on direct access to physicians, was significantly impacted by patients being generally unable to visit healthcare providers, resulting in a slower start and uptake than anticipated for Vyepti sales in the United States. Other new product launches and the expansion of the Issuer's geographical operating space were delayed as a result of local, country-specific and regional lockdowns and relevant authorities being unable to process regulatory matters and approvals within expected timelines.

The potential impact and the effects of any future Covid-19 spread, or any new epidemics and pandemics, are difficult to assess and quantify at this point in time. New waves and mutations, or any new epidemics and pandemics, may result in the further deterioration of the political, socio-economic and financial situation globally, an economic slow-down, increased unemployment rates (which may affect patients' ability to pay for prescriptions), further lockdowns and may significantly negatively impact the Issuer's business. This may include further delays or interruption of the Issuer's clinical studies due to, for example, difficulties in recruiting and continued or increased challenges in the commercialization of the Issuer's key products, such as Vyepti and Brintellix/Trintellix, due to, for example, limitations in patients' access to doctors and healthcare professionals.

Since the Issuer has centralized certain business services as well as production facilities, animal care facilities and key lab work to a few locations mainly in Europe and the United States, even smaller, local lock-downs or outbreaks, including among groups of employees, can negatively impact or delay the Issuer's R&D, ongoing clinical trials, production and supply chain.

New waves or mutations of SARS CoV-2, or any new epidemics or pandemics, may also in general impact other parts of the Issuer's business and value chain. This may include potential failure or delays in contractual obligations performed by or for the Issuer, general increase in the risk of financial fraud (for example, external scams or management overrides), which are higher in times of crisis or increased legal and compliance risks due to for example travel restrictions preventing sufficient audits/review coverage.

The effect of the continued COVID-19 pandemic and the possible consequences of any future epidemic and pandemic will depend largely on the specific impact on the political, socio-economic and financial situation at both regional and global levels and on the specific impact on the Issuer. While the COVID-19 pandemic, as outlined above, has so far most significantly affected the Issuer's R&D capabilities and sales of certain products, other areas of the Issuer's business could be negatively impacted in the future. Consequently, if any of the risks described above materializes, this may have a material adverse effect on the Issuer's R&D capabilities and development programs, or the launch of new products and/or the commercialization of the Issuer's products and the Issuer's business, prospects, financial condition, financial performance and results of operations.

Supply Chain, Quality and Product Safety Risks

10. The Issuer may experience failure, delay or disruption in its manufacturing processes and supply chain, including its third-party supplier processes

The Issuer's manufacturing and supply chain relies significantly on the continued and timely operation of the Issuer's own production facilities in Valby and Lumsås (Denmark), Valbonne (France) and Padova (Italy) and on the timely and contractual delivery from contract manufacturing organizations (CMOs), the Issuer's significant partners and third-party suppliers and service providers. For a more detailed description of the Issuer's manufacturing and supply network, see "*Business – Manufacturing and Supply Chain*".

The Issuer is dependent on partners and third-party suppliers to supply goods and raw materials, such as critical pharmaceutical ingredients or components in certain drug substances, relevant scientific equipment, packaging and finished products in a timely manner to ensure a smooth operation of its supply chain. The Issuer also relies on third-party providers in other critical areas of its operations and supply chain, such as warehousing, transportation, IT systems, finance, accounting and human resources. Pharmaceutical products and substances must be transported and stored under special conditions and any failure by the Issuer or a third-party transporter or warehouse may have a significant effect on the Issuer's business.

Several of the key products commercialized and sold by the Issuer, such as Abilify Maintena and Rexulti, are fully or partly manufactured, distributed and/or supplied by the Issuer's collaboration partners. Such manufacturing, distribution and supply is outside the Issuer's direct influence and control and the Issuer therefore relies significantly on its partners.

Important elements of the Issuer's manufacturing and supply chain are single-sourced and the negative impact of delay, failure or disruption to the manufacturing or supply chain may be significant for affected products. Obtaining a new or alternative source is a lengthy process and may take months or years. Goods and raw materials are often difficult to substitute, and alternative goods may not be readily available for several years. Single-sourced product portfolios also operate with higher lead-times and less flexibility to adjust to shifting product demands.

Via its production facilities the Issuer also operates as contract manufacturing organization for third parties. For example, the Issuer is manufacturing and selling drug substances and intermediates to third parties for the use in such third parties' pharmaceutical products and the Issuer is performing solid bulk production, sterile production and packaging for third-party products.

Failure, delays and disruptions in the Issuer's manufacturing and supply chain, including when the Issuer acts as contract manufacturer for third-parties, can be caused by various factors, such as failure, disruption or delays in deliveries from third-party suppliers and providers, CMOs and partners that the Issuer relies on, business interruption on the Issuer's or third-parties' main facilities caused by disasters (explosion, fire or weather events such as flooding and storms), incidents to equipment, installations, buildings and personnel, compromise of the Issuer's IT infrastructure, delays in construction of new facilities or expansion of existing facilities. The Issuer could also be faced by actual and unpredictable product demand exceeding the forecast demand causing a shortage in supply, demand leading to inefficient stock and production management resulting in either excessive or inadequate stock levels, disturbance to the supply chain caused by natural disasters, loss of licenses to manufacture or sell pharmaceuticals, quality issues, human errors relating to its facilities or audits from regulatory authorities, and other manufacturing issues such as closure of production sites, termination of supply agreements with third party providers, reduction of manufacturing capacity to meet regulatory requirements or other changes to the type of products produced. Further, the Issuer has, as many other companies, experienced increased costs and challenges globally relating to the supply, transport, import and export of its sourced products and products intended for sale. Such cost and challenges may increase further, especially if the risks set out under *"Risk Factors – Economic and Financial Risks"* materialize. Any failure, delay or disruption in the Issuer's manufacturing and supply chain, including when the Issuer acts as contract manufacturer for third-parties, could lead to, for example, a shortage in manufacturing capacities and supply, stock-out, destruction of excessive, expensive inventory, difficulties in forecasting and distributing products, loss of revenue and product sales, limitations on patients' access to required medicines, and increased risks of product liability claims and claims from third-parties.

Production and supply chain failures and disruption are inherently unforeseeable as they are often caused by human errors, system errors and/or outside circumstances. As a pharmaceutical company the Issuer has a complex production and supply chain that, as described above, can be impacted by a large number of factors inside and outside the Issuer's control. The Issuer therefore considers it possible that events negatively impacting the Issuer's production and supply chain will occur at some point in time. The timing, cause and the specific impact can generally not be predicted.

As outlined in details above, if failure, delay and disruption of the Issuer's manufacturing processes and supply, including its third-party supplier processes, occur, this may have a significant impact on the Issuer's business. Consequently, if any of the above risks materializes, it may have a material adverse effect on the Issuer's business, operations, financial results and financial performance.

11. Defects in the quality and safety of the Issuer's products

As a leading global pharmaceutical company, the Issuer is required to comply with and maintain high standards of product quality and safety and the Issuer is subject to stringent legal and regulatory requirements and control by relevant authorities. This includes, for example, the Issuer's obligation to comply with Good Manufacturing Practices ("**GMP**") and requirements on serialization, stability, data integrity, and other good practice ("**GxP**") requirements. GMP constitutes the license to operate in pharmaceutical manufacturing and is a core condition in all countries where the Issuer operates. Rules and interpretations differ from country to country and change frequently.

As described in the risk factor "*10. The Issuer may experience failure, delay or disruption in its manufacturing processes and supply chain, including its third-party supplier processes*", the Issuer relies on third-party providers to provide efficient and timely services. In addition, the Issuer relies on them to comply with applicable laws and regulations. The Issuer's or any of its partners' or third-party contract manufacturing organizations' failure to

comply with GMP and other rules relating to quality and safety of the Issuer's or its partners' products, adverse GMP experiences, quality issues and/or any defects found in the Issuer's products could lead to manufacturing cessation, delayed or abandoned product launches, stock-outs, product seizure and debarment, temporary bans on products, production facilities, withdrawal recalls or loss of license, legal actions by patients (including potentially product liability claims as further described in the risk factor "*22. The Issuer may be subject to various litigation, including, but not limited to, litigation on product liability, commercial, environment or employment litigation matters or governmental investigations*"), harm the Issuer's reputation and relations with medical authorities and doctors, purchasing organizations and affect future registration with the relevant authorities. Breach of product quality and safety standards could also generate negative publicity and undermine healthcare professional, consumer and patient confidence.

As described above, the Issuer is required to comply with and maintain high standards of product quality and safety. The Issuer has implemented systems and processes aimed to accommodate quality and safety requirements and reduce the risk of quality and safety issues arising. As defects in quality and safety may potentially arise due to a large number of reasons, some of which are outside the control of the Issuer, the Issuer cannot reasonably predict the probability or likelihood of defects in quality and safety arising in the future.

As stated above, defects in quality and safety may result in a variety of immediate liabilities and adverse consequences for the Issuer. Further, it is the Issuer's opinion that the adverse effect of the materialization of one or more of the described risks cannot, depending on the circumstances, be isolated to a single area of the Issuer's business. As a consequence hereof, if any of the above risks materializes this may have a material adverse effect on the Issuer's business, prospects, license to operate, reputation, financial condition, financial performance and results of operations.

Intellectual Property Risks

12. The Issuer may fail to obtain, defend and enforce protection of patents, trademarks and other intellectual property rights and the lack of protection may be exploited by third parties

The Issuer holds many patents, trademarks and other intellectual property rights worldwide, which are crucial to its success. In the pharmaceutical industry, products are typically protected from being copied for a limited period of time under the relevant intellectual property rights, patent rights and rights under regulatory data protection regulations. Products protected by such rights are typically significantly more valuable than those which are not protected, as they may not be copied by other manufacturers. The Issuer's ability to obtain, defend and enforce protection of the relevant patent rights or other intellectual property rights materially affects its ability to commercialize its products and to benefit from the investments made in R&D and its products.

The patent application, patent maintenance and patent enforcement processes are expensive, time-consuming and complicated and generally extend over a long period of time. The Issuer may not be able to obtain the necessary patents in pending or future applications due to a number of factors, for example, if the invention or compound does not meet the requirements necessary to be protected by patents, if the Issuer is not first to file for protection of a new product or invention or if third-parties prior thereto or simultaneously and independently have developed similar products or technologies. Even if an application ultimately results in a patent being issued, third parties may challenge the scope, or enforceability, of such patent. A successful challenge by a third party may result in limited or no protection of the product or invention in question. The rules and processes involved in obtaining new patents, or protecting existing patents, vary from country to country, and the Issuer may in some cases decide to refrain from seeking a patent, or decide not to contest infringements of existing patents in certain jurisdictions.

Generic drug manufacturers may seek to challenge the validity, scope and duration of the Issuer's patents by legal action. In the event that the Issuer is unsuccessful in defending its patents, or other intellectual property rights, generic drug manufacturers may be able to launch generic versions of the Issuer's products. Moreover, third parties may in some countries seek potentially significant damages against the Issuer, for instance, claiming that their market entry had been restrained inappropriately.

In order to ensure its continued success, the Issuer must also protect its trademarks and trade names. Trademarks are exclusive rights to use a registered mark and prevent third parties from using the mark. In a number of jurisdictions, trademark protection is only effective when the Issuer conducts extensive controls and thorough research to ensure that its trademarks are not copied. The Issuer may be unable to protect its trademarks effectively, due to, for example, its inability to identify an illegal use of its trademarks or to take legal action early enough or at all.

Further, if the Issuer fails to register, obtain, maintain and safeguard patents, trademarks and other intellectual property rights this may lead to the exploitation of the Issuer's patents, trademarks or other intellectual property by third parties.

Public loss of confidence in the integrity of pharmaceutical products as a result of illegal or unauthorized trade can adversely affect the Issuer in a material way.

The Issuer expects that the general challenges and uncertainties related to obtaining, defending and enforcing patents, trademarks and intellectual property rights described above will continue in the future and that the landscape will continuously develop and may increase the likelihood of the risks described above.

Should the Issuer fail to obtain, defend and enforce protection of patents, trademarks and other intellectual property rights this may have significant negative consequences on the Issuer's business and prospects as a whole. Consequently, if any of the above risks materializes, this may have a material adverse effect on the Issuer's business, prospects, financial condition, financial performance and results of operations.

13. Legal actions may be initiated against the Issuer by third parties, or the Issuer may have to initiate legal actions against third parties, on the grounds of alleged infringement of intellectual property rights

It is expensive and time consuming for the Issuer to defend its patents, trademarks, licenses and other intellectual property rights through legal action. The Issuer's patent rights may be challenged on the grounds of their validity or scope. A legal dispute over intellectual property rights could take several years and the Issuer may lose in a legal dispute, which could substantially prevent, delay or limit the successful launch, marketing and sale of a product. Generic drug manufacturers may also seek to challenge the validity, scope and duration of the Issuer's patents by legal action, or the Issuer may need to sue third parties to protect it patents and intellectual property rights. Examples hereof are the Issuer's patent infringement proceedings, together with Otsuka, against several generic companies that have applied for marketing authorizations on the basis of an Abbreviated New Drug Application for generic versions of Rexulti in the United States and the Issuer's and Takeda's similar patent infringement cases for generic versions of Trintellix in the United States. See "*Business – Legal Matters & Compliance – Pending legal proceedings"* for more information on legal proceedings.

The Issuer may also be sued by third parties, such as other research-based or generic pharmaceutical companies or individuals, for alleged patent and license infringements. The third parties may seek various remedies, such as an injunction against the Issuer to sell and market a certain product, damages in the form of compensatory damages for monetary loss of the third party arising from the Issuer's alleged infringement of its intellectual property rights or, potentially, punitive damages, each of which could give rise to significant costs for the Issuer. Third parties may be awarded remedies for an alleged infringement of their intellectual property rights, for example injunctions and damages for an alleged patent infringement. In the United States, courts may order enhanced and up to treble punitive damages for alleged willful infringement of patents. From time to time the Issuer may acquire licenses, discontinue activities and/or modify processes to avoid claims of patent infringement. These steps could entail significant costs and have negative impact on the Issuer's business.

Based on the Issuer's experiences in the past and the general landscape around intellectual property rights, the Issuer expects that it will also in the future be involved in legal proceedings related to intellectual property rights.

As described above, the Issuer may incur significant costs from conducting legal proceedings. Further, a negative outcome from legal actions may result in significant costs on the Issuer and have a negative effect on the Issuer's business, including the Issuer's ability to successfully develop new products and commercialize its existing products. Consequently, if any of the above risks materializes, this may have a material adverse effect on the Issuer's business, prospects, financial condition, financial performance, and results of operations.

14. The Issuer may experience expiry or loss of intellectual property rights or changes to the regulatory framework applicable hereto and/or increasing competition with generic versions of products

The Issuer's pharmaceutical products may compete with other generic or biosimilar drugs manufactured and marketed by generic drug manufacturers in the pharmaceutical industry.

When the Issuer's intellectual property rights have expired, or if they are lost, the Issuer's products often face competition from generic copies and biosimilars which are often sold at significantly lower prices as these manufacturers have not incurred substantial R&D costs to identify and develop such products. The approval of competitive products, generic drugs or biosimilars could give rise to immediate and significant competition with the Issuer's business. One example is the Issuer's product Northera, which after loss of data exclusivity has been

exposed to competition from generic products since February 2021, leading to a decline in revenue of approx. 75 per cent during 2021 compared to sales in 2020. Generic drug manufacturers may also seek to launch generic drugs or biosimilars even before the relevant patents or regulatory exclusivity periods expire.

Intellectual property rights are in an area of the law that is still developing and the legal precedents relating to intellectual property rights protection are evolving continuously, which adds to the uncertainty of intellectual property rights protection. Further, macroeconomic changes such as the COVID-19 pandemic could potentially lead to changes to the global, regional or national legislative frameworks or in the general public sentiment on pharmaceutical products and the intellectual property rights protection hereof, which could lead to a less favorable regulatory environment for manufacturers of pharmaceutical products. Some countries in which the Issuer operates do not offer robust intellectual property rights protection. This may be because intellectual property rights laws are still developing, the scope of those laws is limited, or the political environment does not support such legislation. The Issuer has noted increasing use of compulsory licensing in some of the countries in which it operates, which is a general problem for the pharmaceutical industry and other pharmaceutical companies. As a result, the Issuer may face compulsory licensing issues in some countries in the future. Changes to the intellectual property rights regimes may entail pricing pressure or increased competition from generics and biosimilars.

Increased competition from generic products, whether as a result of expiry or loss of intellectual property rights, a changed regulatory landscape or otherwise, may, for example, negatively affect the Issuer's sales of the products subject to generic competition and its ability to invest in its business. Consequently, if any of the above risks materializes, this could have a material adverse effect on the Issuer's financial performance, results of operations, financial condition and prospects.

Information Technology Security Risks

15. Failure of information security or in data protection, cyberattacks or disruption of information technology systems may lead to system down-time and loss of critical or sensitive information

The Issuer is dependent on effective IT systems to successfully operate all parts of its business and operations, including R&D, manufacturing and product supply, marketing and sales, and to protect the Issuer's critical and sensitive data and information, such as clinical trial records, third-party personal data, confidential information and business secrets. The Issuer relies increasingly on the use of third-party software and systems and cloud-based solutions and on the outsourcing of significant and critical parts of the Issuer's IT systems. Consequently, the Issuer is increasingly dependent on the ability of third-party cloud providers and outsourcing partners - outside the direct control of the Issuer - to ensure the availability, integrity and confidentiality of its IT infrastructure. The Issuer is also dependent on the implementation and compliance with adequate internal IT policies and procedures to safeguard processes and communication of data to protect the confidentiality and integrity of its IT systems.

The Issuer's internal IT systems and the IT systems hosted or operated by third-parties, as well as the data processed on these systems (including personal data and research and development data), are susceptible to system interruption, break-downs, security disruptions and other vulnerabilities. Any such interruption, break-down (including software, hardware or network failures), disruption or compromise of the security of the IT systems could affect all parts of the Issuer's business and operations and could result in loss of business critical data and in the inability of the Issuer to comply with laws and regulations. Cyberattacks, in the form of malware such as ransomware, viruses or otherwise, for example, may compromise the third-parties' network and services and/or the Issuer's global network and spread to various services in the Issuer's data centers. This could, for example, make key data, production systems, SAP (sales and distribution modules), treasury management systems (payments, import of FX-rates and other financial data) and other applications unavailable and cause significant delays and other harm to the Issuer's business. A compromise or an unauthorized access to third-parties' or the Issuer's IT systems could also lead to industrial espionage, theft of confidential information, intellectual property or personal data, or result in fraud.

Further, new regulatory and legislative changes may impose new restrictions on and requirements for the way data is collected, stored, exchanged and disposed. Implementing such changes may impose significant costs on and claim significant resources of the Issuer, which may negatively impact its business.

Historically, the Issuer has experienced cyberattacks and/or unplanned system downtime, albeit without such incidents having resulted in any critical functions being impaired for a lengthy period of time or otherwise had materially adverse implications on the Issuer and its operations. The Issuer is and expects to be the continued target of attempted cyberattacks in different forms, for example phishing, malware and ransomware attempts, and the Issuer expects that the methods and sophistication of attempted cyberattacks will continuously develop. The Issuer has also noted examples of successful cyberattacks on other somewhat comparable companies that have led to significant losses and costs for such companies. While the Issuer has implemented systems and processes

to mitigate the risk of failure in information security and ensure data protection, the Issuer cannot due to the continued development within the area of information technology security risks predict the likelihood or probability of the occurrence of successful cyberattacks or disruptions and/or failures in information technology systems.

Data leaks, successful cyberattacks against the Issuer any/or information technology system failure and downtime may all have a direct material adverse effect on all parts of the Issuer's operations. For example, a data leak or data theft could cause significant harm to all areas of the Issuer's business and to the Issuer's reputation and system downtime may cause significant disruptions to the Issuer's production and sales activities which could adversely impact the Issuer's financial performance and results of operations. Taken as a whole, it is the Issuer's opinion that if the risks described above materialize (whether as individual events or as series of events), it could have a direct material adverse effect on the Issuer's business, prospects, financial condition, financial performance and results of operations.

Legal and Compliance Risks

16. The Issuer is subject to and may fail to comply with applicable laws, rules, regulations, pharmaceutical industry standards, ethical and scientific standards and GxP regulations

The Issuer is, within all parts of its business, required to comply with a significant number of laws, rules, regulations, pharmaceutical industry standards, ethical standards and GxP regulations. See "*Business – Regulatory Affairs*" for a non-exhaustive list of such standards and regulations. The Issuer operates in more than 100 countries in the world. The requirements are highly complex, differ across countries and regions and involve a significant number of stakeholders, which makes the legal and compliance landscape difficult and burdensome to maneuver.

Key examples hereof include:

a) financial reporting requirements and capital markets, data privacy and competition law compliance, as further outlined in the risk "*17. The Issuer may fail to comply with applicable laws, rules and regulations relating to financial reporting, capital markets, data privacy and competition law*" below;

b) testing, product manufacture, product approvals, safety, adverse effects reporting (pharmacovigilance), monitoring, warehousing, labeling and distribution as further outlined in the risk "*18. The Issuer may fail to comply with applicable laws, rules and regulations on clinical development, product manufacture, product approvals, safety, adverse effects reporting (pharmacovigilance), monitoring, warehousing, labeling and distribution of its products*" below;

c) regulation on the advertisement and promotion of medical products, interactions and disclosure requirements related to healthcare providers ("**HCPs**"), healthcare organizations ("**HCOs**") and patient organizations ("**POs**"), as further outlined in the risk "*19. Issuer may fail to comply with regulations on the advertisement and promotion of medical products and on the interactions and disclosure requirements related to patients, HCPs, HCOs and POs*" below;

d) fraudulent activities, anti-corruption, anti-bribery, anti-money laundering and trade controls and embargo and sanctions regulations as further outlined the risk "*20. The Issuer and its employees, suppliers and partners may engage in misconduct or fraudulent activities and the Issuer may breach, for example, anti-corruption, anti-bribery, anti-money laundering or embargo and sanction regulations*" below; and

e) environmental and occupational health and safety laws as outlined in the risk "*21. Issuer may fail to comply with applicable laws, rules and regulations regarding safety, environmental matters and occupational health laws*" below.

Other key examples include laws, regulations, industry standards and ethical and scientific standards on: (i) the performance of research and development, including, but not limited to, GxP requirements, scientific and ethical requirements; (ii) ethical supply chain rules and regulations, employment practices, human rights compliance; (iii) statutes, regulations and written directives of the U.S. Medicare, Medicaid and other U.S. federal healthcare programs, including the federal Anti-Kickback Statute; and (iv) the International Federation of Pharmaceutical Manufacturers & Associations ("IFPMA") Code of Practice (the Code of Practice umbrella for the U.S.' Pharmaceutical Research and Manufacturers of America ("**PhRMA**")) and other ethical rules regarding clinical and pre-clinical activities including animal welfare, the European Federation of Pharmaceutical Industries and Associations Code of Practice ("**EFPIA**"), Japan Pharmaceutical Manufacturers Association) and other national pharmaceutical associations where research-based pharmaceutical companies, including the Issuer, are members.

The Issuer may fail to comply with applicable laws, rules, regulations and pharmaceutical industry standards due to a significant number of reasons. For example, the Issuer may fail to maintain efficient and adequate risk management, accounting and control systems, or to implement and monitor appropriate Code of Conduct and other internal and external company guidelines.

The Issuer considers it possible that it may in the future (unwillingly) fail to comply with certain of the rules and regulations described above.

Any non-compliance or breach of laws, rules and regulations and pharmaceutical industry standards could affect the Issuer's license to operate and could, for example, result in investigations into the Issuer's operation by relevant agencies and authorities, regulatory holds on the Issuer's operations, and legal proceedings against the Issuer. The Issuer, its affiliates and/or its directors and officers, may be subject to civil and criminal liability, which could result in substantial fines, payment of damages and civil and criminal sanctions. Several legal frameworks, such as competition law, E.U Regulation 2016/679 (General Data Protection Regulation) ("**GDPR**"), U.S. Department of Justice investigations, and capital market requirements comprise a risk of significant fines, in some cases calculated as a certain percentage of the Issuer's turnover, and derived therefrom, potential civil lawsuits for damages caused by the Issuer's non-compliance. Consequently, if any of the above risks materializes, this may have a material adverse effect on the Issuer's business, reputation, prospects, financial condition, financial performance and results of operations.

17. The Issuer may fail to comply with applicable laws, rules and regulations relating to financial reporting, capital markets, data privacy and competition law

The Issuer must comply with applicable laws, rules and regulations relating to financial reporting, capital markets, data privacy and competition law.

As a publicly traded company, the Issuer is subject to extensive requirements in respect to financial reporting. The Issuer's internal control and financial reporting procedures may turn out not to be adequate or may hold weaknesses or failures, which would require the Issuer to devote significant time and incur significant expenses to remedy. As such, any weakness or failure in the Issuer's internal financial reporting could also result in errors in its financial statements that could require the Issuer to restate its financial statements and cause the Issuer to fail to meet its reporting obligations.

The Issuer's Existing Shares are listed on Nasdaq Copenhagen and the Issuer's bonds are listed on Euronext Dublin. As a listed company, the Issuer is required to comply with a significant number of rules and regulations, including, but not limited to, the Market Abuse Regulation (EU Regulation 2014/596), the Danish Capital Markets Act, Nasdaq's Nordic Main Market Rulebook for Issuers of Shares, Irish securities laws and Euronext Dublin's rulebook related to the Issuer's listing of bonds and rules and regulations related to the Issuer's American Deposit Receipts in the US. The Issuer may fail to comply with such rules and regulations and any non-compliance with such rules and regulations may lead to investigations, significant fines, sanctions, reputational harm and civil lawsuits, for example, for damages, from investors.

Throughout its business, the Issuer handles significant amounts of personal data, including special categories of personal data such as genetic and biometric data and health data. When handling personal data, the Issuer must comply with GDPR and other national data privacy regulations. This includes, but is not limited to, requirements for the Issuer and its third-party data processors to implement and maintain an adequate level of IT security and to maintain, document and adhere to retention schedules and ensure proper contracting procedures. The Issuer uses external third-party processors in all parts of the world and the Issuer must perform pre-audits and audits of its third-party data processors. The Issuer and/or its third-party data processors may fail to comply with such rules and regulations or to adequately protect personal data, which may lead to loss of data and data breach. Any non-compliance with applicable data privacy regulations may lead to investigations from authorities, significant fines (up to a certain percentage of turnover), lawsuits and reputational harm.

The Issuer is subject to different competition law regimes and regulations in the territories where it operates. The European Union and the United States, two of the Issuer's main markets, have well-developed competition law frameworks and policies in place aimed at penalizing anticompetitive behavior. For example, on 25 March 2021, the Court of Justice of the European Union rejected the Issuer's appeal against a fine imposed on the Issuer in 19 June 2013 by the European Commission regarding agreements concluded with four generic competitors. For more information see "*Business – Legal Matters & Compliance – Pending legal proceedings"* Both regimes operate with potential significant fines, for example, a fine in Europe may be up to 10 % of global group turnover. Further, in many jurisdictions, the Issuer may be directly responsible for behavior performed by its subsidiaries, even if these are limited liability companies. Any non-compliance with applicable competition law regulations

may lead to dawn raids of the Issuer's business premises, investigations from authorities, significant fines, lawsuits from competitors, authorities, payers and organizations and reputational harm.

The Issuer considers it possible that it may (unwillingly) fail to comply with certain of the rules and regulations described above.

Should the Issuer fail to comply with any of the aforementioned laws and rules and regulations, this may, for example and in addition to the consequences described in further details above, result in significant fines and penalties. Consequently, if any of the above risks materializes, this could have a material adverse effect on the Issuer's financial condition, ability to operate, financial performance and results of operations.

18. The Issuer may fail to comply with applicable laws, rules and regulations on clinical development, product manufacture, product approvals, safety, adverse effects reporting (pharmacovigilance), monitoring, warehousing, labeling and distribution of its products

The Issuer and its third-party suppliers, service providers, CMOs, CROs and partners are subject to and must comply with applicable laws and relevant statutes, regulations or codes of practices relating to clinical development, manufacturing, product approvals, safety, adverse effects reporting (pharmacovigilance), monitoring, warehousing, labeling and distribution of products. Such rules and regulations include a number of GxP requirements, such as Current Good Manufacturing Practice ("**cGMP**"), Good Distribution Practice ("**GDP**") and pharmacovigilance requirements, in the countries and regions in which they operate.

The Issuer and its third-party suppliers, CMOs, CROs and partners may encounter difficulties in manufacturing, such as issues with product yields, stability studies or quality control. Such difficulties can lead to restrictions on the marketing of a product, injunctions or revocations of necessary licenses. Local regulatory authorities may regularly inspect and audit manufacturing facilities and identify deficiencies or issue regulatory investigations against the Issuer or its third-party suppliers, CMOs, CROs or partners. The Issuer has little control over its third-party suppliers' or partners' compliance with applicable laws and regulations, including cGMP and GDP, and new requirements or failure to comply with applicable regulations by either the Issuer or by its third-party suppliers, CMOs, CROs or partners could lead to temporary closure of manufacturing sites, limits to production capacity, delays in production, product seizure, debarment of products, withdrawal or recalls of products or to other penalties or enforcement actions.

The Issuer could be subject to the unlawful channeling of the Issuer's regulated pharmaceuticals from legal sources to an illicit marketplace (i.e., trade diversion) by third parties. Such illicit trade diversion is increasing and both counterfeit and illegally diverted pharmaceutical products could impact patient safety and negatively influence the Issuer's reputation.

The Issuer considers it possible that the Issuer or its third-party suppliers, service providers, CMOs, CROs or partners may at some point (unwillingly) fail to comply with certain rules or regulations described above.

Should the Issuer fail to comply with and/or observe any of the aforementioned regulations and practices, this may, for example and in addition to the consequences described in further details above, impact the Issuer's ability to conduct clinical studies and its ability its to manufacture and supply its products. Further, any non-compliance may result in legal actions and fines. As a consequence, if any of the risks mentioned above materializes, this could have a material adverse effect on the Issuer's financial condition ability to operate, financial performance and results of operations

19. The Issuer may fail to comply with regulations on the advertisement and promotion of medical products and on the interactions and disclosure requirements related to patients, HCPs, HCOs and POs

The Issuer is subject to comprehensive laws and regulations and industry standards on the promotion and advertisement of medicinal products, such as Danish and international laws and regulations on promotion, drug regulations, IFPMA, PhRMA codes and EFPIA Codes. Further, the Issuer must comply with detailed regulations governing the interaction with patients, HCPs, HCOs, POs, the transfer of value to HCPs, HCOs and POs and donations, grants, payments and sponsorships made. Such regulations include, but is not limited to, the Physician Payments Sunshine Act, a U.S. healthcare law to increase transparency of financial relationships between healthcare providers and pharmaceutical manufacturer, and the EFPIA code, a code promulgated by an organization representing the research-based pharmaceutical industry operating in Europe which constitutes the collection of ethical rules agreed by EFPIA members for the promotion of medicines and interactions with healthcare professionals, healthcare organizations and patient organizations.

The Issuer may breach such laws, regulations and industry standards due to, for example, its employees, partners or third parties acting on behalf of the Issuer promoting off-label use of the Issuer's products, engaging in promotional activities contrary to the requirements, such as direct-to-consumer advertising and wrongful advertisement via social media, or by offering samples, payments, gifts, grants or other benefits to HCPs to prescribe, recommend or administer the Issuer's products, or by providing improper donations, sponsorships or grants or by engaging in inappropriate patient interactions. Further, the Issuer may fail to track, report or disclose payments and other transfers of value to HCPs, HCOs and POs.

Any breach of applicable regulation on the promotion of pharmaceutical products and interaction with HCPs, HCOs or POs may, for example, lead to complaints and claims from competitors, penalties or sanctions from industry associations and, in some cases, regulatory investigations and significant fines from relevant authorities.

Any of the foregoing may cause harm to the Issuer's reputation which could have an adverse effect on the Issuer's reputation whereas fines, penalties and other sanctions (whether of a financial nature or seeking to impact the Issuer's business) could have an adverse effect on the Issuer's financial condition, performance and business.

Should the Issuer fail to comply with regulations on advertisement and promotion of medical products and on the interactions and disclosure requirements related to patients, HCPs, HCOs and POs this could result in reputational harm, investigations, fines, penalties and sanctions (whether financial or otherwise). Consequently, if any of the above risks materializes, it could have a material adverse effect on the Issuer's reputation, business, prospects, financial condition, financial performance and results of operations.

20. The Issuer and its employees, suppliers and partners may engage in misconduct or fraudulent activities and the Issuer may breach, for example, anti-corruption, anti-bribery, anti-money laundering or embargo and sanctions regulations

The pharmaceutical industry is subject to extensive regulation aimed at preventing corruption, fraud, bribery, money laundering and other fraudulent or abusive actions and practices. This includes restrictions within pricing, discounting, marketing and sale. Further, the European Union, United States and other countries have implemented strict trade control, embargo and sanction regulations prohibiting, for example, certain practices and interactions with specific individuals or countries.

The Issuer and its employees, suppliers and partners may engage in misconduct or fraudulent activities, which could lead to the Issuer's failure to comply with applicable rules and regulations, including, for example, the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery laws, healthcare laws and sanctions regulations. The Issuer's Code of Conduct compliance program and other initiatives intended to reduce the risk of misconduct or fraudulent activities could prove to be inadequate to protect the Issuer.

Failure to comply with applicable rules and regulations could lead to governmental investigations, for example, from the U.S. Department of Justice, and/or lawsuits and sanctions against the Issuer. Such investigations, sanctions or lawsuits could prevent the Issuer from operating in specific countries or regions and/or could result in significant fines, breach of the Issuer's material financing arrangements, individual criminal liability for management or employees or other civil and criminal sanctions, each with the potential of having a material adverse effect on the Issuer. Consequently, if any of the above risks materializes, this could have a material adverse effect on the Issuer's financial condition and financial performance, as well as causing reputational harm to the Issuer.

21. The Issuer may fail to comply with applicable laws, rules and regulations regarding safety, environmental matters and occupational health laws

The Issuer is subject to safety standards, environmental and occupational health laws in relation to the Issuer's currently and formerly owned, leased and third-party business operating premises. The Issuer may fail to comply with such health, safety and environmental legislation, or fail to handle hazardous materials correctly, which could result in an environmental discharge or an accident at one of the Issuer's facilities and potentially lead to government fines and/or liability for damages. The Issuer has several production facilities, including on the Issuer's headquarters located in Valby, which may be situated on polluted or contaminated premises. For such premises, the Issuer may be subject to injunction orders to clean up pollution or contamination or other orders or decisions from public authorities. In some jurisdictions, such orders or decisions may be issued even if the Issuer has not caused the pollution.

Any orders or decisions from authorities and/or any failure to comply with such rules, regulations and applicable laws relating to the Issuer's environmental, occupation health and safety standards may affect the Issuer's license to operate, cause delays in the Issuer's production and other business operations and cause the

Issuer to incur significant costs. If the Issuer does not comply with or meet the environmental standards, cGMP or safety regulations in relation to its production of pharmaceutical goods, the Issuer may also be subject to product withdrawals or recalls, loss of product approval and delays in the production process, all of which could materially damage the Issuer's ability to obtain new product approvals, cause potential product shortages and restrict patient access to the Issuer's products. As these are all critical components of the Issuer's business, should the Issuer fail to comply with the above-mentioned rules and regulations and should the risks materialize, this could have a material adverse effect on the Issuer's business, financial condition, financial performance and results of operations.

22. The Issuer may be subject to various litigation, including, but not limited to, litigation on product liability, commercial, environment or employment litigation matters or governmental investigations

Pharmaceutical companies are subject to the risk of significant litigation, such as product liability (often in the form of class action suits), personal injury claims and contractual, employment and environmental liability claims. See "*Business – Legal Matters & Compliance – Pending legal proceedings"* for an overview of the Issuer's most significant ongoing litigation.

Due to the nature of pharmaceutical products, the Issuer may be susceptible to various significant product liability claims. Such claims may arise if there are any unforeseeable safety issues relating to the Issuer's products or if any risk warnings are not adhered to resulting in injuries or alleged injuries of the user of the products, but claims may also be raised by third parties without any documented or thoroughly explained reasons. Such liability claims could result in lengthy legal proceedings, substantial costs in legal representation and potentially inordinate compensation and damages. The mere fact that potential safety issues relating to the Issuer's pharmaceutical products emerge may also result in product recall or product withdrawal. In some of the countries in which the Issuer operates, a special legal framework for pharmaceutical products is in place which could lead to a higher risk of significant product liability claims being brought against the Issuer and result in higher litigation and discovery costs in defending the Issuer in such legal proceedings. In particular, in the United States, which is a significant market for the Issuer, there is a general trend towards an increase in the number of product liability claims against pharmaceutical manufacturers and awards for damages, if granted, are likely to be high and the outcome of the proceedings can be unpredictable. See "*Business – Legal Matters & Compliance – Pending legal proceedings"* for a description of the Issuer's most significant product liability cases.

The Issuer may also be susceptible to major lawsuits or threats of lawsuits from persons or companies, such as partners, suppliers or employees, alleging wrongful actions or omissions and claiming damages or to lawsuits from (former) employees alleging mistreatment such as harassment, discrimination or unfair dismissal, which could result in labor lawsuits against the Issuer, potentially resulting in legal costs, settlements and reputational damage.

The Issuer generally considers it likely that it will be involved in and/or be the subject of litigation from time to time owing to, *inter alia*, the Issuer's global presence and the Issuer's historical experiences in the markets for pharmaceuticals across the world.

Legal proceedings and time-consuming and costly and, as described above, depending on the nature and outcome of the specific legal proceedings in which the Issuer is involved, legal proceedings generally have the potential to significantly negatively impact the Issuer in a variety of ways. For example, legal proceedings concerning product liability or environmental matters may for example entail fines and liabilities which in turn could harm both the Issuer's business and reputation. Consequently, if the above risks materialize, this could have a material adverse effect on the Issuer's business, reputation, financial condition, financial performance and results of operations.

Tax and Insurance Risks

23. The Issuer may be subject to certain tax risks and tax disputes

The Issuer operates in a multinational tax environment and is taxed under laws and interpretational standards in the jurisdictions in which it operates. The complexity and continued development of local and international tax rules and interpretation hereof may expose the Issuer to financial risks.

Local regulation and international standards governing the global tax environment regularly change. Changes in global standards and in tax regulation in the jurisdictions in which the Issuer operates may change the total tax burden of the Issuer.

By the integrated nature of the Issuer's worldwide operation, the Issuer is subject to complex and subjective transfer pricing rules. The Issuer takes part in a significant number of intercompany transactions on a yearly basis, which includes transactions across different tax regimes. Such transactions must be carried out at arm's length to comply with local transfer pricing rules and the international standards set out by the Organization for Economic Co-operation and Development. The high number of transactions, together with compliance requirements, may cause non-compliance with transfer pricing rules. Any non-compliance could result in material tax expenses, interests and/or penalties, and in some instances double taxation if revenue authorities party to a cross-border intercompany transaction may claim tax on the same income. The majority of the jurisdictions in which the Issuer operates have double tax treaties with other foreign jurisdictions, which provides a framework intended to mitigate double taxation on revenues and capital gain. Such double tax treaties are, however, no guaranty that a double taxation issue will be solved.

Changes in the network of double tax treaties may change the tax burden for the Issuer and thereby affect the Issuer's financial results and profitability.

Complying with tax rules can be complex as the interpretation of legislation and case law may not always be clear or may change over time. There is a risk that the Issuer may not be able to maintain a position as expressed in a tax return following the filing of such tax return. The Issuer recognizes provisions in its financial statement for known and material tax risks based on the assessed probabilities of such risk materializing. As a result, such provisions are generally lower than the potential maximum risk. If unknown tax risks were to materialize, this could result in a material amount of taxes payable, penalties and interests, and could negatively affect the Issuer's cash flows and financial results. Disputes with tax authorities in the jurisdictions where the Issuer operates may occur and may change the tax burden, potentially affecting the Issuer's financial results and profitability.

The Issuer operates in several different value-added tax regimes and some excise duty regimes. The high number of transactions, the value of the transactions and the compliance requirements may cause non-compliance with value added tax and excise duty rules. Any non-compliance could result in material tax expenses, interests and/or penalties.

The Issuer's effective tax rate is impacted by the mix of income earned in different countries and the related corporate tax rate, as well as withholding taxes upon repatriation of profit locally. Local tax rules, interpretation of tax rules and case law in different jurisdictions change over time and may be implemented with retroactive effect. Changes in local tax legislation could impact the effective tax rate, as well as impose a risk of breach of such regulations.

The political and public focus on multinational companies' tax payments has increased in the recent years and increasing the requirements of transparency into financial contributions to society. Together with the complexity of the tax rules and the multi-jurisdiction activities there is a risk that the Issuer's decisions related to tax may be publicly criticized.

In addition, the Issuer's tax position is subject to audit by relevant tax authorities who may disagree with the Issuer's interpretation or assessments on the effects of tax laws, treaties, or regulations, or their applicability to its corporate structure or certain of its transactions undertaken. Such challenges may arise even in relation to matters that have been subject to agreements or settlements with the relevant tax authorities in the past. If any tax authorities successfully challenge the Issuer's operational structure, intercompany pricing policies, the taxable presence in certain countries or if the Issuer loses a material tax dispute in any country, or any tax challenges of the Issuer's tax payments is successful, the Issuer's effective tax rate on its earnings could increase substantially and the Issuer's earnings and cash flows from operations could be materially adversely affected. There are, for instance, several transactions taking place between the companies in the Issuer's group which must be carried out in accordance with arm's-length principles in order to avoid adverse tax consequences. Transfer pricing documentation supporting the intercompany pricing policy has been established to reduce the risks, however, there can be no assurance that the tax authorities will conclude that the Issuer's transfer pricing policy determines correct arm's-length prices on intercompany transactions. This could lead to an adjustment to the agreed transfer prices and lead to an increased tax cost for the Lundbeck Group.

As described in details above, the materialization of the outlined risks may give rise to material adverse effect on the Issuer's business. While such material adverse effects is primarily of a financial nature potentially impacting the Issuer's prospects, financial condition, financial performance and results of operations, the materialization of the risk may also give rise to reputational harm.

24. The Issuer may fail to obtain insurance or insurance cover may be insufficient

The Issuer is required to take out certain specific insurances and takes out other insurances to limit the risks in relation to conducting its business. If the Issuer does not or is not able to obtain the required insurances, this could lead to a stop or reduction of certain of the Issuer's key business and activities.

Further, the Issuer uses insurance to mitigate risks in certain parts of its business. If the Issuer does not have or is not able to obtain insurance, if the insurance coverage is insufficient or if the insurance obtained does not cover the insurance event at all, the Issuer may experience significant losses caused by, for example, disasters significantly affecting essential production facilities; business interruptions; property or inventory loss; product liability claims arising from R&D activities or sale of products; product defects or liability relating to production performed by the Issuer on behalf of third parties (contract manufacturing); losses suffered as a result of information technology interruptions due to, for example, cyberattacks; and credit or insolvency incidents for the Issuer's business partners. Further, in case of insufficient directors' and officers' insurance coverage of the Management Boards, the Issuer may not be able to attract and retain qualified members.

Lack of adequate insurance coverage may have an immediate material adverse effect on the Issuer's financial condition, financial performance and results of operations as the Issuer would have to cover the uncovered liabilities.

Economic and Financial Risks

25. As a global business, the Issuer is subject to currency risks, such as fluctuation of exchange rates (including currency devaluation) and interest rate changes

The Issuer operates in more than 100 countries in the world and largely generates its revenue from its three main regions/markets; North America, Europe and international markets (the rest of the world), including important markets such as China, Japan and South Korea.

Accordingly, significant foreign currencies risks for the Issuer include, but are not limited to, United States Dollar, Chinese Yuan, Japanese Yen and Canadian Dollars. The Issuer is in all of its significant markets subject to exchange rate fluctuations of the respective local currencies to the Danish Krone and the Issuer faces exchange rate risks from both foreseen and unforeseen exposures and adverse conditions. Depreciation, devaluations and even revaluation of foreign currencies, including in currencies in which the Issuer has taken out loans or financing, could lead to a decrease in the Issuer's revenue, financial position and/or financial results.

As the United States is the Issuer's biggest market, the Issuer will be affected by the fluctuation of the U.S. Dollar value against other currencies. The political and economic conditions in the United States are one of the main factors that affect the value of the USD, including, but not limited to the financial performance, interest rate level and potential trade war(s) with other countries. Such changes are likely to impact the value of the USD against other currencies.

Changes affecting the interest rate could impact the Issuer's ability to finance current and future activities and could also potentially reduce the Issuer's revenue and profits. The interest rate could also impact the Issuer's ability to refinance its current debt portfolio, which is of a time-limited nature, as well as its ability to establish new loans, if needed.

While the Issuer generally aims to apply hedging to limit its exposure, currency and interests risks, such hedging will not eliminate and may not significantly reduce currency and interest risks. Further, the Issuer may not be able to apply appropriate hedging due to a number of factors, including, but not limited to, unforeseen events and exposures, lack of access to counterparties, restrictions on currencies or instruments, change in internal or external policies, or overall economic changes.

If any of the currency, fluctuation and interest rate risks outlined above materializes, this could have a material adverse effect on the Issuer's financial condition, financial performance and results and on the prospects of the Issuer.

26. The Lundbeck Group operates in more than 100 countries and any deterioration of the political, socio-economic and financial situation globally or in individual countries may adversely affect, inter alia, the Lundbeck Group's supply and distribution chain and its customers' ability to purchase its products

With operations in over 100 countries, the Lundbeck Group is subject to political, socio-economic and financial factors both globally and in individual countries. These factors may quickly change due to a larger

number of reasons, including armed and non-armed conflicts. The Russian war against Ukraine initiated in February 2022 has caused a large number of countries, including the US, the EU and the UK, to impose significant sanctions on Russia. While it is not possible to foresee or predict the outcome and consequences of the current war and any future developments herein, the war may have a direct and indirect negative impact on the Issuer's business in not only Russia and Ukraine, including clinical studies conducted in the two countries, but also more broadly in the region and globally, especially if the war escalates. Further, the war may increase the likelihood of any of the risks set out below being triggered.

A prolonged global economic recession may exert significant pressure on governments and healthcare payers to reduce their healthcare expenditure, which could have a material adverse effect on medicine prices and volumes of sales. This may cause a slow down or even sharp decline in growth of some markets of the Issuer.

Rising inflation and increased energy and production costs may directly impact the Issuer's financial results. Rising energy prices and productions costs may specifically and with short or no notice arise for the Issuer if Russia takes steps to close down or limit the supply of gas. Further, the Issuer's customers may face financial difficulties and even cease to trade, which may result in losses for the Issuer from writing off receivables, or a reduction in demand for the Issuer's products or otherwise lowered profits.

With global operations, the Issuer is also subject to the trade relationship between the European Union and the rest of the world, and, in particular, the United States. Any deterioration in global trade could therefore materially impact the Issuer, including, but not limited to, its market access, prices of medicines, financial results and overall business. Due to the Issuer's significant sales in the United States, any such negative development in the trade between the European Union and the United States could also significantly impact the Issuer.

The Lundbeck Group's supply and/or distribution chain in the affected countries and customers or healthcare payers' ability to purchase its medicine could be severely impacted by the deterioration of, or failure to improve, socio-economic conditions, and situations and/or resulting events, depending on their severity. This could adversely affect the Issuer's business, results of operations and revenue.

The Issuer relies on a sustainable liquidity and funds flow to operate its business owing to high fixed operational costs and uncertainties in product developments cycles. When there is a prolonged global economic recession, financial institutions with whom the Issuer deals with may cease to trade and there can be no assurance that the Issuer can access money owed to it without a time-consuming, costly and protracted process.

Global recession or other type of deterioration of the financial, political or socio-economic conditions occurring on a regional or global scale could have a direct material adverse effect on the Issuer's business, prospects, financial condition, financial performance and results of operations.

27. The Lundbeck Group is, and may in the future be, increasingly depending on external financing sources to operate its business. The Lundbeck Group may not be able to refinance its existing financing sources or obtain new financing and the Lundbeck Group requires significant cash flow to service its debt

The Issuer is dependent on external financing to run and develop its business. The Issuer's existing external financing sources mainly consist of mid- and long-term financing facilities made up of several debt financing elements (see "*Operating and Financial Review – Capital resources – Credit facilities*"). The existing financing sources may not be sufficient to service the Issuer's current and future needs and the Issuer may need additional financing from similar or other sources of funding.

The Issuer may not be able to refinance or extend its existing debt facilities or get access to new or other external financing sources due to several factors, such as changes in interest rates, liquidity in the market, the financial situation of the banking partners and overall changes in the financial or regulatory markets. The Issuer may breach the terms and conditions of existing or future financing arrangements, due to, for example, lack of repayment, breach of covenants, representations and warranties or applicable rules and regulations. This may lead to default or cross default under one or more debt arrangements, which may entail requirement for immediate repayment of outstanding debt, accumulated interests and penalties. This may materially impact the Issuer's financial condition and its business, as well as its future access to funding.

If the Issuer is not able to refinance or extend its existing financing arrangements, raise necessary new financing or if the Issuer defaults under its financing arrangement, this may have a significant negative impact on the Issuer as a whole and could, for example, lead to the Issuer's inability to invest sufficiently in all parts of the Issuer's business, execute on its strategy, execute on mergers and acquisitions and its ability to fund its day to day operations.

If the risks outlined above materialize, this could have an immediate material adverse effect on the Issuer's financial condition, financial performance, results of operations and its ability to make necessary investments.

28. The Issuer is exposed to credit and counterparty risks

As a global business with activities in more than 100 countries, the Issuer faces risks related to its counterparties. The majority of the Issuer's sales are performed on a credit basis and the Issuer's customers and partners that purchase the Issuer's materials and products may fail to perform their payment obligations. This could happen for a variety of reasons, including, but not limited to, company, region, country or global financial downturn, bankruptcy or Covid-19 impact.

The Issuer also faces counterparty risks on its key financial partners, for example, but not limited to, the banking partners and insurance companies. Given the number of contractual counterparties of the Issuer across various jurisdictions, and notwithstanding the Issuer's due diligence and credit worthiness checks, if any, on contractual counterparties, the Issuer considers it possible that certain counterparties may from time-to-time default on their payment obligations towards the Issuer.

Credit and counterparty failure to meet their payment obligations generally have the potential to result in financial losses for the Issuer if the Issuer is not able to recover the amounts owed to it. Depending on the amount of such breached payment obligations, such financial losses may have a direct material adverse effect on the Issuer's financial condition and results. Further, if counterparty risks related to the Issuer's key financial partners, such as banks and insurance companies, materialize this could impact the Issuer's financial position and results of operations.

Risks Relating to the Share Split, the Shares and the Admission

29. Following the Share Split, the Foundation will continue to be able to exercise significant influence or control over the Issuer and its interests may differ from those of other shareholders

Prior to the Share Split, the Foundation holds approximately 69 % of the share capital and voting rights in the Issuer. The Foundation will immediately following the Share Split continue to hold approximately 69 % of the share capital and voting rights in the Issuer. As a result, the Foundation will continue to be able to exercise significant influence on the Issuer's management and its day-to-day operations and on the Issuer's shareholders' meetings, such as in relation to changes to the Issuer's Articles of Association, the payment of dividends, mergers or other business combinations, the acquisition or disposal of substantial assets, the issuance of equity or other securities and the appointment of members to its board of directors. For example, the Foundation may exercise its influence over the Issuer to have it pursue strategies that may cause the short-term market price of the Shares to depreciate. The Issuer cannot be certain that the interests of the Foundation will coincide with the interests of other shareholders. The Foundation may be better able to withstand or factor in potential short-term price reductions than other holders of A Shares and B Shares, who may not hold their shareholdings long term.

Further, following the Share Split, the Foundation will continue to be able to sell its Shares and the Foundation may decide to sell A Shares and/or B Shares. Any future sale of a substantial number of Shares, or the perception that such sales might occur, may adversely affect the prevailing trading price of the Shares. This could make it more difficult for shareholders to sell their Shares at a time and price which they would deem appropriate and for the Issuer to issue equity securities in the future at a time and a price that the Issuer would otherwise deem appropriate.

30. The liquidity of, and volume of trading in, A Shares and B Shares or any of them may be lower than that of the Existing Shares, potentially resulting in more volatile and fluctuating share prices for the Shares, and there may be limited free float in the Shares. Further, holding and trading of the Shares comprise a number of general risks and market risks

The Share Split and any subsequent trading in the A Shares and the B Shares may affect the demand in the Shares as well as the liquidity and volume of trading in any or both share classes, which may be lower than that of the Existing Shares. Moreover, the Foundation's significant shareholdings of approximately 69 % immediately following the Share Split and any subsequent changes in the composition of Shares held by the Foundation may continue to entail that only a relatively minor portion of the Issuer's total share capital is actually traded on Nasdaq Copenhagen and that such trading activity relating to relatively few A Shares or B Shares may affect the market price of all Shares and the market capitalization of the Issuer as a whole.

Further, the market price of the A Shares and/or the B Shares may fluctuate in response to many factors, including external factors beyond the Issuer's control, which may include the above-mentioned, as well as, but not limited to, the following:

- results of research and development, operations and the Issuer's other business activities that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of the Issuer's competitors;
- changes in expectations as to the Issuer's future financial performance, including financial estimates and investment recommendations by securities analysts and investors;
- the publication of inaccurate or unfavorable research from securities analysts; and
- changes in economic conditions for companies in the Issuer's industry.

In addition, Nasdaq Copenhagen or the global securities markets may experience significant price and volume fluctuations, as they have done in recent years, which may have a material adverse effect on the market price of the Shares and pose a risk for investors that may not be able to sell their Shares at the corresponding price to that which they originally purchased or subscribed for the Shares. In addition to potential immediate losses for investors, any of the foregoing could impair the Issuer's ability to raise capital through the capital markets in the future and, consequently, could have a material adverse effect on the Issuer's business, financial condition, financial performance and prospects.

31. Substantial sales of the Shares by the Foundation or other shareholders may negatively impact the share price

The Issuer's majority shareholder, the Foundation may decide to sell substantial amounts of their holding in the Issuer in the future.

The Foundation, the Issuer's majority shareholder, will continue to hold approximately 69 % of the Shares issued and outstanding upon completion of the Share Split. The Foundation will continue to be able to dispose of some Shares in the future while maintaining a majority ownership position. Any sales of substantial numbers of Shares by the Foundation or any other shareholders in the future could have a material adverse impact on, and could increase the volatility of, the market price of the Shares and could impair the Issuer's ability to raise capital through the sale of additional equity securities.

32. The Share Split is subject to approval by shareholders on the Issuer's Extraordinary General Meeting and such approval may not be granted by the Extraordinary General Meeting. The Share Split may for a variety of reasons be cancelled and/or the Admission may not be carried out

The Share Split is subject to the approval by shareholders at the Issuer's Extraordinary General Meeting expected to be held on 8 June 2022. Moreover, the Admission to trading and official listing on Nasdaq Copenhagen of the A Shares and the B Shares is, in addition to the Share Split, subject to the approval of Nasdaq Copenhagen and registration with the Danish Business Authority (in Danish: "*Erhvervsstyrelsen*").

For any number of reasons, the shareholders of the Issuer may opt not to approve the Share Split, whereby the Existing Shares will not be exchanged for A Shares and B Shares. Further, even if the Share Split is approved by the shareholders, the approval of the Issuer's listing application may be withheld or not granted by Nasdaq Copenhagen, whereby shareholders may hold unlisted A Shares and B Shares for a certain period of time. In addition, the admission to trading and official listing on Nasdaq Copenhagen may be postponed if the Issuer is required to make public any supplements to the Listing Document, which also may result in the shareholders having to hold unlisted A Shares and B Shares for longer than anticipated. If any of these risks materialize, it could result in significant or temporary losses for current and prospective investors and have a material adverse effect on the price and liquidity of the Shares.

33. Currency exchange rate fluctuations may have a negative effect on the value of shareholdings or dividends paid

Both A Shares and B Shares will be denominated in Danish Kroner, and any dividends will be paid in Danish Kroner. As a result, if the Danish Krone depreciates against the relevant currencies, shareholders may experience material adverse effects on the value of their shareholdings and their dividends when converted into other currencies.

34. Non-Danish holders of Shares may not be able to exercise pre-emptive rights or participate in any future rights offerings

Holders of Shares may have certain pre-emptive rights in respect of future issuances of new Shares for cash, if any, unless such rights are disapplied by a resolution of the shareholders at a General Meeting or the Shares are issued on the basis of an authorization to the Board of Directors pursuant to which the Board of Directors may disapply the pre-emptive rights.

Shareholders in certain jurisdictions, including the United States, may not be able to exercise pre-emptive rights or participate in future rights offerings, including in connection with offerings at a price below market value, unless the Issuer decides to comply with local requirements, including, if applicable, for the United States unless a registration statement is effective or an exemption from the registration requirements is available under the U.S. Securities Act with respect to such rights. If local requirements are not complied with, shareholders resident in jurisdictions other than Denmark may experience a dilution of their shareholding, possibly without such dilution being offset by any compensation received in exchange for subscription rights. If such local requirements cannot be complied with or if no exemption from such registration would be available so as to enable the exercise of such shareholders' pre-emptive rights or participation in any rights offering, for which no assurance can be given, it may have a material adverse effect on the shareholders' value of the Shares.

35. An issuance, if any, of additional A Shares and/or B Shares in the Issuer after the Share Split may dilute all other shareholdings and may cause a decline in the market price of A Shares and/or B Shares

The Issuer may seek to raise financing to fund its future operations, investments, growth opportunities or for general business purposes through the capital markets by issuing new share capital to existing and/or new investors. Moreover, the Issuer may issue new share capital to certain employees in connection with share incentive and share option programs. Such potential capital raises, which may be made in only one or both of the two classes of Shares and may be with or without pre-emption rights for existing shareholders, may cause the existing shareholders of the Issuer to suffer dilution in their ownership and voting rights percentage. In addition, such issuances could have a material adverse effect on the market price of one or both of the two classes of Shares and consequently also on the shareholders' value of the Shares.

36. The Share Split and shareholders' rights and obligations are governed by Danish law and regulations. Danish law and regulations may differ substantially from the laws and regulations applicable to shareholders subject to the laws of other countries and such shareholders may not be able to prevail in or enforce claims against the Issuer

The Issuer is a public limited liability company (in Danish: "*aktieselskab*") organized under the laws of Denmark. The rights and obligations of holders of Shares are governed by Danish law and regulations and the holders of Shares are subject to, at any time, the applicable and in-force Articles of Association of the Issuer which are incorporated into this Listing Document by reference as further detailed in "*Additional Information – Documents incorporated by reference – Articles of association*". These rights and obligations may differ substantially from the rights and obligations of shareholders in corporations organized outside of Denmark. Further, it may be difficult for investors to prevail in or raise a claim against the Issuer under company laws, securities laws and other laws and regulation applicable in jurisdictions other than Denmark, or to enforce claims, liabilities, and judgments against the Issuer pursuant to such other laws and regulations. This could have a material adverse effect on the economic interest of such shareholders.

SPECIAL NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Listing Document constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and the anticipated or planned financial and operational performance of the Company. The words "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "might", "anticipates", "would", "could", "should", "continues", "estimate" or similar expressions or the negatives thereof, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Listing Document, including, without limitation, under the headings "*Summary*", "*Risk Factors*", "*Dividends and dividends policy*", "*Business*" and "*Operating and Financial Review*" and include, among other things, statements addressing matters such as:

- Lundbeck's future results of operations, in particular, the statements relating to its expectations for the financial year ending 31 December 2022;
- Lundbeck's financial condition;
- Lundbeck's working capital, cash flow and capital expenditures;
- the impact of COVID-19 on Lundbeck's business and operations;
- Lundbeck's future dividends and future dividend policy;
- Lundbeck's business strategy, plans and objectives for future operations and events;
- general economic trends and trends in Lundbeck's industry; and
- the competitive environment in which Lundbeck operates.

Although Lundbeck's Management Boards believe that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause Lundbeck's actual results, performance, achievements or industry results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others:

- Lundbeck's ability to integrate its newly-acquired businesses and operations and any future expansion of its business;
- Lundbeck's ability to obtain requisite governmental or regulatory approvals to undertake planned or proposed development projects and Lundbeck's reliance on its partners to be able and willing to pursue such projects;
- Lundbeck's ability to retain or replace key personnel;
- Lundbeck's ability to successfully develop products more effective than existing products and to expand the range of products currently offered;
- Lundbeck's ability to adapt to changes to regulation, hereunder pricing and reimbursement rules, and to comply with regulations applicable to Lundbeck's business;
- Lundbeck's potential to identify and enter into new collaborations and/or partnerships and Lundbeck's ability to ensure ongoing and timely performance and receipt of future milestone payments and royalties from such partners;
- Lundbeck's estimates in respect of the patient populations for its existing products and Lundbeck's expectations regarding the potential market's size for its product candidates and the marketability of such products;
- Lundbeck's expectations regarding the potential advantages of its products and product candidates over existing therapies or therapies currently in development and Lundbeck's capability to compete with such existing and future therapies;

- Lundbeck's expectations with regard to the willingness and ability of its current and future partners to pursue the development, approval and commercialization of our products and product candidates;
- Lundbeck's capability to establish and maintain the necessary scope of protection in order to protect, defend and enforce the intellectual property rights covering our products, product candidates and technologies;
- Lundbeck's potential involvement in, and analysis of potential patent infringement claims and Lundbeck's rights under such claims;
- Lundbeck's exposure to interest rates and exchange rate fluctuations and Lundbeck's ability to hedge such exposure;
- Lundbeck's ability to avoid delays or failures of development projects and to prevent production problems;
- Lundbeck's capability to avoid unexpected contract breaches or terminations;
- Lundbeck's ability to foresee and mitigate governance-mandated, market-driven or other stakeholder-driven price decreases and other pricing pressure for its products;
- Lundbeck's exposure to product liability and other lawsuits;
- Lundbeck's ability to prevent unexpected growth in expenses; and
- Lundbeck's resilience against the effects on its business of the current Covid-19 pandemic and mutations derived thereof or any future epidemics and pandemics

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, Lundbeck's actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. Management urges investors to read the sections of this Listing Document entitled "*Risk Factors*", "*Business*", "*Operating and Financial Review*" and "*Consolidated Prospective Financial Information for the Financial Year Ending 31 December 2022*" for a more complete discussion of the factors that could affect Lundbeck's future performance and the industry in which Lundbeck operates.

The Lundbeck Group does not intend, and does not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law or the Nordic Main Market Rulebook. All subsequent written and oral forward-looking statements attributable to the Lundbeck Group or to persons acting on the Lundbeck Group's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Listing Document.

ENFORCEMENT OF CIVIL LIABILITIES AND SERVICE OF PROCESS

Lundbeck is organized under the laws of Denmark. In addition, the majority of the members of the Board of Directors and Executive Management of Lundbeck are residents of Denmark, Lundbeck is domiciled in Denmark and a significant part of the Lundbeck Group's assets are located outside of the United States. As a result, it may not be possible for investors to effect service of process upon Lundbeck or such directors and officers or to enforce against any of the aforementioned parties a judgment obtained in a United States court.

Original actions or actions for the enforcement of judgments of U.S. courts, relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Denmark.

The United States and Denmark do not have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgment for the payment of money rendered by a U.S. court based on civil liability will not be directly enforceable in Denmark. However, if the party in whose favour such final judgment is rendered brings a new lawsuit in a competent court in Denmark, that party may submit to the Danish court the final judgment that has been rendered in the United States. A judgment by a federal or state court in the United States against Lundbeck will neither be recognised nor enforced by a Danish court, but such judgment may serve as evidence in a similar action in a Danish court.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The Financial Statements of Lundbeck for the financial years ended 31 December 2021, 2020 and 2019 incorporated into this Listing Document by reference have been prepared in accordance with International Financial Reporting Standards IFRS as adopted by the EU and additional requirements of the Danish Financial Statements Act and the Interim Financial Statements of Lundbeck for the financial period ended 31 March 2022 with comparative figures for the financial period ended 31 March 2021 which have also been incorporated into this Listing Document by reference have been prepared in accordance with Interim Financial reporting standard – IAS 34, except for non-IFRS financial measures listed in section "Non-IFRS financial measures/alternative performance measures" or as otherwise stated. The year-end financial statements for 2021 and 2020 as well as the Adjusted Supplementary Information to the Annual Report 2019 were audited by Lundbeck's independent auditors, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab. The year-end financial statements for 2019 were audited by Lundbeck's independent, former auditors Deloitte Statsautoriseret Revisionspartnerselskab, as stated in their reports appearing therein. The Adjusted Supplementary Information to the Annual Report 2019 as published by Lundbeck on 5 January 2021 shall be read in conjunction with the Annual Report 2019.

The scope of the incorporation by reference of the Financial Statements and the Interim Financial Statements is set out in "Additional Information – Documents incorporated by reference".

Non-IFRS financial measures/alternative performance measures

This Listing Document as well as the Financial Statements and 2022 Interim Financial Statements of Lundbeck include a presentation of certain financial measures that are not measures of performance specifically defined by IFRS and which constitute Alternative Performance Measures ("**APMs**") including as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015. Such measures are used by the Management Boards to monitor the underlying performance of Lundbeck. These measures are unaudited and may not be indicative of historical operating results, nor are such measures meant to be predictive of future results.

Core EBIT

As a general rule, Lundbeck adjusts for amortization of product rights and for each non-recurring item that the Management Boards deem exceptional and which accumulates or is expected to accumulate to an amount exceeding a DKK 100 million threshold. Lundbeck's Core EBIT is a non-IFRS performance measurement. Lundbeck's Core EBIT, exclude:

- Amortization of product rights,
- Impairment of intangible assets and property, plant and equipment as well as inventory valuation adjustment,
- Major restructuring costs and acquisition and integration costs, and
- The adjusted core result is taxed at the underlying corporate tax rate.

Core EBIT margin

Core EBIT margin is defined as a percentage of core EBIT divided by revenue.

EBITDA

EBITDA is defined as profit before interest, tax, depreciation, amortization, impairment losses and gain on divestment of properties recognized in other operating expenses, net.

Net debt / EBITDA

Net debt / EBITDA is defined as net interest-bearing debt divided by EBITDA (rolling four quarters).

Net interest-bearing debt (NIBD)

Net interest-bearing debt is defined as interest bearing debt less cash, bank balances and securities.

Research and development ratio (R&D ratio)

R&D ratio is defined as research and development costs as a percentage of revenue.

APM income statement measures included in the Listing Document

The APMs related to income statement included in the Listing Document are Core EBIT, Core EBIT Margin, EBITDA, and R&D ratio. These are non-IFRS measures that Management considers to be useful measures of monitoring the underlying performance and composition of Lundbeck's operating activities considering the non-cash nature of amortizations.

APM measures related to net debt, invested capital and solvency as well as cash included in the Listing Document

The APMs related to net debt are Net interest-bearing debt (NIBD) and Net debt / EBITDA. These are used in order to provide a transparent measure for Lundbeck's total net debt and its take over relative earnings before depreciation and amortizations.

CAGR - Presentation of compound annual growth rate

The compound annual growth rates ("**CAGR**") presented in the Listing Document represent the CAGR between stated dates of for a period.

Rounding adjustments

Rounding adjustments have been made when calculating some of the financial information included in this Listing Documents. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Foreign currency presentation

Lundbeck publishes its financial information in Danish kroner (DKK). Unless Lundbeck notes otherwise, all amounts in this Listing Document are expressed in Danish kroner (DKK).

As used herein, references to (i) "DKK" is to the Danish kroner, the lawful currency of Denmark; (ii) "EUR" is to the euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community; (iii) "USD" is to the United States dollar, the lawful currency of the United States of America and its territories per the Coinage Act of 1792.

For historical information regarding rates of exchange between the Danish kroner and the euro, as well as certain other currencies, see "Exchange Rates".

EXCHANGE RATES

The following table sets forth, for the periods and dates indicated, the average, high, low and period-end euro buying rates expressed in Danish kroner per one USD, CAD and CNY, such data having been provided by Refinitiv Eikon on the basis of daily average rates.

	Reference Rates of DKK per currency			
Calendar year				
	Average	High	Low	Period End
2019				
USD	6.67	6.85	6.47	6.65
CAD	5.03	5.17	4.80	5.12
CNY	0.97	1.00	0.94	0.96
2020				
USD	6.53	6.97	6.05	6.06
CAD	4.87	5.23	4.68	4.76
CNY	0.95	0.99	0.90	0.93
2021				
USD	6.29	6.64	6.03	6.57
CAD	5.02	5.23	4.75	5.16
CNY	0.98	1.04	0.93	1.03
2022 (through 31 March 2022)				
USD	6.63	6.83	6.49	6.70
CAD	5.24	5.43	5.10	5.35
CNY	1.05	1.08	1.02	1.06

AVAILABLE INFORMATION

During the period in which this Listing Document is in effect, the following documents are, subject to certain restrictions, available on Lundbeck's website https://www.lundbeck.com/global/investors/the-share/new-share-structure:

(i) the Company's memorandum of association, the Articles of Association (the "**Articles of Association**") and the draft articles of association which are expected to be adopted on the Company's Extraordinary General Meeting expected to be held on 8 June 2022 (the "**Draft Articles of Association**");

(ii) the Financial Statements and the Interim Financial Statements of the Company; and

(iii) this Listing Document.

The information on the Company's website does not form part of the Listing Document, is not incorporated by reference into this Listing Document, and has not been scrutinized or approved by the Danish FSA, unless otherwise specifically stated herein.

MARKET AND INDUSTRY INFORMATION

This Listing Document contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data relating to the Issuer's business and markets. Unless otherwise indicated, such information is based on the Issuer's analysis of multiple sources, including market studies that the Issuer has commissioned from third-parties.

While the Issuer can confirm that information from external sources has been accurately reproduced, the Issuer has not independently verified and cannot give any assurances as to the accuracy of market data as presented in this Listing Document that was extracted or derived from these external sources. As far as the Issuer is aware and able to ascertain from this information, no facts have been omitted which would render the information provided inaccurate or misleading.

Industry publications or reports generally state that the information contained therein was obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Market data and statistics are inherently predictive, subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents.

As a result, readers of this Listing Document should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Listing Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Issuer's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described under "*Risk Factors*" and elsewhere in this Listing Document.

ATC codes and ATC system

The Issuer uses the ATC system (see explanation below) to facilitate the comparison of drug statistics at a number of levels, including the markets and sales data provided in this Listing Document. The World Health Organization has implemented the Anatomical Therapeutic Chemical ("**ATC**") classification system aimed to serve as a tool for drug utilization research in order to improve quality of drug use. In the ATC system, active substances in pharmaceutical products are divided into different groups according to the organ or system on which they act and their therapeutic, pharmacological and chemical properties. Drugs are classified in groups at five different levels[1] according to their main therapeutic use and, as a main rule, each drug has only one ATC code.[2]

For illustrative purposes, escitalopram has ATC code N06AB10, which comprises the following levels: "N" (level 1), meaning that escitalopram operates within the nervous system; "N06" (level 2), meaning that escitalopram belongs to the therapeutic subgroup of psychoanaleptics; "N06A" (level 3), meaning that escitalopram belongs to the pharmacological subgroup of antidepressants; N06AB (level 4), meaning that escitalopram belongs to the chemical subgroup of selective serotonin reuptake inhibitors; and N06AB10 (level 5), specifying the chemical substance.

The ATC codes used in this Listing Document are, unless specifically indicated, at level 3, which the Issuer believes provides the best data for sales and market insights.

While the level 3 ATC code data provides valuable insights into market and sales, they must be interpreted in light of the ATC classification system. Further, the Issuer specifically notes: Each level 3 ATC code may comprise a number of chemical substances, each targeting a number of different indications. Sales and market numbers for a given level 3 ATC code may therefore cover sales for several indications, some of which may be associated with multiple ATC codes, including the ATC code in question.

For example, brexpiprazole (the chemical substance in Rexulti) is classified under level 3 ATC code N5A (antipsychotics) due to its chemical subgroup. However, Rexulti is now also sold and used for treatment of MDD (a mood disorder), which is usually associated with chemical substances classified under ATC code N6A (antidepressants). Sale of Rexulti for both the treatment of schizophrenia and MDD are recorded as sales made in ATC code N5A (antipsychotics).

[1] https://www.who.int/tools/atc-ddd-toolkit/atc-classification
[2] https://www.who.int/tools/atc-ddd-toolkit/atc-classification

Gross Value Sales

Any reference to "**Gross Value Sales**" in this Listing Document means a reference to IQVIA sales numbers, Midas Audited Value, meaning the estimated value sales based on IQVIA's audit of wholesalers and pharmacy dynamics and extrapolation. The sales numbers are before discounts and other sales adjustments are deducted. When depicting molecule sales, the numbers include combined sales from all companies selling the molecules (including both Lundbeck and partner companies).

Further, while Gross Value Sales represent the value of pharmaceutical products sold, it does not provide insights into the volume (the number) of pharmaceutical products sold. A significant volume sale, which often applies to generic products, may not be significantly reflected in the Gross Value Sales due to the low price per product sold. Correspondingly, the sale of premium priced products, such as the Issuer's Strategic Brands, may have a low volume of sales but still represent a significant Gross Value Sales due to the premium prices.

EXPECTED TIMETABLE OF SHARE SPLIT AND FINANCIAL CALENDAR

Expected timetable of principal events

Date of notice of the Extraordinary General Meeting	16 May 2022
Date of publication of Listing Document	20 May 2022
Anticipated date of the Extraordinary General Meeting for the approval of the Share Split	8 June 2022
Registration of the Share Split with the Danish Business Authority	8 June 2022
Last day of trading in Lundbeck's Existing Shares as a single share class (Cut-Off Date) (1)	9 June 2022 at 17:00 (CEST)
First day of trading in and official listing of the A Shares and the B Shares on Nasdaq Copenhagen in the two permanent ISINS DK0061804697 and DK0061804770	10 June 2022
Share Split Record Date for registration as shareholder in VP Securities(1)	13 June 2022 at 17:59 (CEST)
Delivery of the A Shares and the B Shares to the Receiving Shareholders(2)	14 June 2022

(1) Trading in Lundbeck shares after the Cut-Off Date on 9 June 2022 at 17:00 will be exclusive of rights to receive an A Share in Lundbeck for the buyer unless the parties to the trade in question have taken measures to settle the trade in VP Securities prior to the Share Split Record Date on 13 June 2022 at 17:59 CEST and, thus, chosen not to settle according to the customary settlement cycle with settlement two trading days after the transaction date. The party to the trade in question is the holder registered in VP Securities on the Share Split Record Date at 17:59 CEST.

(2) After the Cut-Off Date, the Receiving Shareholders will, depending on the procedures applied by the Receiving Shareholders' respective account holding banks, be able to see on their respective share deposit accounts with their account holding banks, the number of A Shares and B Shares that the Receiving Shareholders are expected to receive upon delivery of the A Shares and the B Shares in VP Securities on or around 14 June 2022, provided that the Receiving Shareholder has not disposed its right to receive any of the A Share or of the B Shares in advance of the delivery date.

The timetable above is subject to change. Any such changes will be announced as company announcements through Nasdaq Copenhagen.

Financial calendar

Lundbeck's financial year runs from 1 January through 31 December. Financial reporting will be published on a quarterly and semi-annual basis and Lundbeck currently expects to publish financial reports according to the following schedule:

Interim report for the period 1 January 2022 to 30 June 2022	17 August 2022
Interim report for the period 1 January 2022 to 30 September 2022	9 November 2022

The above financial calendar is subject to change. Any changes will be announced on the Issuer's webpage.

BACKGROUND TO THE SHARE SPLIT

This Listing Document has been produced and published in connection with the Share Split by Lundbeck and the Admission of the A Shares and the B Shares to trading and official listing on Nasdaq Copenhagen. The Share Split and the Admission has been proposed to increase financial capacity to fund future growth opportunities.

The Issuer's purpose is to restore brain health so every person can be their best. The Issuer's strategy is to build a premier neuroscience pipeline while delivering sustainable, profitable growth, towards becoming a global leader in brain health. Over time, the Issuer plans to grow organically and when appropriate through external innovation including licensing, partnerships and acquisitions. The proposed Share Split will provide the Issuer with additional capacity to pursue its long-term growth strategy.

The proposed Share Split increases Lundbeck's funding options for growth whilst ensuring the long-term ownership of the Foundation.

Following the new share structure being adopted, B Shares have the potential to act as a new funding source for the Issuer that can be deployed with a lower impact on voting rights dilution. Whilst there are no immediate plans for any major transactions that require equity funding, the new structure will provide the Issuer with full equity capital market access while preserving the voting control of the Foundation.

The Foundation has actively supported the development of the Issuer into the company it is today. The introduction of an A-share and B-share structure increases the Foundation's ability to remain a committed and long-term, majority shareholder of the Issuer.

DIVIDENDS AND DIVIDEND POLICY

General

All Existing Shares prior to the Share Split, and the A Shares and the B Shares upon completion of the Share Split, have the same rights within the share classes and the Existing Shares rank, and the Shares will rank *pari passu* with all other Shares, including in respect of eligibility to receive dividends and participate in share buybacks. Upon the issuance and registration of the A Shares and the B Shares to be issued by the Issuer pursuant to the Share Split with the Danish Business Authority (in Danish: "*Erhvervsstyrelsen*") (which is expected to take place on completion of the Share Split), the Shares will be entitled to receive dividends to the extent any dividends are declared and payable with respect to such Shares.

Dividend policy and share buybacks

Pursuant to its dividend policy, the Issuer intends to pay out a dividend of 30% - 60% of profit for the year after tax, with due considerations to the company's growth plans, possible acquisitions and other liquidity requirements. Any future determination related to the Issuer's dividend policy and the declaration of any dividends will be made at the discretion of the Board of Directors and will depend on a number of factors, including results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors that the Board of Directors in its discretion deems relevant. There can be no assurances that the Issuer's operational and financial performance will facilitate dividend payments, and, in particular, the Issuer's ability to pay dividends may be impaired if any of the risks described in this Listing Document were to occur. See "*Risk Factors*".

As an alternative to, or in addition to, making dividend payments, the Issuer's Board of Directors may initiate share buybacks. The decision by the Board of Directors to engage in share buybacks, if any, will be made in accordance with the factors applicable to dividend payments set forth above or if relevant for hedging any of the Issuers future liabilities regarding any equity-based incentive programs, see *"Remuneration and Benefits – Incentive Programs"*.

The information on the Issuer's policies relating to dividend and share buybacks constitutes forward-looking statements. Forward-looking statements are not guarantees of future financial performance, and the Issuer's actual dividends or share buybacks could differ materially from those expressed or implied by such forward-looking statements as a result of many factors, including those described under "*Special Notice regarding Forward-Looking Statements*" and "*Risk Factors*".

Recent dividends

The Issuer has paid a dividend of DKK 2.00 per Existing Share in March 2022 relating to the financial year 2021, a dividend of DKK 2.50 per Existing Share in March 2021 relating to the financial year 2020, and a dividend of DKK 4.10 per Existing Share in 2020 relating to the financial year 2019. In 2019, the Issuer paid a dividend of DKK 12.00 per Existing Share relating to the financial year 2018.

Legal and regulatory requirements

Dividends

In accordance with the Danish Companies Act (in Danish: "*selskabsloven*"), dividends, if any, are declared with respect to a financial year at the annual general meeting of shareholders in the following year at the same time as the statutory annual report which includes the audited Financial Statements for that financial year are approved.

Further, the Issuer's general meeting may resolve to distribute interim dividends or authorize the Board of Directors to decide on the distribution of interim dividends. A resolution to distribute interim dividends within six months after the date of the balance sheet as set out in the Issuer's latest adopted annual report shall be accompanied by a balance sheet from either the Issuer's latest annual report or an interim balance sheet which must be reviewed by the Issuer's auditors. If the decision to distribute an interim dividend is resolved more than six months after the date of the balance sheet as set out in the Issuer's latest adopted annual report, an interim balance sheet must be prepared and reviewed by the Issuer's auditors. The balance sheet or the interim balance sheet, as applicable, must in each case show that sufficient funds are available for distribution.

Dividends may not exceed the amount proposed or recommended by the Board of Directors. Moreover, dividends and interim dividends may only be made from distributable reserves and may not exceed what is

considered sound and adequate with regard to the Issuer's financial condition and such other factors as the Board of Directors may deem relevant.

As of the date of this Listing Document, the Board of Directors has not been authorized to distribute interim dividends and does not plan to propose or recommend any distribution of dividends.

Dividends paid to the Issuer's shareholders may be subject to withholding tax. See "*Taxation*" for a description of Danish withholding taxes in respect of dividends declared on the Shares and certain other Danish income tax considerations relevant to the purchase or holding of Shares.

Share buybacks

In accordance with the Danish Companies Act (in Danish: "*selskabsloven*"), share buybacks, if any, may only be carried out by the Board of Directors using funds that could have been distributed as dividends at the latest annual general meeting. Any share buyback shall as a main rule be carried out in accordance with an authorization granted by the general meeting. The authorization shall be granted for a specific period of time which may not exceed five years. The authorization shall specify the maximum permitted value of treasury shares as well as the minimum and maximum amount that the Company may pay as consideration for such shares.

As of the date of the Listing Document, the Board of Directors is authorized in the period until the annual general meeting in 2023 to approve the acquisition of treasury shares with a total nominal value of up to 10% of the share capital of the Company. The consideration may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the time of the acquisition.

Share buybacks will be deemed a sale of shares for Danish tax purposes and, as a general rule, are not subject to Danish withholding tax, provided that the shares of the Issuer are admitted to trading on a regulated market. See "*Taxation*" for a description of Danish withholding taxes and certain other Danish income tax considerations relevant to the subscription for, purchase of or holding of Shares.

Other requirements

Dividends, if any, will be paid in accordance with the rules of VP Securities, as in force from time to time, and will be paid to the shareholders' accounts with their account-holding banks in Danish kroner to those recorded as beneficiaries.

Any dividend remaining unclaimed five years after the due date of payment shall accrue to the Issuer.

Under the Articles of Association and applicable Danish law, there are no dividend restrictions or special procedures for non-Danish resident holders of Shares.

BUSINESS

This Listing Document contains statistics, data and other information relating to markets, market sizes, market positions and other industry data pertaining to Lundbeck's business and markets. Unless otherwise indicated, such information is based on Lundbeck's analysis of multiple sources. While Lundbeck can confirm that information from external sources has been accurately reproduced, Lundbeck has not independently verified and cannot give any assurances as to the accuracy of market data as presented in this Listing Document that was extracted or derived from external sources. As far as Lundbeck is aware and able to ascertain from this information, no facts have been omitted which would render the information provided inaccurate or misleading.

Investors should read this section in conjunction with the more detailed information contained in this document, including the financial and other information appearing in "Risk Factors" and "Operating and Financial Review".

The following commentary contains forward-looking statements. Lundbeck's actual results could materially differ from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Listing Document, particularly under "Special Notice Regarding Forward-looking Statements" and "Risk Factors".

Overview of the Business

A global pharmaceutical company

The Issuer is a global pharmaceutical company with the clear purpose of restoring brain health, so every person can be their best.

It is estimated that conditions affecting brain health impact up to 3 billion people worldwide[3]. The Issuer is one of few global pharmaceutical companies focusing exclusively on brain health. The Issuer specializes in niche and rare indications within psychiatry and neurology (including pain).

The Issuer engages in research, development, manufacturing, marketing and sales of pharmaceutical products globally and the Issuer's products are registered in more than 100 countries, the largest markets being the United States, China, Canada, Spain, Italy, France, Japan, Korea, Australia and Brazil.

As at 31 December 2021, the Lundbeck Group employed approximately 5,348 people (calculated as full time employees) in more than 50 countries.

The Issuer's research and development

Research and development form the cornerstone of the Issuer's activities and are essential for the Issuer's ambition to improve the health and quality of life of people living with diseases affecting brain health. The Issuer aims to understand the underlying causes of diseases affecting brain health and develop new medications to treat such diseases more effectively.

The Issuer's research organization focuses on identifying drug candidates that can serve a broad range of specialist-treated, niche and rare indications within psychiatry and neurology, with the potential to either be breakthrough medicines or highly differentiated medicines. The Issuer focuses its internal research efforts in the earliest phases into four areas of neurobiology where the Issuer believes that the science is the most advanced and holds the greatest potential for discovering breakthrough and differentiated medicines. The Issuer has an experimental clinical group focusing on early biomarker and clinical readouts as well as a global clinical development group capable of executing global development programs; it also has a global-local network in Patient Safety, Regulatory Affairs, and Medical Affairs, and thereby a strong link with the Issuer's commercial affiliates. In addition, the Issuer aims to apply novel technologies, for example, digital, throughout the value chain to enable the Issuer to stay at the forefront of innovation.

The Issuer's strategic partnerships and collaborations

The Issuer's primary ambition is to initiate innovative projects that will eventually lead to products that will advance treatments for patients with diseases affecting brain health. By combining the Issuer's internal R&D

[3] GBD 2019 Diseases and Injuries Collaborators, Global burden of 369 diseases and injuries in 204 countries and territories, 1990–2019: a systematic analysis for the Global Burden of Disease Study 2019, Lancet 2020; Oct 17;396(10258):1204-1222. doi: 10.1016/S0140-6736(20)30925-9

capabilities with external alliances, the Issuer broadens the opportunities to identify, develop and launch novel medicines.

Successful partnerships, from early-stage research to commercialization, are one of the main drivers in establishing the Issuer's current position in treating diseases affecting brain health. The Issuer actively seeks access to integrate innovation from external sources, particularly where opportunities to develop transformative medicines are identified, and where the Issuer can leverage its own research and global drug development capabilities and commercial expertise to bring new medicines to patients.

Partnering with external specialists in their respective fields of expertise is a cornerstone of the Issuer's strategy, and the Issuer strives to be the partner of choice. The Issuer strategy is to customize each partnership to ensure value creation and seek to translate today's know-how into tomorrow's advancements in life-changing therapies.

The Issuer's significant partnerships include the Issuer's partnership with Takeda Pharmaceutical Company Limited ("**Takeda**") regarding the Strategic Brand Brintellix/Trintellix and the Issuer's partnership with Otsuka Pharmaceutical Co., Ltd. ("**Otsuka**") regarding the Strategic Brands Abilify Maintena, and Rexulti/Rxulti and certain important projects in the Issuer's Pipeline.

The Issuer's development pipeline and marketed product portfolio

The Issuer's proprietary and partnered product pipeline (the "**Pipeline**") currently includes research and nonclinical development programs as well as phase I to phase III clinical studies and projects under regulatory review within the Issuer's four biology areas chosen to be of strategic importance; hormonal/neuropeptide signaling; circuitry/neuronal biology; protein aggregation, folding and clearance; and neuroinflammation/ neuroimmunology.

An overview of the Pipeline is set out in Table 1 below:

Table 1:

Project	Area	Phase I	Phase II	Phase III	Filing/Launch
Hormonal / neuropeptide signaling:					
Eptinezumab (anti-CGRP)[1)]	Migraine prevention				*PROMISE 1 & 2*
	Migraine prevention (Asia)[2)]			*SUN-studies*	
	Episodic cluster headache			*ALLEVIATE*	
	Chronic cluster headache			*CHRONICLE*	
Lu AG09222 (anti-PACAP mAb)[3)]	Migraine prevention		*HOPE*		
Circuitry / neuronal biology:					
Brexpiprazole[4)]	Agitation in Alzheimer's disease				
	PTSD				
Aripiprazole 2-months injectable	Schizophrenia/bipolar I disorder			Expected to be submitted mid-2022	
Lu AG06466[5)]	Focal epilepsy, MS spasticity[7)], PTSD				
Lu AF28996 (D_1/D_2 agonist)	Parkinson's disease				
Protein aggregation, folding and clearance:					
Lu AF82422 (anti-α-synuclein mAb)	Multiple system atrophy		*AMULET*		
Lu AF87908 (anti-Tau mAb)	Tauopathies				
Neuroinflammation / neuroimmunology:					
Lu AG22151 (CD40L inhibitor)	Neurology				

1) CGRP: Calcitonin gene-related peptide. 2) Three phase III clinical trials, supporting registration in Asia, including China and Japan: SUNLIGHT, SUNRISE, and SUNSET trials. 3) PACAP: Pituitary adenylate cyclase activating peptide. 4) Acts as a partial agonist at 5-HT1A and dopamine D2 receptors at similar potency, and an antagonist at 5-HT2A and noradrenaline alpha1B/2C receptors. 5) Pivotal phase I study finalized; In mid-2022, Lundbeck and Otsuka are planning to submit the aripiprazole 2-month injectable formulation to the European Medicines Agency (EMA) for marketing authorization application (MAA) review and to submit the NDA for review by the U.S. FDA. 6) Monoacylglycerol lipase inhibitor ("MAGlipase"). 7) Spasticity in participants with Multiple Sclerosis.

The Issuer markets and sells a number of pharmaceutical products for the treatment of neurological and psychiatric brain diseases such as, Alzheimer's disease, anxiety, bipolar disorder, depression, epilepsy, migraine, Parkinson's disease and schizophrenia.

This section and the section "*Business – Marketed Products*" describe the Issuer's market and marketed products in general terms. Any reference to a product's indication is a general reference to the main indication of that product. Local differences in approved labelling for the product or brand will occur and will not be captured or described in detail in this Listing Document.

The Issuer's product portfolio consist of two categories: (1) Strategic Brands and (2) Mature Brands:

(1) Strategic Brands are classified as the issuer's main products that are generally still under patents protection or data exclusivity and where the Issuer does not currently face significant competition from generic drugs of the same molecule. The Strategic Brands are:

a. **Abilify Maintena** for the treatment of Schizophrenia and in some markets also for Bipolar Disorder;

b. **Brintellix/Trintellix** for the treatment of Major Depressive Disorder;

c. **Rexulti/Rxulti** for the treatment of Schizophrenia, and in some markets for adjunctive treatment of Major Depressive Disorder; and

d. **Vyepti** for migraine prevention treatment.

(2) *Mature Brands* are products that do not in general, but with few exceptions in specific jurisdictions, have patent protection or data exclusivity and are subject to competition from generic drugs in most of the world. The Mature Brands are:

a. **Cipralex/Lexapro** for the treatment of depression and anxiety disorders;

b. **Onfi** for the adjunctive treatment of seizures associated with Lennox-Gastaut syndrome;

c. **Sabril** for the treatment of Infantile Spasms in children up to 2 years and as adjunctive for Refractory Complex Partial Seizures in patients 2 years and above; and

d. Other pharmaceutical products, which comprise the remainder of the Issuer's products and includes, but are not limited to, Northera for the treatment of symptomatic neurogenic orthostatic hypotension, Ebixa for the treatment of Alzheimer's disease, Deanxit for the treatment of depression and anxiety, Cipramil for the treatment of depression and anxiety, Xenazine for the treatment of chorea associated with Huntington's disease, and Azilect for the treatment of Parkinson's disease.

Table 2 below illustrates the total reported revenue from various products in 2021 and 2020 and the growth from 2020 to 2021:

Table 2:

Total revenue for 2021

DKKm	**2021**	**2020**	**Growth**	**Growth in local currencies**
Abilify Maintena	2,420	2,271	7%	8%
Brintellix/Trintellix	3,526	3,102	14%	16%
Rexulti/Rxulti	2,849	2,620	9%	14%
Northera[(1)]	n/a	2,553	(74%)	(72%)
Vyepti®	492	93	429%	446%
Strategic brands	**9,287**	**10,639**	**13%**	**10%**
Cipralex/Lexapro	2,346	2,380	(1%)	3%
Northera	665	n/a	(74%)	(72%)
Onfi	505	642	(21%)	(17%)
Sabril	657	777	(15%)	(11%)
Other pharmaceuticals	2,439	2,738	(11%)	(10%)
Other revenue	347	491	(29%)	(28%)
Effects from hedging	53	5	(960%)	-
Total revenue	**16,299**	**17,672**	**(8%)**	**(5%)**

(1) In 2020, Northera was reported as a Strategic Brand. In 2021, Northera was reported as a Mature Brand due to loss of exclusivity in February 2021. In 2022, including Q1 2022, Northera is reported under "Other Pharmaceuticals". Sales of Northera reached DKK 111 million in the first quarter of 2022, compared to DKK 348 million in the first quarter the year before. No changes to the comparatives were performed.

The Issuer's product portfolio is a result of internally developed products, such as Brintellix/Trintellix and Cipralex/Lexapro, in-licensed products such as Rexulti and Abilify Maintena and acquired products such as Vyepti, Northera and Onfi.

The Issuer's production, marketing and sales

The Issuer has established a robust supply chain which consists of three phases: chemical and biological production (where the drug substance is made); pharmaceutical bulk production (where the product is produced); and finished goods production (where the packs are assembled). The Issuer works continuously to optimize improvement in reliability, quality and costs throughout its supply chain.

The Issuer's products are registered globally in more than 100 countries. The Issuer has sales representatives in more than 50 countries who work continuously to inform and educate the key stakeholders who are responsible for managing treatment with prescription drugs. The Issuer conducts scientific and promotional events to educate healthcare professionals ("**HCPs**") about the safe and effective use of its products with the aim to ensure a correct understanding of its products and their use.

History of the Issuer

The Issuer is a global pharmaceutical company committed to improving the quality of life of people living with brain diseases. For this purpose, the Issuer is engaged in the research, development, manufacturing, marketing and sale of pharmaceuticals globally.

The Issuer's business began in Denmark in 1915; H. Lundbeck A/S was incorporated in Denmark on 14 October 1950.

1915-1925	On 14 August 1915, Hans Lundbeck founded a company in Copenhagen, Denmark, selling everything from machinery, biscuits, confectionery, sweeteners, cinema equipment and cameras to photographic paper and aluminum foil, and additionally leased vacuum cleaners. In 1924, Eduard Goldschmidt joined the company, bringing his experience from the chemical and pharmaceutical industries and a number of new agency contracts for selling pharmaceutical products, such as suppositories and painkillers.
1926-1935	During Lundbeck's first years, the business operated as a trading company, but from the mid-1920s, various pharmaceuticals were added to its range of products. In the 1930s, Lundbeck began its own production and packaging of pharmaceuticals in Denmark.
1936-1945	In 1937, Lundbeck hired its first scientific employee and initiated first dialogues with physicians. In 1937, Lundbeck developed its first original Lundbeck product, Epicutan, for wound healing. To ensure sufficient manufacturing capacity, Lundbeck moved to the Copenhagen suburb of Valby in 1939, where the Lundbeck headquarters is still situated today. Led by Oluf Hübner, Lundbeck established its first chemical research facilities, which led to the development of Lucosil, a product for urinary tract infections. Hans Lundbeck died in 1943, and Poul Viggo Petersen was employed to build up Lundbeck's pharmaceutical research. P.V. Petersen traveled to Germany in 1946 and brought home a compound that Lundbeck developed further into the strong painkiller, Ketogan, which was approximately two times stronger than morphine.
1946-1955	During the years following World War II, Lundbeck intensified its research activities. In 1954, Grete Lundbeck, the widow of Lundbeck's founder, Hans Lundbeck, established the Lundbeck Foundation with the purpose of ensuring and expanding Lundbeck's business, as well as providing financial support for primarily scientific objectives and the fight against diseases.

In 1954, Lundbeck entered the psychiatric treatment market with a license to sell Lacumin developed by the German pharmaceutical company, Chemishe Fabrik Promonta.

1956-1965 In 1959, Lundbeck launched Truxal – one of the first antipsychotics in the world, which became Lundbeck's biggest selling product in the 1960s and 1970s.

The success with Truxal for the treatment of schizophrenia increased the need for additional production capacity. In 1961, Lundbeck purchased a former dairy in Lumsås, Denmark, and soon began production of active compounds.

In the early 1960s, Lundbeck launched the antidepressant Saroten. This marked the start of Lundbeck's interest in antidepressants that would later lead to the discovery of citalopram, and the development of Cipramil.

1966-1975 Lundbeck opened its first office in Tokyo, Japan in 1969.

1976-1985 At the end of the 1970s, Lundbeck decided to phase out its existing agencies and cosmetics departments to focus on the development and commercialization of pharmaceuticals.

At the end of the 1980s, Lundbeck intensified its strategic focus towards the research, development, manufacturing and commercialization of pharmaceuticals for the treatment of brain diseases.

1986-1995 Lundbeck expanded rapidly in the 1990s, due to the success of Cipramil. Cipramil was registered in more than 70 countries for the treatment of depression and anxiety.

1996-2005 Lundbeck's shares were listed on the Copenhagen Stock Exchange in June 1999.

Cipralex/Lexapro was launched in 2002 and made available in about 100 countries worldwide.

In 2003, Lundbeck acquired the U.S.-based research company, Synaptic, thereby establishing a research unit in the United States.

2006-2015 Vortioxetine was discovered by scientists at Lundbeck. In 2007, Lundbeck and Takeda Pharmaceutical Company Limited made an agreement to, amongst others, co-development and co-commercialize vortioxetine in the United States and Japan. Today, the product is sold as Trintellix in the United States, Canada and Japan and as Brintellix in other territories.

In 2009, Lundbeck acquired Ovation Pharmaceuticals, Inc., establishing Lundbeck's own commercial platform in the United States, the world's largest market for pharmaceuticals. Lundbeck also acquired Elaiapharm in France, increasing the company's production capacity. Sabril was launched in 2009 in the United States for the treatment of epilepsy.

In 2011 the Issuer made an agreement with the Japanese pharmaceutical company Otsuka Pharmaceutical Co., Ltd. regarding rights to Abilify Maintena and Rexulti.

In 2012, patients in the United States suffering from Lennox-Gastaut syndrome were given access to a new treatment option with Lundbeck's launch of Onfi.

In 2014, Lundbeck expanded its market presence in the United States by acquiring Chelsea Therapeutics and the compound Northera for the treatment of symptomatic neurogenic orthostatic hypotension (NOH).

2016-Now

In May 2019, Lundbeck LLC acquired Abide Therapeutics, Inc. ("**Abide**"). The acquisition provided Lundbeck with certain compounds under development, a novel discovery platform and another U.S.-based research hub.

In September 2019, Lundbeck acquired Alder BioPharmaceuticals, Inc. ("**Alder**"). Alder was a clinical-stage biopharmaceutical company committed to transforming migraine treatment through the discovery, development and commercialization of novel therapeutic antibodies. Through this acquisition, Lundbeck expanded the range of brain diseases for which the company brings therapies to patients. In addition, by acquiring Alder, Lundbeck further enhanced its capabilities to deliver future biological innovations to treat brain diseases.

In February 2020, Vyepti (eptinezumab-jjmr), the lead compound acquired in the Alder acquisition, was approved by the United States Food and Drug Administration (the "**FDA**") for the preventive treatment of migraine in adults and was made available in the United States in April 2020. In January 2022, the European Commission approved Vyepti for sale in the European Union. Lundbeck expects to launch Vyepti globally and Vyepti has been launched in several countries, including Australia, Canada, Kuwait, Singapore, Switzerland and United Arab Emirates.

Purpose and Strategy

The Issuer's purpose is to restore brain health, so every person can be their best. Through its neuroscience expertise, the Issuer aims to develop therapies that address a high unmet medical need for patients suffering from niche or rare indications within psychiatry or neurology and to be a reputable brand in the treatment of conditions affecting brain health.

In 2019, the Issuer launched its *"Expand & Invest to Grow"* strategy. The purpose of the strategy is to grow the business by focusing its efforts around five strategic imperatives. These imperatives aim to ensure that the Issuer's existing product portfolio is maximized in terms of market reach and through life cycle management, while simultaneously building a sustainable pipeline of de-risked drug candidates, with early signals of clinical efficacy in specialized indications relevant to brain health. Efforts are complemented and enhanced through strategic partnerships, product in-licensing, and mergers and acquisitions.

Figure 1 below illustrates the five strategic imperatives which are explained in further details below:

Figure 1:

Maximizing the performance of its existing brands

- Launching new pharmaceutical formulations and indications of existing brands.

- Exploring new market segments and expanding label indications for existing brands.
- Introducing the existing brands into new markets.
- Continuing successful partnerships with established pharmaceuticals.

Expanding operating space within brain diseases:

- Expanding operating space to focus on a broader range of brain diseases with: (1) clear unmet needs, (2) attractive commercial potential and (3) strategic fit for the Issuer.
- Utilizing the Issuer's extensive experience and knowledge in the biological mechanisms and targeting the underlying disease biology.

Rebuilding the pipeline:

- Defining promising areas of biology of neuroscience where Lundbeck conducts discovery research.
- Accelerating business development efforts to access external innovation that fits Lundbeck's core capabilities in drug research and development as well as commercialization.
- Selectively refining and progressing the most promising internal projects.
- Leveraging technologies to advance innovation.

Enhancing organizational agility and collaboration:

- Simplifying processes and streamlining decision making.
- Increasing collaboration across the organization.
- Developing and fostering talent in both current and future employees.
- Continued focus on ensuring motivated and satisfied employees who are committed and loyal.

Maintaining focus on profitability:

- The Issuer will continue to strive for high profitability while ensuring ample flexibility to invest in the right growth opportunities.

As part of its strategic efforts, the Issuer has taken significant strides to expand its operating space through a number of acquisitions. In 2019, the Issuer acquired the biopharmaceutical company Abide Therapeutics Inc. (Abide' s former research facility is now named Lundbeck La Jolla Research Center, Inc.), which provided the Issuer with a discovery platform and the clinical phase IIA candidate Lu AG06466. In October 2019, the Issuer completed its largest acquisition in its history with the completion of its acquisition of Alder Biopharmaceuticals, Inc. (now named Lundbeck Seattle Biopharmaceuticals, Inc.), which added Vyepti (eptinezumab) to the Issuer's product portfolio and some additional R&D programs. Both of the acquired companies have been successfully integrated into the Issuer's organization. These acquisitions supported the expansion of the operating space and the pipeline with new biology areas that complement the Issuer's skills and capabilities, supporting the future growth ambitions of the Issuer.

The Issuer's long-term ambition is to be number 1 in brain health in the eyes of patients and other stakeholders. With the successful execution of the strategy, the Issuer aims to:

- have top quartile financial results in its peer group. By focusing on patients and products, top-financial performance will follow;
- have a premier neuroscience pipeline filled with assets that will make a difference to patients;
- have an established and focused commercial footprint around commercially attractive patient segments in niche and rare indications within psychiatry and neurology;
- be best-in-class in terms of how digital technologies are used to improve patient outcomes;

- leverage diversity, with top talent across all functions;
- continue to deliver sustainable growth in revenue and profitability; and
- be on track to be carbon neutral. Giving back to society is as equally important as financial performance.

Market Review

General introduction to the market

The market description in this section focuses on mood disorders (depression), psychotic disorders (schizophrenia), migraine and Alzheimer's Disease. The Issuer considers these markets to be especially important to its business as they cover the Issuer's Strategic Brands and/or areas where the Issuer currently has significant business and/or late stage research and development.

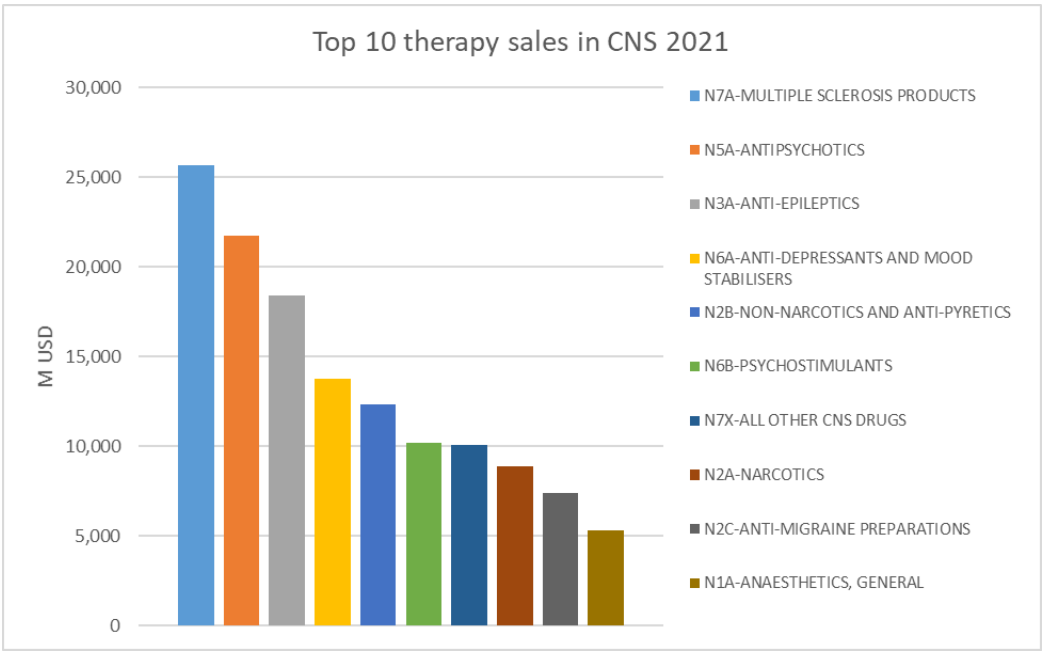
For an explanation of the market and industry information used, including an explanation of ATC codes, ATC levels and "Gross Value Sales", see the section "*Market and Industry Information*".

The treatment of CNS diseases (measured in Global Value Sales, ACT level 1) accounted for the third largest therapeutic category globally in 2021, representing 12 per cent of the global pharmaceutical market. The global Gross Value Sales is expected to grow from USD 158 billion (2021) to USD 181 billion in the period from 2020 to 2025.

The top ten highest therapy ATC classes based on global Gross Value Sales are illustrated in Figure 2 below. The current key ATC classes for the Issuer are: N2C (anti-migraine preparations), with a 2021 global Gross Value Sales of USD 7.4 billion; N6A (Antidepressants and Mood Stabilizers), with a 2021 global Gross Value Sales of USD 13.7 billion; N5A (antipsychotics), with a 2021 global Gross Value Sales of USD 21.8 billion; and N7D (anti-Alzheimer's products), with a 2021 global Gross Value Sales of USD 2.2 billion.

Figure 2:

Top 10 therapy classes in CNS based on Gross Value Sales (ATC level 3)



Mood disorder (depression)

Introduction to the disease

Depression is a common medical condition associated with a range of emotional, cognitive and physical symptoms.[4] Due to chemical changes in the brain, the symptoms may persist for weeks, months or years.

[5]Traditionally, emotional symptoms such as sadness or a feeling of hopelessness are most often associated with depression. Physical symptoms are wide ranging and include problems with sleep, appetite and weight, or sexual dysfunction, all of which are highly distressing for patients.[6] Cognitive symptoms affect attention, memory and decision-making, which can have negative consequences on daily functioning[7] and affect patients' ability to maintain employment, keep up with studies and/or maintain family life and social contacts.[8][9][10] At its most serious, depression can lead to suicidal thoughts and self-harm.

Depression affects people worldwide in all age groups, genders and social backgrounds.[11] Depression typically first appears in people aged 20 to 25 years. Depression can strike anyone, but various social and biological factors can increase a person's risk of developing the disorder[12]. In addition, stressful experiences such as illness, unemployment or bereavement may trigger the condition in some people[13].

Estimates of prevalence vary widely, but in most countries 8–12% of people will experience depression during their lifetime[14].

In 2020, the World Health Organization listed depression as the leading cause of disability worldwide[15]. One study found that up to 65% of individuals suffering from depression rated their condition as being severely disabling[16].

Despite the heavy burden depression places on both individuals and society, many people with depression remain untreated[17]. Mental health stigma and the wide range of potential symptoms often contribute to a delay in receiving the correct diagnosis and appropriate treatment; however, once patients are diagnosed, the majority are drug-treated.

Treatment options and competition

Depression currently has no known cure, but a significant number of safe and relatively effective treatment options are available. The heterogeneity of depression contributes to patients using several treatment options prior to finding their optimal treatment; hence, a large percentage of patients are on their second or third therapy. Depression therapy is most often determined by efficacy, long-term tolerability and drug cost.

The treatment options consist of a number of drug classes, including, but not limited to, SSRIs (such as citalopram, escitalopram, fluoxetine and paroxetine), SNRIs (such as desvenlafaxine ER, duloxetine, and levomilnacipran ER), mixed serotonin modulators (such as trazodone, vilazodone and vortioxetine), melatonin receptor agonists (such as agomelatine) and antipsychotics (such as brexpipraxole, aripiprazole and quetiapine) which are generally used as add-on therapies. When added to an antidepressant, the antipsychotics will build upon the effect of the antidepressant by addressing symptoms that have not fully resolved and/or to treat common co-morbidities (for example, anxiety).

The majority of therapies in the key drug classes used in the early lines of depression treatment (for example, SSRIs, SNRIs) are generically available. Payers may prefer generic products over more expensive branded agents, including in the United States and European Union, where many patients are covered through public programs. Demonstration of cost effectiveness is increasingly important for these therapies to secure reimbursement for

[4] American Psychiatric Association. Diagnostic and statistical manual of mental disorders, 5th edition (DSM-5). Washington, DC: American Psychiatric Association; 2013.
[5] World Health Organization. Depression fact sheet 2020. Available at https://www.who.int/en/news-room/fact-sheets/detail/depression. Accessed January 2020.
[6] American Psychiatric Association. Diagnostic and statistical manual of mental disorders, 5th edition (DSM-5). Washington DC: American Psychiatric Association; 2013.
[7] Hammar A, Ardal G. Cognitive functioning in major depression – a summary. Front Hum Neruosci 2009; 3:26.
[8] American Psychiatric Association. Diagnostic and statistical manual of mental disorders, 5th edition (DSM-5). Washington DC: American Psychiatric Association; 2013.
[9] Hammar A, Ardal G. Cognitive functioning in major depression – a summary. Front Hum Neruosci 2009; 3:26.
[10] World Health Organization. Depression fact sheet. 2020. Available at https://www.who.int/en/news-room/fact-sheets/detail/depression. Accessed January 2020.
[11] Source – source reference no. 3 - 5 here https://www.who.int/en/news-room/fact-sheets/detail/depression.
[12] Source – source reference no. 1 – 3 here https://www.who.int/en/news-room/fact-sheets/detail/depression.
[13] Source – source reference no. 1 – 3 here https://www.who.int/en/news-room/fact-sheets/detail/depression.
[14] Source – source reference no. 5 here https://www.who.int/en/news-room/fact-sheets/detail/depression.
[15] Source – source reference no. 3 here https://www.who.int/en/news-room/fact-sheets/detail/depression.
[16] Source – source reference no. 6 here https://www.who.int/en/news-room/fact-sheets/detail/depression.
[17] Source – source reference no. 6-7 here https://www.who.int/en/news-room/fact-sheets/detail/depression.

patients' access. The Issuer's product Cipralex/Lexapro belongs to this class of early lines of depression treatment drugs.

Branded therapies will generally be used by patients who have not responded as intended to a generically available therapy. Currently available branded agents include Rexulti / Rxulti (brexpiprazole), an atypical antipsychotic co-commercialized by the Issuer and Otsuka, Trintellix / Brintellix (vortioxetine), a mixed serotonin modulator co-commercialized by the Issuer and Takeda, and Spravato (esketamine), an NMDA receptor modulator commercialized by Janssen, Vraylar, an atypical antipsychotic indicated for depression specifically associated with bipolar I commercialized by AbbVie, Viibryd, which acts by selective inhibition of serotonin reuptake and is commercialized by Abbvie. Although the branded agents are used by fewer patients than their generic counterparts, the branded therapies account, in aggregate, for a majority of the Gross Value Sales in the worldwide depression market in light of their relatively high price levels.

Vortioxetine brings an additional treatment option in depression, which is characterized by many patients not being adequately managed by the initial treatment choice. Additionally, vortioxetine has shown positive results on the cognitive domains of depression, which remains an important unmet need for many patients.

The Issuer considers the greatest unmet needs associated with depression include the need for therapies with a rapid onset of therapeutic effect (currently available treatments take 2-4 weeks to take effect), improved treatment for non-responders and drugs with a higher remission rate.

Emerging therapies aim to address the unmet needs of patients who partially respond to their therapy, seek faster onset of action and the patients who are severely depressed, at risk of suicide, or at imminent risk of suicide and who have not responded to other therapies. These emerging therapies also have new mechanisms – NMDA receptor modulators, GABA receptor modulators and orexin-2 antagonists. Therapies used for Treatment Resistant Depression (meaning the use of at least two antidepressants without intended response) are expected to be the primary driver of market growth.

Such emerging therapies include Spravato (esketamine), which was the first therapy to target Treatment Resistant Depression and MDD patients at eminent risk of suicide, Zuranolone (SAGE 217), AXS-05 and REL-1017, which have demonstrated rapid onset of therapeutic effect and address a residual unmet treatment need and, finally, Zuranolone and Janssen's seltorexant, which can be administered over a short duration (28 and 14 days respectively), potentially lessening the patient burden and improving treatment compliance. Seltorexant is also being studied for efficacy in elderly MDD patients.

[18]Market for antidepressants

Antidepressants belong to ATC code N6A (level 3: antidepressants and mood stabilizers). Antidepressants are commonly used for the treatment of mood disorders, such as depression. Anti-depressants are also used for the treatment of anxiety, PTSD and other disorders. The market and sales numbers indicated herein include sales across all indications for products classified within ATC code N6A.

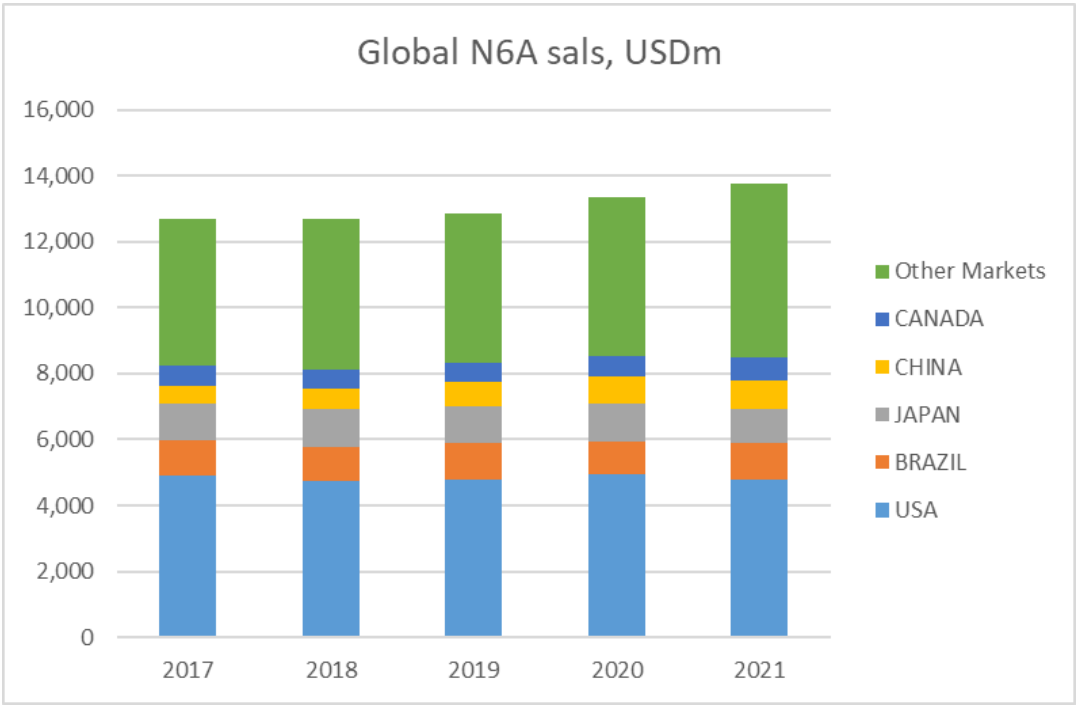
As illustrated in Figure 3 below, the global Gross Value Sales for ATC code N6A was USD 13.7 billion in 2021, making it the fourth largest CNS category measured in Gross Value Sales. From 2017 to 2021, the global Gross Value Sales for ATC code N6A products have remained consistent in aggregated value, with new brands compensating for the value erosion caused by increased availability of generic products.

The top five markets based on Gross Value Sales in 2021 were the United States, Brazil, Japan, China and Canada, accounting for 62% of total global Gross Value Sales. The key value market in ATC code N6A remains the United States, making it a key driver of revenue in this field.

[18] For an explanation of the market and industry information used, including an explanation of ATC codes, ATC levels and "Gross Value Sales", see the section "*Market and Industry Information*".

Figure 3:

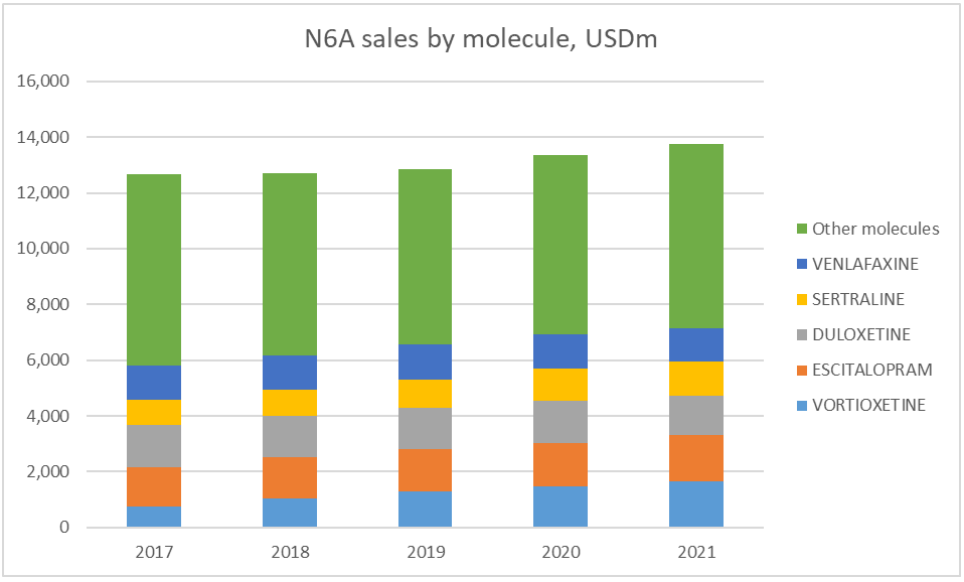
Global N6A sales based on Gross Value Sales



As illustrated in Figure 4 below, the top selling molecules in the ATC code N6A measured in Gross Value Sales remain escitalopram, which includes the Issuer's branded product Cipralex/Lexapro and generic equivalents hereof, and duloxetine, which includes Eli Lilly's Cymbalta and generic equivalents hereof. Vortioxetine sold by the Issuer under the trade name Brintellix/Trintellix is the largest branded antidepressant in ATC class N6A measured in Gross Value Sales and is now the value market leader in the category. "Other molecules" comprises a significant number of other products and generic equivalents hereof.

Figure 4:

N6A Gross Value Sales by molecule



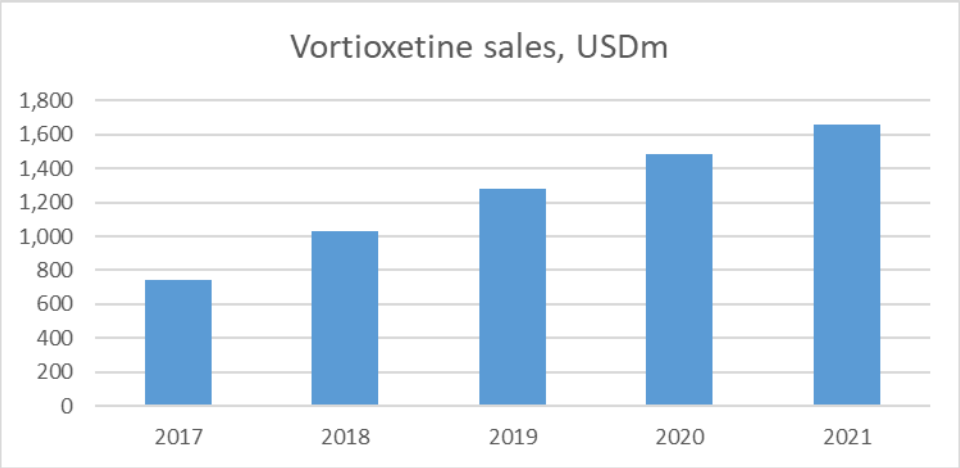
The Issuer's Strategic Product Brintellix/Trintellix (vortioxetine) has reached global blockbuster status (that is, annual gross sales of more than USD 1 billion) in 2018 and has continuously experienced double-digit growth rates as illustrated in Figure 5 below. The product is being co-commercialized by Takeda and the Issuer. See

"*Business – Significant Partnerships, Collaborations and Licenses – Partnership with Takeda*" for a description of the partnership with Takeda, including the split of territory, costs and revenue.

Sales numbers in the figure are Gross Value Sales and include sales made in Japan and the United States by the Issuer's global partner Takeda.

Figure 5:

Global Gross Value Sales of vortioxetine



In 2021, the Issuer's reported revenue from the sale of Brintellix/Trintellix (vortioxetine) was DKK 3,526 million. In 2021, the Issuer's reported revenue from Cipralex/Lexapro was DKK 2,346 million.

Psychotic disorders (schizophrenia)

Introduction to the disease

Psychotic disorders, such as schizophrenia, are rare but serious mental health conditions associated with altered ways of thinking and perceiving things. They are characterized by "psychosis" in which a person loses touch with reality. People affected by psychotic disorders may experience delusions or hallucinations and may have reduced emotions, difficulty speaking and reduced feelings of pleasure or interest[19].

The most common psychotic disorder is schizophrenia. Schizophrenia is characterized by a range of symptoms that generally begin in late adolescence or early adulthood and usually continue through life. The mean age of onset is between 23 to 28 years of age. The schizophrenia diagnosis requires the presence of both positive and negative symptoms and fulfillment of the disease course criteria as measured in the DSM-5. Positive symptoms include delusions and hallucinations and negative symptoms include diminished emotional expression, diminished initiation of goal-directed behavior and paucity of speech. Cognitive deficits are increasingly recognized as core features distinct from psychotic symptoms of medication effects.

Schizophrenia carries a notable "stigma" and is often misunderstood. People with schizophrenia experience disturbed thoughts, emotions and behavior, and they find it difficult to judge reality. This can have a major impact on the life of the individual and their family[20].

The World Health Organization estimates that 20 million people suffer from schizophrenia, which – together with the severity of the disease - makes it one of the top 20 causes of disability worldwide.[21][22] The risk has also been shown to be inheritable. Although genetics leave a person vulnerable, environmental factors at key neurodevelopmental phases may also trigger onset.

[19] American Psychiatric Association. Diagnostic and statistical manual of mental disorders, 5th edition (DSM-5). Washington, D.C.: American Psychiatric Association; 2013.
[20] American Psychiatric Association. Diagnostic and statistical manual of mental disorders, 5th edition (DSM-5). Washington, D.C.: American Psychiatric Association; 2013.
[21] World Health Organization. Schizophrenia fact sheet. 2019. Available at https://www.who.int/en/news-room/fact-sheets/detail/schizophrenia. Accessed January 2020.
[22] GBD 2017 Disease and Injury Incidence and Prevalence Collaborators. Global, regional, and national incidence, prevalence, and years lived with disability for 354 diseases and injuries for 195 countries and territories, 1990–2017: a systematic analysis for the Global Burden of Disease Study 2017. Lancet 2018; 392 (10159): 1789–1858.

The primary goal of medical treatment for schizophrenia is to reduce the frequency and severity of psychotic episodes, maintain the reduction in these symptoms and improve patients' functional capacity, therefore enhancing their quality of life.

Treatment options and competition

Management of the frequency and severity of psychotic episodes associated with schizophrenia requires chronic drug treatment. Antipsychotics (ATC code N5A) are described as either typical or atypical. Typical antipsychotics belong to a class of drugs developed in the 1980-90's, which are now generic, but still in use. The use of typical antipsychotics is declining in favor of the newer atypical antipsychotics, which are better tolerated and associated with fewer side effects but not necessarily with greater efficacy. Today, atypical antipsychotics are the preferred drug class and encompass a fairly large number of agents with subtle differences in their profiles. The classical oral atypical antipsychotics include products such as risperidone, aripiprazole and olanzapine which are all generic. If a patient has an inadequate response or does not respond well to a particular antipsychotic drug, the psychiatrist may increase the dose or switch to an alternative antipsychotic or add a concomitant antipsychotic before switching to clozapine. Clozapine is known to be efficient, especially for the treatment of resistant schizophrenia patients, but it can be difficult to prescribe and administer and safety must be monitored closely.

Newer-to-market atypical oral agents (for example, the Issuer's/Otsuka's Rexulti and AbbVie/Allergan's cariprazine) offer incremental improvement over aripiprazole, which was the first of the new partial dopamine agonist antipsychotics drugs, which also include brexpiprazole and cariprazine. There are reimbursement restrictions on both branded therapies and, in some instances, on the use of multiple therapies due to their costs. The Issuer's product Rexulti/Rxulti is categorized as an atypical oral antipsychotic and is not yet impacted by generic competition.

Atypical long-acting injectables (aLAIs) have a distinct place in schizophrenia treatment; they are mainly reserved for patients who do not adhere to oral treatment. The main products in this category are Janssen's Invega Sustenna, the Issuer's / Otsuka's Abilify Maintena and Alkermes' Aristada (United States only). Patient resistance to injections and reimbursement restrictions affects the use of aLAIs and, in 2020, the American Psychiatric Association's practice guidelines acknowledged that aLAIs are underutilized and provided recommendations for overcoming barriers to use.

Current treatments for Schizophrenia do little, if anything, to address either cognitive dysfunction or negative symptoms. These symptoms contribute to poor quality of life and present challenges in activities of daily living. Opinion leaders assert that the greatest unmet needs in the treatment of schizophrenia are for efficacious treatments for cognitive impairment in schizophrenia (CIAS) and for the negative symptoms.

The dopamine pathway is the most frequent target of antipsychotic therapies (for example, aripiprazole, olanzapine, risperidone) because of a long history of efficacy in treatment although current research efforts are focused on other neurochemical pathways that may have a greater impact on the negative and cognitive symptoms, such as the glutamatergic system.

[23]Market for antipsychotics (including schizophrenia)

Antipsychotics belong to the ATC code N5A (ATC level 3: antipsychotics). Antipsychotics are commonly used not only for the treatment of psychotic symptoms, typically in schizophrenia, schizoaffective disorders and bipolar disorder, but also to supplement treatment for other significant indications, such as depression, Parkinson's or Alzheimer's (for example, as approved treatment in selected markets). The market and sales numbers indicated in this section include sales across all indications for products classified within ATC code N5A.

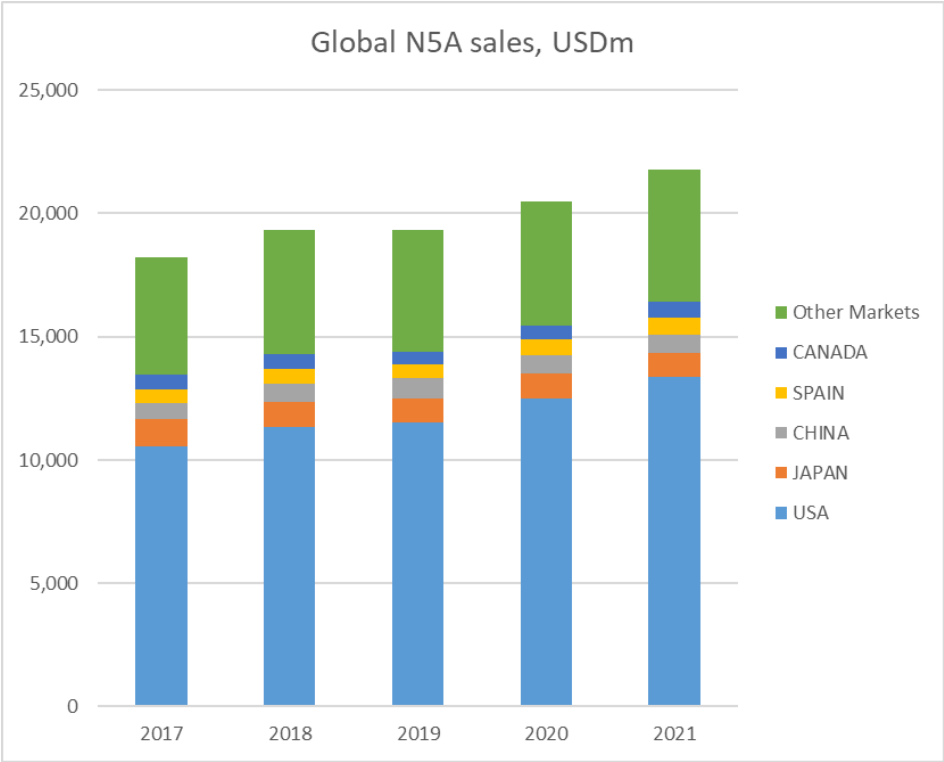
As illustrated in Figure 6 below, the global Gross Value Sales for ATC class N5A was USD 21.8 billion in 2021, making it the second-largest CNS category measured in Gross Value Sales. The Issuer estimates that a significant part of the USD 21.8 billion. Gross Value Sales in the ATC code N5A are made for other indications than commonly associated with antipsychotics and schizophrenia. From 2017 to 2021 the global Gross Value Sales for ATC class N5A products have experienced limited growth in aggregated value, with new brands compensating for the value erosion caused by increased availability of generic products.

As illustrated in Figure 6 below, the United States is by far the largest value market in the category, impacted by higher price levels compared to markets in the European Union and other markets and the approval of treatment of new indications for already existing products.

[23] For an explanation of the market and industry information used, including an explanation of ATC codes, ATC levels and "Gross Value Sales", see the section "*Market and Industry Information*".

Figure 6:

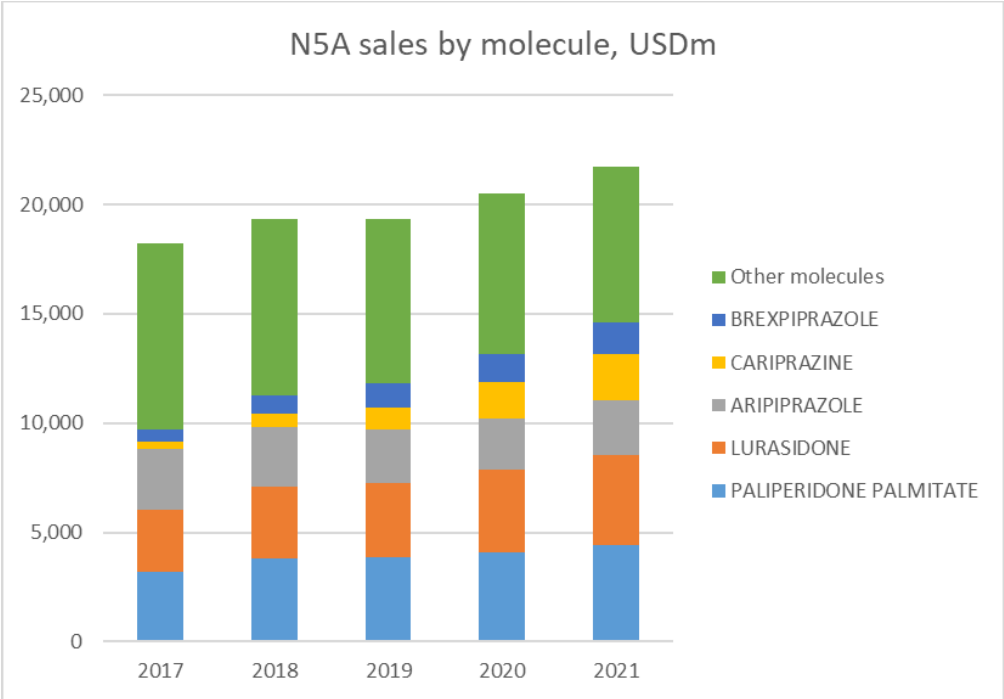
Global N5A sales based on Gross Value Sales



As illustrated in Figure 7 below, the top selling molecules in the ATC class N5A measured in Gross Value Sales remain paliperidone palmitate and lurasidone. Based on Gross Value Shares in 2021, the Issuer's Strategic Product, Rexulti/Rxulti (brexpiprazole) is the fifth largest antipsychotic molecule in ATC class N5A. Aripiprazole (branded and generic tablets and aLAI, including the Issuer's Strategic Product Abilify Maintena) is the third largest molecule in ATC class N5A measure on Gross Value Sales.

Figure 7:

N5A Gross Value Sales by molecule



The Issuer's Strategic Brand, Rexulti/Rxulti (brexpiprazole), has reached global blockbuster status in 2019 and has continuously experienced double-digit growth rates as illustrated in Figure 8 below. Rexulti/Rxulti is being co-developed and co-commercialized by Otsuka and the Issuer. See "*Business – Significant Partnerships, Collaborations and Licenses – Partnership with Otsuka*" for a description of the partnership with Otsuka, including the split of territory, costs and revenue.

While Rexulti/Rxulti belongs to ATC code N5A (level 3: antipsychotics), it is used not only for the treatment of adults with schizophrenia (and in the United States pediatric patients aged 13 or older) but also – with the exception of certain markets, including the European Union – as adjunctive therapy to antidepressants for the treatment of adults with MDD. The Issuer estimates that a significant part of the Gross Value Sales is made for the treatment of MDD.

Such sales are included in the figure below. Sales numbers in the figure are Gross Value Sales and include sales made by Otsuka, the Issuer's global partner.

The product was launched in the United States in 2015 and the United States is the Issuer's main market. Rxulti is approved for sale in the European Union and is currently being launched in selected European Union countries. The product has been launched in several selected countries outside the European Union under the trade name Rexulti, including, for example, Canada, Brazil, Mexico, Australia and Switzerland.

Figure 8:

Global Gross Value Sales of brexpiprazole

In 2021, the Issuer's reported revenue from the sale of Rexulti/Rxulti (brexpiprazole) was DKK 2,849 million.

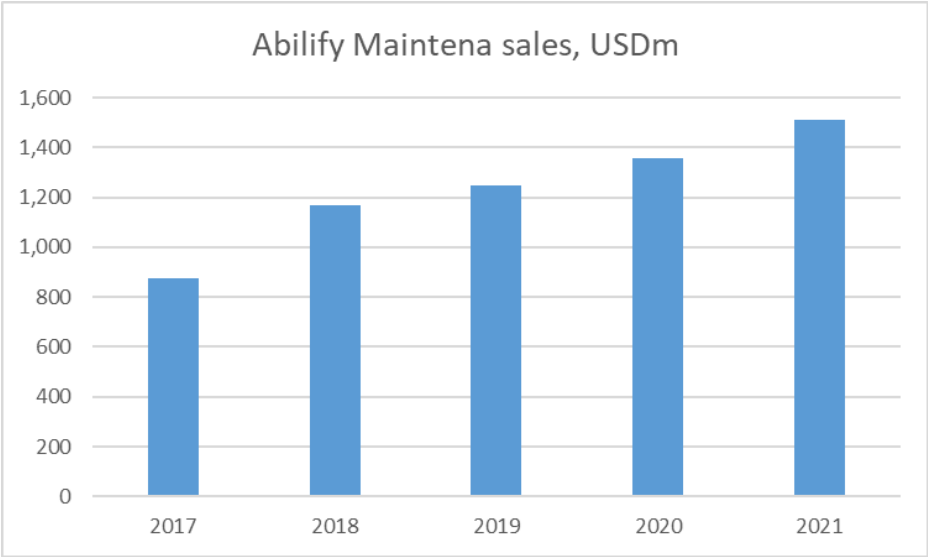
The Issuer's Strategic Product Abilify Maintena (aripiprazole) (an aLAI) reached blockbuster status in 2018 and is continuing growth as illustrated in Figure 9 driven by North America, Europe and a few other international markets.

Abilify Maintena is used for the treatment of schizophrenia, and in some markets additionally for the treatment of bipolar disorder. The Issuer estimates that a significant part of the sales is made for the treatment of schizophrenia and a smaller part for the treatment of bipolar disorder.

Sales numbers are Gross Value Sales and include sales made by the Issuer's partner, Otsuka.

Figure 9:

Global Gross Value Sales of Abilify Maintena



In 2021, the Issuer's reported revenue from the sale of Abilify Maintena was DKK 2,420 million.

Migraine

Introduction to the disease

Migraine is a highly prevalent and often disabling disease characterized by unilateral or bilateral headache pain and other symptoms such as severe nausea or sensitivity to sound or light. People with migraine may have problems outside of their migraine attacks, such as low energy and emotional or mental health problems[24].

Globally, it is estimated that up to 20% of the population will suffer from migraine during their lifetime, making it one of the most common diseases in the world.[25] The most likely age group to have migraine is 35 to 39 years, and women are about twice as likely to have the condition as men.[26] Around 20% of migraine sufferers experience aura symptoms.[27] Heredity likely predisposes certain people to migraine attacks, with studies suggesting familial risk is 40-50%.[28]

Migraine is divided into "episodic" and "chronic" states based on the frequency of headaches and the time to recover between each headache.

Episodic migraine (patients meet criteria for episodic migraine when they experience ≥8 headache days/month[29]) consists of multiple discrete, migraine attacks where there is recovery time between attacks. Episodic migraine may transition to chronic over time.[3031] When episodic migraines transition to chronic, a return to baseline function may cease to occur between distinct migraine attacks. People with very frequent migraine attacks, with headaches on 15 or more days per month and migraine characteristics on at least eight of those days, are said to have "chronic" migraine.[32] Chronic migraine is associated with greater disability and higher rates of comorbid conditions.[33]

[24] Raggi A, Giovannetti AM, Quintas R, D'Amico D, Cieza A, Sabariego C, et al. A systematic review of the psychosocial difficulties relevant to patients with migraine. J Headache Pain. 2012;13(8):595–606.
[25] GBD 2017 Disease and Injury Incidence and Prevalence Collaborators. Global, regional, and national incidence, prevalence, and years lived with disability for 354 diseases and injuries for 195 countries and territories, 1990–2017: a systematic analysis for the Global Burden of Disease Study 2017. Lancet. 2018;392(10159):1789–1858.
[26] GBD 2016 Headache Collaborators. Global, regional, and national burden of migraine and tension-type headache, 1990–2016: a systematic analysis for the Global Burden of Disease Study 2016. Lancet Neurol. 2018;17(11):954–976.
[27] Weatherall MW. The diagnosis and treatment of chronic migraine. Ther Adv Chronic Dis. 2015;6(3):115–123.
[28] Decision Resource Group; Migraine – Disease Overview; May 28, 2021. P. 42.
[29] Aurora SK, Brin MF. *Headache*. 2017;57(1):109-125.
[30] Cady RK etal. Headache. 2004;44:426-435.
[31] Aurora SK, Brin MF. *Headache*. 2017;57(1):109-125.
[32] Headache Classification Committee of the International Headache Society (IHS). The International Classification of Headache Disorders, 3rd edition. Cephalalgia. 2018;38(1):1–211.
[33] Aurora SK, Brin MF. *Headache*. 2017;57(1):109-125.

The etiology of migraine is not fully characterized. Expert consensus is that migraine sufferers are in some way biologically predisposed to migraine, perhaps through genetic mechanisms that sensitize them to environmental cues that trigger a migraine attack. The pathophysiology of migraine, however, is well characterized and includes both neurological events in the CNS and vascular mechanisms.

A global survey has found that people with migraine or other severe headaches miss an average of seven days of work or activities per year because of their condition.[34] Furthermore, people with chronic migraine have more than three times as many days when they are unable to carry out their normal activities as those with less frequent migraine attacks.[35]

Treatment options and competition

There are both acute and preventive treatment goals for migraine. In an acute situation, patients are seeking fast onset of treatment, an improvement of their symptoms, a restored ability to function and minimal need for repeat dosing or rescue medications.[3637] With acute migraine, physicians' treatment goals include limiting acute medication days to less than ten per month or achieving two hours pain free (that is, pain relief) or achieving 2 to 24 hours sustained pain free (that is, sustained pain freedom)[38].

Prevention of migraine is a long-term approach.[39] Patients are seeking reduced recurrence, improved ability to function, reduced need for acute medication and limited side effects, whereas physicians' treatment goals are to reduce attack frequency, severity, duration and disability; reduce reliance on acute treatment and improve quality of life.[40]

Triptans (a family of tryptamine-based drugs used as medication to give symptomatic relief in the treatment of migraines and cluster headaches[41]) have long dominated the acute treatment segment of the migraine market and are expected to continue to do so for the coming years. The treatment profile for triptans, however, can be considered suboptimal for many patients. Some patients suffer triptan-related adverse effects[42], and a small percentage of patients are unable to tolerate triptans due to cardiovascular contraindications[43]. Despite the triptan's generic availability, many patients manage their headaches with over-the-counter (not prescription) NSAIDs and analgesics.

Other medicines used as migraine prevention, such as anti-epileptic drugs, SSRIs and beta blockers, have been developed for unrelated indications and are not migraine-specific[44]. However, these agents are entrenched in migraine prophylaxis due to regulatory approvals or established guidelines supporting their use for migraine treatment and due to their widespread generic availability. Botox, which is only approved for chronic migraine, has a relatively modest patient share in late lines of treatment given its cost and access restrictions.

In the beginning of 2018, three new anti-CGRP[45] MAbs[46] specifically targeting migraine prevention were launched: Amgen / Novartis's Aimovig, Teva's Ajovy, and Eli Lilly's Emgality[47]. These three anti-CGRP MAbs are all taken by subcutaneous injections, usually once or twice a month depending on the treatment. The products were followed by the fourth anti-CGRP Mab on the market, the Issuer's Vyepti, which is expected to gain traction and market shares, after its launch in the United States in April 2020, which has been and will be followed by further launches in several territories Worldwide. Vyepti is administered via a 30-minute IV infusion given four times per year (every three months).

Two new acute CGRP antagonist oral treatments – AbbVie's Ubrelvy and Biohaven's Nurtec ODT – began entering markets in 2020. Cross-trial comparison indicates that these agents are not superior to the triptans. They will likely be used in acute treatment for patients not eligible for triptans. This class is also being studied for prevention. Nurtec is the first to receive a dual label for acute treatment and migraine prevention. In 2021, Abbvie

[34] Alonso J, Petukhova M, Vilagut G, Chatterji S, Heeringa S, Üstün TB, et al. Days out of role due to common physical and mental conditions: results from the WHO World Mental Health surveys. Mol Psychiatry. 2011;16(12):1234–1246.
[35] Adams AM, Serrano D, Buse DC, Reed ML, Marske V, Fanning KM, et al. The impact of chronic migraine: the Chronic Migraine Epidemiology and Outcomes (CaMEO) Study methods and baseline results. Cephalalgia. 2015;35(7):563–578.
[36] American Headache Society. Headache. 2019; 59(1):1-18.
[37] Tepper SJ, Neurologic Clinics. 2009;27(2):417-427.
[38] Tepper SJ, Neurologic Clinics. 2009;27(2):417-427.
[39] Cady RK, etal. Headache. 2004;44:426-435.
[40] American Headache Society. Headache. 2019;59(1):1-18.
[41] Triptan - Wikipedia; and https://americanmigrainefoundation.org/resource-library/oral-triptan-therapy/.
[42] https://americanmigrainefoundation.org/resource-library/oral-triptan-therapy/.
[43] PMC (US National Library of Medicine National Institutes of Health): https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5005539/#:~:text=Triptans%20are%2C%20however%2C%20contraindicated%20in,adults%20with%20CV%20risk%20factors.
[44] PMC: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2730105/.
[45] CGRP is an acronym for calcitonin gene-related peptide.
[46] MAbs is an acronym for monoclonal antibodies.
[47] https://www.thepharmaletter.com/article/competition-in-us-migraine-prevention-market.

also received its first approval for Qulipta (atogepant) in the US for prevention of episodic migraine in adults. The use of these agents for prevention will likely be restricted to later-line treatment owing to access barriers, especially their expected premium prices.

CGRP targeted therapies for the prophylactic treatment of migraine have addressed an important need for effective, migraine-specific preventives, but U.S. and European payers generally require patients to fail multiple generic SOCs and potentially AbbVie/Allergan's Botox before permitting prescription of the anti-CGRP MAbs.

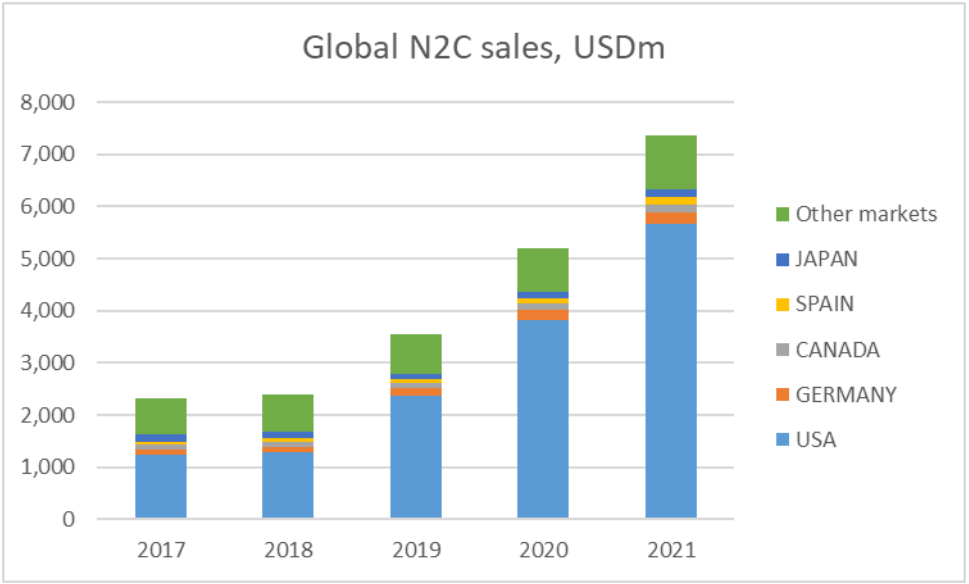
[48]Market for anti-migraine preparations

Anti-migraine preparations belong to ATC code N2C (ATC level 3: anti-migraine preparations). Anti-migraine preparations are commonly used not only for the treatment of acute and preventive migraine, but also to supplement treatment in other types of headaches. The market and sales numbers indicated in this section include sales across all indications for products classified with ATC code N2C.

As illustrated in Figure 10 below, the global Gross Value Sales for ATC code N2C was USD 7.4 billion in 2021, making it the ninth largest CNS category measured in Gross Value Sales. With recent launches of new products, mainly the anti-CGRP MAbs and CGRP antagonist, the growth of the ATC code N2C market has significantly increased, as illustrated in Figure 10 below. Launch of these new products have started in the United States, leading to a relative change in sales distribution across the globe. New launches are expected to increase value growth outside the United States, as global launch activities are continuously ongoing. As shown, the United States is by far the largest value market in the category.

Figure 10:

Global N2C sales based on Gross Value Sales

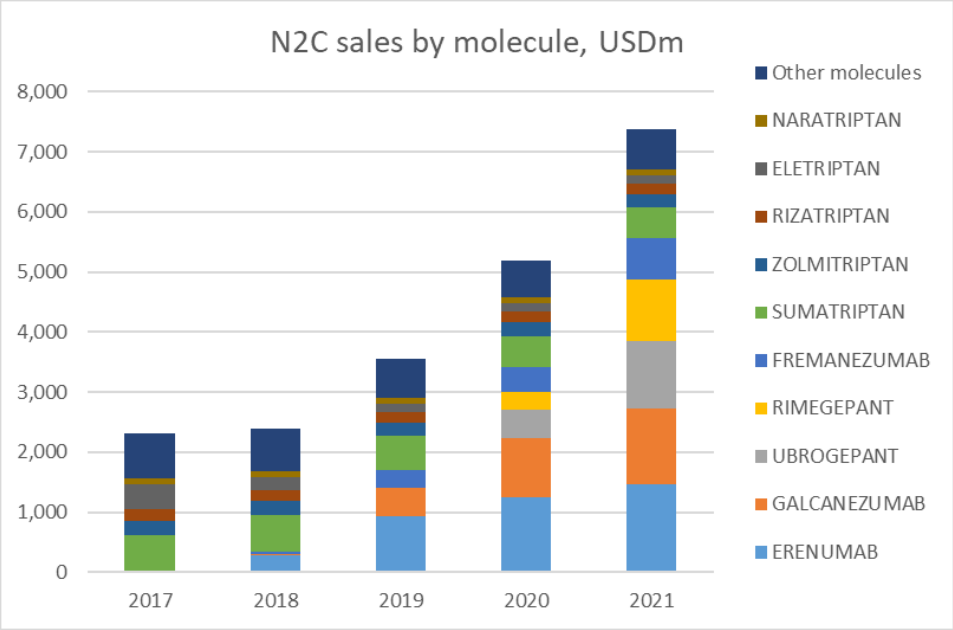


As illustrated in Figure 11 below, one of the top selling molecules in the ATC class N2C has historically been the triptans. However, erenumab, galcanezumab, fremanezumab, ubrogepant and rimegepant, which have all been launched recently, have rapidly been gaining market shares.

[48] For an explanation of the market and industry information used, including an explanation of ATC codes, ATC levels and "Gross Value Sales", see the section "*Market and Industry Information*".

Figure 11:

N6A Gross Value sales by molecule



Since the Issuer's product Vyepti was only launched in the United States in April 2020 and particularly as the Issuer is still in its early global launch phase, it believes that it is still too early to accurately predict any relevant market position or market shares. In 2021, the Issuer's reported revenue from the sale of Vyepti was DKK 492 million.

Alzheimer's disease (Alzheimer's)

Introduction to the disease

Worldwide, it is estimated that 50 million people have dementia.[49] With the shift towards an increasingly elderly population, there are nearly 10 million new cases every year.[50] The WHO predicts that the prevalence of dementia will almost double every 20 years, increasing the burden of the disease substantially in the future.[51]

Alzheimer's disease is the most common cause of dementia, accounting for 60 to 80% of dementia cases.[52] Patient progression is generally described as beginning with asymptomatic, biomarker positive states to mild cognitive impairment due to Alzheimer's disease and then ultimately to Alzheimer's disease dementia. Alzheimer's disease is most frequently recognized in people aged above 65 to 70 years[53] and the average age of prevalent cases is 83. Upon the launch of the first disease modifying agents, the number of diagnosed (and treated) cases of mild cognitive impairment and mild Alzheimer's disease are expected to notably increase.

Symptoms of Alzheimer's disease emerge gradually over a period of years and vary from person to person. The first symptoms to appear are usually forgetfulness and mild confusion.[54] Symptoms are broadly categorized into cognitive, functional and behavioral/psychological changes. Cognitive changes include impaired short-term memory, difficulty in making decisions and problems recognizing friends and family. Functional changes include reduced ability to perform daily activities – handling money, traveling, self-care and problems with balance and unsteady movements.[55] [56] Behavioral/psychiatric changes include development of behavioral disturbances such as withdrawal from social activities, apathy/indifference, depressed mood, anxiety and agitation. Each of these changes increases the burden of care.[57] The end stage of the disease is characterized by the inability to use or understand language, obliviousness and complete loss of independent functioning. Over the course of the disease,

[49] World Health Organization. Dementia fact sheet. 2020. Available at: https://www.who.int/en/news-room/fact-sheets/detail/dementia. Accessed January 2020.
[50] Alzheimer's Association. What is Alzheimer's disease: https://www.alz.org/alzheimers-dementia/what-is-alzheimers.
[51] World Health Organization. Dementia - A public health priority. 2017. https://www.who.int/mental_health/neurology/dementia/infographic_dementia/en/.
[52] Alzheimer's Association. Alzheimer's Association Report. 2020 Alzheimer's disease facts and figures. Alzheimers Dement 2020; 16 (3): 391–460.
[53] Alzheimer's Association. What is Alzheimer's disease: https://www.alz.org/alzheimers-dementia/what-is-alzheimers.
[54] Alzheimer's Association. Alzheimer's Assocation Report. 2020 Alzheimer's disease facts and figures. Alzheimer's Dement 2020;16(3):391-460.
[55] Alzheimer's Association. Alzheimer's Assocation Report. 2020 Alzheimer's disease facts and figures. Alzheimer's Dement 2020;16(3):391-460.
[56] Sarazin M, Horne N, Dubois B. Natural decline and prognostic factors. In: Gauthier s (ed). Clinical Diagnosis and Management of Alzheimer's Disease, Third Edition. Oxon: Informa Healthcare, 2007.
[57] Alzheimer's Association. Alzheimer's Association Report. 2020 Alzheimer's disease facts and figures. Alzheimer's Dement 2020;16(3):391-460.

areas of the brain degenerate, resulting in cellular loss and dysfunction. [5859]. These changes increasingly impact upon the person's daily life, reducing their independence, until ultimately, they are entirely dependent on others.[60]

Early diagnosis of Alzheimer's disease is imperative and underachieved in clinical practice today. Advances are being aided by reliable diagnostic tools that help physicians make a diagnosis prior to symptoms being clinically evident. These advances are critical to patient outcomes and design of disease modifying agent clinical trials. In development of being used are PET imaging agents, MRI and CSF or serum tests for disease biomarkers. No test definitively establishes a diagnosis by itself. The correlation between a change in biomarkers and cognitive decline have yet to be fully established as has been seen as disease modifying treatments continue to fail in development.

The Issuer considers the greatest unmet needs in the treatment of Alzheimer's disease to include disease modifying treatments that slow, stop or reverse disease progression; novel precognitive symptomatic options as they retain a significant role in the multimodal approach to disease management; better treatments for key behavioral symptoms; and early, accurate diagnosis enabling therapeutic intervention at the optimal time in Alzheimer's disease and improve the long-term outcomes.

Treatment options and competition

Alzheimer's has no current cure, but treatments for symptoms are available and research continues.[61] Although current Alzheimer's treatments today cannot stop Alzheimer's from progressing, they can temporarily slow the worsening of dementia symptoms and improve quality of life for those with Alzheimer's. Today, there are significant ongoing efforts to find better ways to treat the disease, delay its onset and prevent it from developing.

Treatment goals for Alzheimer's disease are to reduce the impact of symptoms associated with cognitive functional decline and to manage the behavioral symptoms that accompany disease progression. Pharmacologic agents are prescribed with the goal of improving quality of life of both patients and caregivers who are coping with the burden of the disease. Thought leaders say that symptomatic therapies provide marginal, transient benefits and there is a lack of effective therapies to treat the secondary symptoms of psychosis (delusions, hallucinations), agitation, and aggression. Antipsychotics are often prescribed off-label to treat these symptoms which appear as the disease worsens. These symptoms add to caregiver burden and are a primary reason for placement of patients in nursing facilities. Therefore, there are symptomatic treatments available today and both symptomatic and disease modifying treatments in development.

Until very recently with the FDA's accelerated approval of Biogen's aducanumab (June 2021) no truly new therapy for Alzheimer's Disease had been introduced for a significant period of time (the last introduction of a new molecular entity being memantine in 2002). The accelerated approval pathway requires the pharmaceutical company to verify clinical benefit in a post-approval trial. It is still too early to assess the impact of accelerated approval of aducanumab. Most Alzheimer's Disease therapies approved since 2002 have been reformulations and updated versions, for example, with extended release, with some/modest advantages. The leading therapies used to treat Alzheimer's disease come from several drug classes. AChEIs (that is, donepezil, galantamine, and rivastigmine) and the NMDA receptor antagonist memantine (such as the Issuer's branded product Ebixa) are used to treat cognitive deficits; and antidepressants (mainly SSRIs) and antipsychotics (mainly atypical antipsychotics), among others, are used to treat behavioral and neuropsychiatric symptoms. However, only AChEIs and memantine (including Ebixa) are approved to treat the core symptoms of Alzheimer's disease and some other agents are prescribed off-label in lack of approved treatment options.

Agitation and psychosis remain a clinical challenge for patients with Alzheimer's, but no therapies have been approved for these symptoms, although physicians often prescribe antipsychotics (and a range of other off-label drugs) despite their modest efficacy and the safety concerns associated with antipsychotic use in elderly dementia patients.

Agents in development for symptomatic treatment of cognition, agitation and psychosis include:

- Acadia's Nuplazid's expanded label for Alzheimer's related psychosis in the United States ;
- Lundbeck/Otsuka's Rexulti for Alzheimer's disease specific agitation (2023); and

[58] World Health Organization. Dementia fact sheet. 2020. Available at: https://www.who.int/en/news-room/fact-sheets/detail/dementia. Accessed January 2020.
[59] Alzheimer's Association. Alzheimer's Association Report. 2020 Alzheimer's disease facts and figures. Alzheimers Dement 2020; 16 (3): 391–460.
[60] World Health Organization. Dementia fact sheet. 2020. Available at: https://www.who.int/en/news-room/fact-sheets/detail/dementia. Accessed January 2020.
[61] Alzheimer's Association. What is Alzheimer's disease: https://www.alz.org/alzheimers-dementia/what-is-alzheimers.

- Avanir/ Otsuka's AVP-786 (2024) and Axsome's AXS-05 (2023) for Alzheimer's disease specific agitation. These agents will lack a warning against use in elderly dementia patients associated with antipsychotics.

Disease modifying agents in development include:

- Lilly's donanemab, which received U.S. FDA's Breakthrough Therapy Designation for treatment of Alzheimer's Disease (June 2021)[62] and was followed by their communicated intent to submit a biologics license application later this year (BLA);

- Eisai/Biogen's lecanemab, has been granted fast-track and breakthrough therapy designations by the FDA and has potential to be more therapeutically effective and benefit from a superior safety profile; and

- Roche's gantenerumab which targets offering sub-cutaneous administration was granted breakthrough therapy status in October 2021.

[63]*Market for anti-Alzheimer's products*

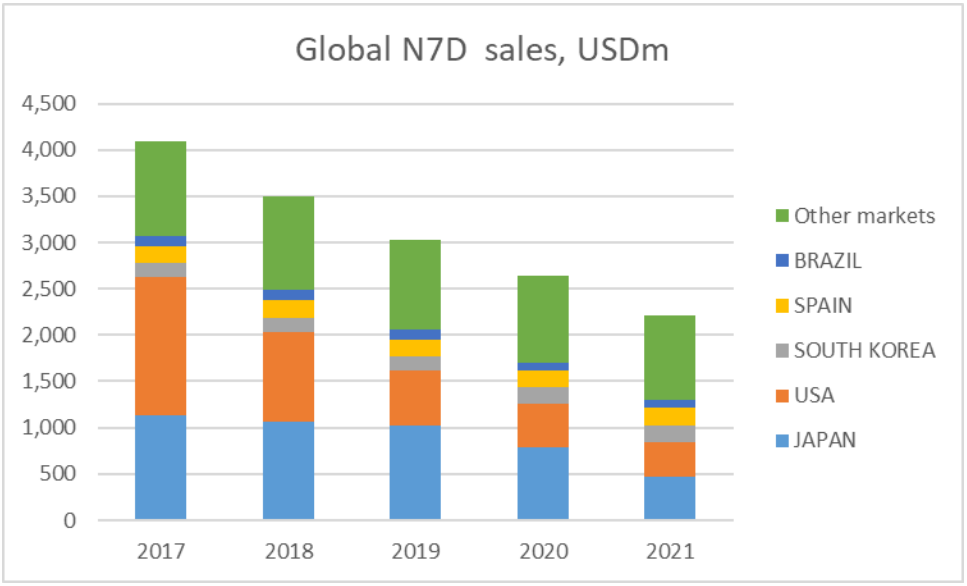
Alzheimer's treatments belong to the ATC code N7D (ATC level 3: anti-Alzheimer's products). Alzheimer's treatments are commonly used not only for the treatment of Alzheimer's related symptoms, but also to supplement treatment in other dementia types, including Parkinson's disease dementia (only approved for a subset of the products). The market and sales numbers indicated in this section include sales across all indications for products classified with ATC code N7D.

As illustrated in Figure 12 below, the global Gross Value Sales for ATC code N7D (anti-Alzheimer's products) was USD 2.2 billion in 2021. From 2017 to 2021, the global Gross Value Sales for ATC code N7D products have decreased somewhat in Gross Value Sales due to increased availability of generics, and no innovative products launched.

With the United States impacted more by generics, Japan is now the largest market measured by Gross Value Sales in the category followed by the United States.

Figure 12:

Global N7D sales based on Gross Value Sales

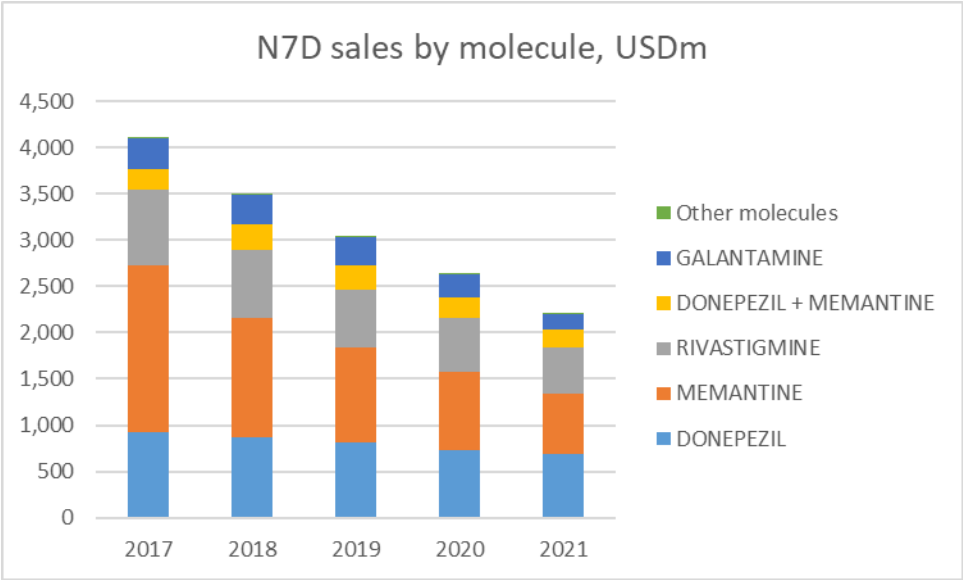


As illustrated in Figure 13 below, the top selling molecules in ATC code N7D remain memantine, donepezil and rivastigmine. Based on Gross Value Shares, memantine is the second largest Anti-Alzheimer's molecule.

[62] PRNewswire. https://www.prnewswire.com/news-releases/lillys-donanemab-receives-us-fdas-breakthrough-therapy-designation-for-treatment-of-alzheimers-disease-301318931.html. Accessed June 25, 2021.
[63] For an explanation of the market and industry information used, including an explanation of ATC codes, ATC levels and "Gross Value Sales", see the section "*Market and Industry Information*".

Figure 13:

N7D Gross Value Sales by molecule



The Issuer holds a royalty bearing license right to commercialize (co-market) with Merz Pharmaceuticals GmbH the product Ebixa (memantine) in the majority of the world, with the most significant exceptions being United States and Japan. In 2021, the Issuer's revenue from Ebixa was approximately DKK 530 million.

Marketed Products

General introduction to the Issuer's product portfolio

As described in detail in the section "*Business – Overview of the Business – The Issuer's development Pipeline and marketed product portfolio*", the Issuer's current product portfolio consists of the Strategic Brands (Abilify Maintena, Brintellix/Trintellix, Rexulti/Rxulti and Vyepti) and the Issuer's Mature Brands (Cipralex, Onfi, Sabril and "other pharmaceuticals", which comprises the remainder of the Issuer's products and includes, but are not limited to, Northera, Ebixa , Deanxit, Cipramil, Xenazine and Azilect). Each of the products are described below. See the section "*Business – Technology Protection – Intellectual property protection of the Issuer's marketed products*" for a discussion of the patent protections of the Issuer's current product portfolio.

The Strategic Brands

Abilify Maintena (aripiprazole)

Abilify Maintena is used for the treatment of schizophrenia, and in some markets additionally for the treatment of bipolar disorder.

The product was discovered by the Issuer's partner, Otsuka, and was co-developed and is being co-commercialized in collaboration between Otsuka and the Issuer. See the section "*Significant Partnerships, Collaborations and Licenses – Partnership with Otsuka*" for a further description of the partnership, including the split of territory, costs and revenue.

Abilify Maintena was approved in the United States for the treatment of schizophrenia in adults in 2013, in the United States for the monotherapy treatment of bipolar I disorder in adults in 2017 and in Europe for the treatment of schizophrenia in adults in 2014. The Issuer's main markets are North America, Europe and Australia.

Abilify Maintena belongs to a group of drugs called atypical antipsychotics and is a 1-month long-acting injectable product ("**LAI**") of aripiprazole administered directly into the muscle (IM) by a healthcare professional once a month. The active pharmaceutical ingredient in Abilify Maintena is aripiprazole, which is a small molecule and acts as a partial agonist at dopamine D2 and serotonin 5-HT1A receptors and antagonist at serotonin 5-HT2A receptors.

As described in the section "*Research & Development Pipeline – Details on the Issuer's Pipeline and other development activities – Aripiprazole - Pipeline - 2-months Injectable (LAI) formulation - Completed Study*"

below, the Issuer and Otsuka have completed a phase IB study with the aim of developing a 2-month LAI. The study showed that the new 2-month formulation was safe and tolerable and provided effective plasma concentrations of aripiprazole for two months. This implies that the new formulation can be dosed every second month compared to Abilify Maintena, which is dosed monthly. No further clinical studies are expected to be required (see "*Research & Development Pipeline – Details on the Issuer's Pipeline and other development activities – Aripiprazole - Pipeline - 2-months Injectable (LAI) formulation - Completed Study*"). Scale-up of manufacturing capacity is progressing at Otsuka, with submission for marketing authorization pending completion of the build and validation of the new manufacturing capacity. Lundbeck and Otsuka are planning to submit the aripiprazole 2-month injectable formulation to EMA and to the FDA for marketing authorization review by mid-2022.

In 2021, the Issuer's reported revenue of Abilify Maintena was DKK 2,420 million, which represented a 7 per cent growth compared to 2020 (DKK 2,271 million).

Brintellix/Trintellix (vortioxetine)

Brintellix/Trintellix is used for the treatment of major depressive disorder ("**MDD**"). The product is sold under the trademark Trintellix in the United States, Canada, and Japan and under the trademark Brintellix in the European Union and most other markets.

The active ingredient (vortioxetine) was discovered and patented by the Issuer. Trintellix/Brintellix has been co-developed and is being co-commercialized with Takeda in the United States and Japan. See the section "*Significant Partnerships, Collaborations and Licenses – Partnership with Takeda*" for a description of the partnership, including the split of territory, costs and revenue.

The product was approved in 2013 in the United States and in Europe in 2014 and in Japan in 2019. The product has been launched worldwide and the main markets are North America, Europe and Brazil and the product is sold in a significant number of international markets, including Japan and China.

Trintellix/Brintellix is efficacious, safe, and well tolerated in adults, including the elderly, with MDD in short-term treatment and long-term maintenance. In addition, Trintellix/Brintellix is acknowledged to have a beneficial effect on certain aspects of cognitive function in MDD, which is reflected in the product labeling in the United States, the European Union, as well as many other markets. Vortioxetine belongs to a new chemical class of psychotropics, the bis-aryl-sulfanyl amines, which possess unique properties compared to other psychotropics. Vortioxetine is a multimodal antidepressant that is thought to work through serotonergic activity in the CNS through inhibition of the reuptake of serotonin (5-HT) and direct serotonin receptor interaction, including 5-HT3 receptor antagonism and 5-HT1A receptor agonism. As described in the section "*Research & Development Pipeline – Details on the Issuer's Pipeline and other development activities - Trintellix/Brintellix (vortioxetine)*", the Issuer is conducting several post-marketing commitments and phase IV studies with vortioxetine.

In 2021, the Issuer's reported revenue from Brintellix/Trintellix was DKK 3,526 million, representing a 14 per cent growth compared to 2020 (DKK 3,102 million).

Rexulti/Rxulti (brexpiprazole)

Rexulti/Rxulti is used for the treatment of adults with schizophrenia (and in the United States pediatric patients aged 13 or older) and – with the exception of certain markets, including the European Union – as adjunctive therapy to antidepressants for the treatment of adults with MDD.

The active ingredient (brexpiprazole) was discovered by Otsuka and Rexulti/Rxulti is being co-developed and co-commercialized by Otsuka and the Issuer. See the section "*Significant Partnerships, Collaborations and Licenses – Partnership with Otsuka*" for a description of the partnership, including the split of territory, costs and revenue.

The product was approved and launched in the United States in 2015 and the United States is the Issuer's main market. Rxulti is approved for sale in the European Union and is currently launched in selected European Union countries. The product has also been launched in several selected countries outside the European Union, including Canada, Brazil, Mexico, Australia and Switzerland.

Brexpiprazole is a small molecule and a potent serotonin–dopamine activity modulator. It acts as a partial agonist at serotonin 5-HT1A and dopamine D2 receptors, and as an antagonist at serotonin 5-HT2A and noradrenaline α1B/α2C receptors. The serotonin, dopamine and noradrenaline neurotransmitter systems may be implicated in behavioral symptoms of dementia, including agitation. As described in the section "*Research &*

Development Pipeline – Details on the Issuer's Pipeline and other development activities – Rexulti/Rxulti (brexpiprazole)", the Issuer and Otsuka have initiated an extensive life cycle management program for brexpiprazole

In 2021, the Issuer's reported revenue of Rexulti/Rxulti was DKK 2,849 million, representing a 9 per cent growth compared to 2020 (DKK 2,620 million).

Vyepti (eptinezumab)

Vyepti (eptinezumab) is used for preventive treatment of migraine in adults. It is the first and only intravenous treatment for the preventive treatment of migraine in adults and Vyepti has demonstrated treatment benefit over placeboas early as Day 1 post-infusion. The Issuer acquired Vyepti as part of its acquisition of Alder in October 2019 (for more information on the transaction, please refer to the section "*Investments, Holdings and Recent Acquisitions – Recent Material Acquisitions*".

The Issuer expects to launch Vyepti globally on its own. With the launch of Vyepti, the Issuer expects to build a migraine and specialty pain franchise. Vyepti was approved and launched in the United States in early 2020. Vyepti was approved by the European Commission in: January 2022 and is currently approved in a number of other markets (including Australia, Canada, Kuwait, Singapore, Switzerland and United Arab Emirates).

The active pharmaceutical ingredient in Vyepti is eptinezumab. Eptinezumab is a monoclonal antibody (mAb) that binds (inhibits) to calcitonin gene-related peptide (CGRP), a neuropeptide shown to play a key role in mediating and initiating migraines, with high specificity and potency. It is administered primarily in physician offices, infusion suites and through home infusion (by healthcare professionals) every 3 months as a 30-minute intravenous infusion that provides immediate and complete bioavailability.

As described in the section "*Research & Development Pipeline – Details on the Issuer's Pipeline and other development activities - Vyepti (eptinezumab)*", the Issuer is conducting a life cycle management program with Vyepti, which currently includes studies in episodic cluster headache, a pediatric program and a number of phase IV studies.

In 2021, the Issuer's reported revenue of Vyepti was DKK 492 million.

The Mature Brands – Cipralex/Lexapro, Onfi and Sabril

Cipralex/Lexapro (escitalopram)

Cipralex/Lexapro (escitalopram) is used for the treatment of depression and anxiety.

Escitalopram (Cipralex/Lexapro) was discovered and developed by the Issuer and first launched in 2002. In 2021, the product was available in more than 100 countries worldwide. The Issuer's revenue derives from sales in a significant number of countries, including Japan, China, and other markets outside and in the European Union. In 2021, the two largest markets for the product were Japan, and China. Escitalopram is mainly marketed by the Issuer under the trademarks Cipralex and Lexapro. The Issuer has generally lost market exclusivity.

In Japan, escitalopram is sold as Lexapro under a license granted by the Issuer to its licensing partner Mochida Pharmaceuticals, which co-promotes the product with Mitsubishi Tanabe. In the United States, escitalopram is sold by the Issuer's licensing partner AbbVie (formerly Forest Laboratories and Allergan) under a license granted by the Issuer. The Issuer receives certain royalties on sales in Japan and the United States.

In 2021, the Issuer's reported revenue of Cipralex/Lexapro was DKK 2,346 million, representing a 1 per cent decline compared to 2020 (DKK 2,380 million).

Onfi (clobazam)

Onfi is used for the adjunctive treatment of seizures associated with Lennox-Gastaut Syndrome for patients aged two years or older. It was launched in the United States in 2012 and lost market exclusivity in 2018, which has led to a significant decline in sales. The Issuer sells the product in the United States, Canada and Mexico, with the United States being the main market. In Canada, the product is marketed under the trademark Frisium.

The Issuer acquired the exclusive rights to commercialize Onfi in the United States, Canada and Mexico with its acquisition of Ovation Pharmaceuticals Inc. in 2009, which held a license from Sanofi-Aventis.

In 2021, the Issuer's reported revenue of Onfi was DKK 505 million, representing a 21 per cent decline compared to 2020 (DKK 642 million) due to loss of market exclusivity and generic competition.

Sabril (vigabatrin)

Sabril (vigabatrin) is used as adjunctive therapy to treat refractory complex partial seizures in patients aged two years or older who have responded inadequately to alternative treatments and as monotherapy for infantile spasms in patients aged one month to two years. Sabril is distributed through specialty pharmacies as it has a complex risk mitigation program in which all patients must enroll. It was launched in the United States in 2009 and lost market exclusivity in 2017.

The Issuer acquired exclusive United States licensing rights to commercialize Sabril with its acquisition of Ovation Pharmaceuticals Inc. in 2009. The Issuer markets the product in the United States under a royalty-bearing license from Sanofi-Aventis.

In 2021, the Issuer's reported revenue of Sabril was DKK 657 million, representing a 15 per cent decline compared to 2020 (DKK 777 million).

The Mature Brands – Other pharmaceuticals (non-exhaustive list)

In addition to Cipralex, Onfi and Sabril, the Issuer sells a number of other pharmaceuticals under its Mature Brands portfolio. The biggest of such other pharmaceuticals are described in the non-exhaustive list below. The Issuer's reported revenue in 2021 for other pharmaceuticals was DKK 2,439, representing an 11 per cent decline compared to 2020 (DKK 2,738). Northera lost exclusivity in February 2021 and is from 2022 reported under "other pharmaceuticals". The reported revenue in 2021 for "other pharmaceuticals" did consequently not include Northera.

Northera (droxidopa)

Northera (droxidopa) is used for the treatment of orthostatic dizziness, light-headedness or feeling that you are about to black out in adults with symptomatic neurogenic orthostatic hypotension (nOH) caused by primary autonomic failure (for example, Parkinson's Disease). Northera is distributed through specialty pharmacies. The product was approved and launched in the United States in 2014. A confirmatory post-marketing commitment study, RESTORE (NCT02586623), is currently being conducted.

Northera is sold in the United States under a royalty-bearing license from Dainippon Sumitomo Pharma.

In 2021, the Issuer's reported revenue of Northera was DKK 665 million, representing a 74 per cent decline compared to 2020 (DKK 2,553 million) due to loss of market exclusivity (February 2021) and generic competition.

Ebixa (memantine)

Ebixa (memantine) is used for the treatment of Alzheimer's disease. This product was first launched in 2002 and the Issuer has generally lost market exclusivity for the product from 2012. Memantine as a treatment of Alzheimer's disease was discovered and developed by Merz Pharmaceuticals GmbH and the Issuer holds a royalty- bearing license right to commercialize (co-market with Merz) the product in most of the world, with the most significant exceptions being the United States and Japan. The Issuer sells the product across all major markets outside the United States USA and Japan, with the main market today being China.

Deanxit (flupentixol)

Deanxit (flupentixol) is used for the treatment of depression and anxiety. Deanxit was launched in 1971 and is sold by the Issuer in a number of countries, with the main market being China, where the Issuer sells the product via a royalty- bearing license to China Medical System Holdings Limited.

Cisordinol/Clopixol (zuclopenthixol) (also marketed as zuclopenthixoldecanoate depot formulations)

Zuclopenthixol is used for the treatment of psychosis, including schizophrenia. Zuclopenthixol and zuclopenthixoldecanoate were approved in 1976, respectively, and are sold by the Issuer under various brand names.

Cipramil (citalopram)

Cipramil is used for the treatment of depression and anxiety. Cipramil was launched in 1989 and is still a widely used product both as branded product and in generic alternatives. Cipramil is sold by the Issuer in more than 40 countries.

Xenazine (tetrabenazine)

Xenazine (tetrabenazine) is used for the treatment of chorea associated with Huntington's disease. The Issuer has sold Xenazine in the United States since 2008 under an exclusive royalty- bearing license from Bausch Health Companies (formerly Valeant Pharmaceuticals***)***. Xenazine lost market exclusivity in the United States in 2015.

Other trademarks

The trademarks listed in the descriptions for Mature Brands are the most significant trademarks used by the Issuer in its commercialization of the products. For some products, the Issuer markets the products in specific jurisdictions under trademarks that are different from those listed. This is often due to specific reasons in the specific jurisdiction, such as, for example, linguistic preferences or differences in a given jurisdiction.

Research & Development and Pipeline

General introduction to drug research and development

The overall goal of pharmaceutical R&D is to identify and document the efficacy and safety of drug candidates for their eventual submission to regulatory authorities to obtain marketing authorization approval. The subsequently marketed drugs are thereafter monitored to further understand their medical performance. Research and development for new pharmaceutical products progress in different phases, namely the research drug discovery phase, the nonclinical development phase, and various clinical development phases. The research and development of a pharmaceutical product, especially within CNS indications, is a lengthy process, and it usually takes more than ten years from the discovery phase to a grant of marketing authorization.

Drug discovery and initial nonclinical documentation of drug candidates starts in the *discovery phase* where a large number of molecules are made and screened via laboratory *in vitro* (biochemical or cell assays) and *in vivo* (animal studies) tests to find compounds for more detailed assessment (lead molecules). Once a promising compound for development has been identified, further tests and experiments are conducted in the *nonclinical development phase* to collect additional information. Nonclinical development is also conducted *'in vitro'* and *'in vivo'* with the main goals to determine a safe and non-toxic dose for human studies. The nonclinical *in vivo* studies on potential side effects in animals are designed to maximize human safety and are a requirement to proceed to the clinical phase. In the nonclinical development phase, additional information is also collected to support the initial human studies, including how the drug is absorbed and the best way to administer the drug and its estimated effective and safe dosages. When sufficient information from the nonclinical studies has been collected, the results are presented to relevant regulatory authorities and ethics committees for evaluation together with a study protocol (study plan) for the first-in-human study.

The *clinical development phase* comprises studies conducted on humans, and it is typically divided into phase I, phase II, and phase III, commonly further divided into A and B subphases, for example, phase IB. The clinical studies are performed according to study protocols, which are approved by regulatory authorities and ethics committees. The clinical studies are often performed as controlled double-blind studies, meaning that the involved parties (the patients, the physicians, and the study sponsor) have no knowledge about which treatment the participating patients have been assigned until data analysis. Sometimes, clinical studies are conducted as open-label studies, meaning that both the participating patients and the physicians know which treatment has been assigned.

A *phase I* study is conducted with a limited number of study participants, either healthy subjects or – in some cases – participants with a disease condition. A phase I study typically takes several months and often approximately a year to complete. The primary focus of phase I is to study the drug's safety and tolerability as well as pharmacokinetic ("**PK**"; what the body does to the drug) profile and is conducted by administering different doses of the drug (starting with a single dose) to the participants. The pharmacodynamic ("**PD**"; what the drug does to the body) effects are also investigated, using various measures (biomarkers) of the drug's intended actions. If the safety, tolerability, PK and PD profiles of the drug candidate are acceptable, the phase I study concludes with selecting the doses for continued human studies.

A *phase IB* study may be conducted with a limited number of study participants with a disease condition. A phase IB study typically takes approximately a year to complete. The primary focus is to study the safety and tolerability of the drug in the targeted patient population. A phase IB study will also typically provide an indication of the clinical efficacy but will not be large enough to demonstrate the extent to which the drug will be beneficial.

A *phase II* study is conducted with a larger number of participants with the targeted disease condition and may take a couple of years to conduct. The primary focus is to study the safety, tolerability, and efficacy of the drug. Phase II studies typically aim to provide a clear signal that the drug works as intended, in particular its efficacy, but such studies are generally still not large enough to demonstrate the full extent to which the drug will be beneficial. Phase II studies are essential to understand if the scientific hypothesis underpinning the drug program is valid (proof of concept), but such studies provide important insights into the design of the phase III program as well as the development of further clinical research methods and methodologies.

A *phase III* study, which sometimes is known as a pivotal or confirmatory study, may, for new drug candidates, be initiated upon the proper and acceptable completion of phase I and phase II studies. Phase III studies are conducted with large numbers of participants, typically from several hundred to several thousand, with the aim of demonstrating whether the compound offers an effective treatment with benefit for a specific population and providing further information on the safety profile of the compound. As phase III studies are significantly larger and longer in duration, the results are more likely to reveal any long-term or rare side effects. In the studies, the compound is typically compared to a placebo, which is a product with no active substance or component, to determine whether any differences in efficacy or safety and tolerability between the patients receiving the compound and the patients receiving placebo can be attributed to the compound. In order to demonstrate the effect of the treatment compared to existing drugs, a comparative study can be conducted by treating one group with the drug candidate and another with an approved product. When a phase III study is completed, it is examined whether the drug candidate was more effective and/or gave rise to fewer side effects than the approved product. If the benefit/risk profile of the compound is still considered positive, a drug application may be submitted to relevant regulatory authorities with the aim of receiving a marketing authorization.

A *phase IV* (post-marketing study) is a study that the sponsor performs after the initial marketing approval has been obtained and the purpose is in general to gain additional experience of the product from the treatment of patients within the targeted therapeutic indication.

A *post-marketing commitment* study is a study that the sponsor has agreed with the authority issuing the marketing approval to conduct, or that the sponsor is conducting due to other requirements under applicable statutes and regulations. Such studies are generally required to maintain the marketing approval. One example is a regulatory requirement to, in some cases, perform pediatric studies after marketing approval has been obtained.

Introduction to the Issuer's research and development

R&D form the cornerstone of the Issuer's activities and are essential for the Issuer's ambition to improve the health and quality of life of people living with diseases affecting brain health. The Issuer aims to understand the underlying causes of diseases affecting brain health and develop new medications to treat such diseases more effectively.

The Issuer focuses its internal research efforts in the earliest phases into four areas of neurobiology where the Issuer believes that the science is the most advanced and holds the greatest potential for discovering breakthrough and differentiated medicines.

The Issuer has an experimental clinical group focusing on early biomarker and clinical readouts as well as a global clinical development group capable of executing global development programs; it also has a global-local network in Patient Safety, Regulatory Affairs, and Medical Affairs, and thereby a strong link with the Issuer's commercial affiliates. In addition, the Issuer aims to apply novel technologies, for example, digital, throughout the value chain to enable the Issuer to stay at the forefront of innovation.

The Issuer has over the years formed many strategic partnerships across different technology enablers and disease areas to strengthen its research and development capabilities. Examples of ongoing partnerships include the Michael J Fox Foundation for Parkinson's Research (dedicated to finding a cure for Parkinson's disease through an aggressively funded research agenda and to ensuring the development of improved therapies for those living with Parkinson's disease today), and Rgenta Therapeutics (a strategic collaboration aimed at discovering small molecules targeting RNA regulation and splicing of disease-causing genes).

As of 31 December 2021, approximately 875 (calculated as full-time employees) of the Lundbeck Group's employees work in research and development.

The Issuer's research

The Issuer's research organization focuses on identifying drug targets and drug candidates that can serve a broad range of specialist-treated, niche and rare indications within psychiatry and neurology, with the potential to either be breakthrough medicines or highly differentiated medicines. The Issuer's research efforts focus on four areas of neurobiology:

1. Circuit/neuronal biology – addressing imbalances in neuronal function and neurotransmission to reduce neurological, psychiatric, and pain symptoms.

2. Hormonal/neuropeptide signaling – addressing neurotransmitter and hormonal signaling affected in pain, such as migraine, and psychiatric conditions.

3. Proteinopathies – addressing protein aggregation, folding, and clearance mechanisms involved in a range of neurodegenerative diseases, for example, Alzheimer's disease and Parkinson's disease.

4. Neuroinflammation/neuroimmunology – addressing inflammatory or immune modulatory processes that cause or drive neurodegeneration, relevant across most neurological disorders.

The Issuer believes each of these areas contains promising biological drug targets of high relevance for the therapeutic focus of the Issuer and has the potential to address high unmet medical needs. It also believes that the biological areas also present improved possibilities for nonclinical to clinical translation and an opportunity to use a strong supportive toolbox, such as biomarkers to determine drug action on the target in humans and obtain reads-outs on potential effects on human pathophysiology in early development studies.

The Issuer conducts nonclinical drug discovery research activities across a wide range of drug target classes and drug modalities at its facilities in Valby (Denmark) and Lundbeck La Jolla Research Center (California, United States).

The facility in Valby has a large research organization with capabilities for drug discovery of both new chemical entities (NCEs) as well as of new biological entities (NBEs), while the Lundbeck La Jolla Research Center is dedicated to NCE drug discovery. The Issuer's research capabilities include bioinformatics, genomics, and genetics data sciences as well as protein network data science with spectrometry proteomics platforms for target identification and validation as well as for drug candidate screening.

The Lundbeck La Jolla Research Center applies a highly advanced drug discovery approach using a chemical biology platform targeting large and diverse untapped target classes. The Valby research facility has organic chemistry laboratories supported by state-of-the-art, structure-based drug design and molecular modeling competences, applying contemporary AI-driven methodology. The Valby facility also has a well-built infrastructure with chemical compound libraries and drug dispensing as well as high-throughput and high-content screening laboratories that include inducible pluripotent stem cell platform (iPSC) technology. The biologics (NBE) drug discovery research is also located in Valby and is geared towards the next generation of CNS-active biotherapeutics as well as peripherally acting targets. The monoclonal antibody efforts focus on the generation of monoclonal antibodies for direct application to humans (fully human antibodies).

The nonclinical pharmacology platforms include a well-built organization for conducting *in vitro* and *in vivo* studies, with a vivarium strictly applying the principles of the 3Rs (Replacement, Reduction, and Refinement). The *in vitro* capabilities span from biochemistry to molecular and cell biology, allowing qualitative and quantitative assessment of signaling mechanisms and at-scale-omics technologies. The *in vivo* pharmacology technologies include phenotypic characterization of rodent behavior, neurochemistry, and an EEG suite for resting state and evoked potentials studies, as well as longitudinal *in vivo* imaging capabilities using a range of imaging modalities, and through well-established external collaborations.

Expertise and laboratories for nonclinical development are located in Valby for the evaluation of drug candidates' safety, drug metabolism, and PK. The organization in this facility also has a dedicated toxicology group. The research and nonclinical development organization also has contemporary PD and PK modeling capability for guiding the subsequent clinical development by predictions of efficacy dose-exposure ranges and safety/tolerability margins.

The Issuer's development portfolio (pipeline overview)

The Issuer's global clinical development organization aims to bring the drug candidates discovered in its research organization and through its partnerships to patients with high unmet medical needs.

The global clinical development organization has the expertise to develop and execute global development programs across all the clinical phases through to marketing authorization approval and post-marketing commitments. Although a majority of the clinical development staff is based in Valby, the development organization is global with development staff located for example in Deerfield, USA, Beijing, China and Tokyo, Japan. The Issuer engages third parties, including contract research organizations, to assist in the execution of the clinical studies.

The Issuer conducts clinical studies globally to establish evidence for new drug candidates and engages healthcare specialists in scientific discussions to enhance the understanding of its clinical results. Safeguarding the rights, safety and wellbeing of study participants is of the greatest importance. The Issuer strives to ensure equal access to its clinical research activities as well as its medicines by conducting the clinical studies across all its markets and by including study participants with diverse demographic backgrounds.

The Issuer's proprietary and partnered product clinical development pipeline (the "**Pipeline**"), which consists of projects in clinical phase I, phase IB, phase II, and phase III and projects under regulatory review, is illustrated below. The Issuer has other development activities not illustrated in the Pipeline, such as phase I and phase IV studies and post-marketing commitments as well as a research drug discovery pipeline that aims to fill the clinical pipeline of projects.

Table 1 re-inserted:

Project	Area	Phase I	Phase II	Phase III	Filing/Launch
Hormonal / neuropeptide signaling:					
Eptinezumab (anti-CGRP)[1)]	Migraine prevention				*PROMISE 1 & 2*
	Migraine prevention (Asia)[2)]			*SUN-studies*	
	Episodic cluster headache			*ALLEVIATE*	
	Chronic cluster headache			*CHRONICLE*	
Lu AG09222 (anti-PACAP mAb)[3)]	Migraine prevention		*HOPE*		
Circuitry / neuronal biology:					
Brexpiprazole[4)]	Agitation in Alzheimer's disease				
	PTSD				
Aripiprazole 2-months injectable	Schizophrenia/bipolar I disorder			Expected to be submitted mid-2022	
Lu AG06466[5)]	Focal epilepsy, MS spasticity[7)], PTSD				
Lu AF28996 (D_1/D_2 agonist)	Parkinson's disease				
Protein aggregation, folding and clearance:					
Lu AF82422 (anti-α-synuclein mAb)	Multiple system atrophy		*AMULET*		
Lu AF87908 (anti-Tau mAb)	Tauopathies				
Neuroinflammation / neuroimmunology:					
Lu AG22151 (CD40L inhibitor)	Neurology				

1) CGRP: Calcitonin gene-related peptide. 2) Three phase III clinical trials, supporting registration in Asia, including China and Japan: SUNLIGHT, SUNRISE, and SUNSET trials. 3) PACAP: Pituitary adenylate cyclase activating peptide. 4) Acts as a partial agonist at 5-HT1A and dopamine D2 receptors at similar potency, and an antagonist at 5-HT2A and noradrenaline alpha1B/2C receptors. 5) Pivotal phase I study finalized; In mid-2022, Lundbeck and Otsuka are planning to submit the aripiprazole 2-month injectable formulation to the European Medicines Agency (EMA) for marketing authorization application (MAA) review and to submit the NDA for review by the U.S. FDA. 6) Monoacylglycerol lipase inhibitor ("MAGlipase"). 7) Spasticity in participants with Multiple Sclerosis.

Details on the Issuer's Pipeline and other development activities

This section provides a detailed description of the Issuer's development Pipeline and a non-exhaustive description of some of the Issuer's other development activities, including certain phase IV studies and certain post-marketing commitments. The Issuer is, in addition to the clinical studies listed in its Pipeline and studies described below, planning and conducting other clinical phase I studies, non-interventional studies, and post-marketing commitments not described herein.

Vyepti (eptinezumab)

Vyepti (eptinezumab) belongs to the Issuer's strategic R&D focus area of hormonal/neuropeptide signaling. The below describes the Issuer's most material completed and ongoing global pivotal programs, post-marketing commitments, phase IV studies and the Issuer's ongoing life cycle management program for Vyepti, including the Issuer's Pipeline phase III clinical study. For more information on the sale and commercialization of Vyepti, see "*Marketed Products – The Strategic Brands – Vyepti (eptinezumab)*".

Vyepti (eptinezumab) – global pivotal programs

The efficacy and safety of eptinezumab was demonstrated in two phase III clinical studies (PROMISE-1 (NCT02559895) in episodic migraine and PROMISE-2 (NCT02974153) in chronic migraine ("**CM**"). The clinical development program demonstrated a treatment benefit over placebo that was observed for eptinezumab 100 and 300 mg as early as Day 1 post-infusion, and the percentage of patients experiencing a migraine was lower for eptinezumab than for placebo for most of the first 7 days. In PROMISE-2, the study population included patients with a dual diagnosis of chronic migraine and medication overuse headache (MOH) attributable to acute-medication overuse of triptans, ergotamine, or combination analgesics for more than 10 days per month. Across 24 weeks of treatment, eptinezumab reduced acute headache medication use in patients with a dual diagnosis of CM and MOH. More than four times as many eptinezumab-treated patients (29%) than placebo-treated patients (6%) did not meet the diagnostic thresholds for either CM or MOH for the entire treatment period.

In February 2021, the Issuer initiated SUNLIGHT (NCT04772742), a randomized, double-blind, parallel-group, placebo-controlled study, to support regulatory filing for marketing approval in China. The purpose of this study is to evaluate the efficacy of eptinezumab in preventing migraine and headache in patients (approximately 182 study participants) with a dual diagnosis of migraine and MOH. Eligible patients will be randomly assigned to receive, in a blinded manner, two infusions of either eptinezumab or placebo. The patient study duration is approximately 36 weeks and includes a Screening Period (28-30 days), a Placebo-controlled Period (12 weeks), an Open-Label Period (12 weeks), and a Safety Follow-up Period (8 weeks). Enrolment in this study has been completed and the Issuer expects results in the second half of 2022.

In May 2021, the Issuer initiated SUNRISE (NCT04921384), a randomized, double-blind, parallel-group, placebo-controlled study, to support regulatory filing for marketing approval in Asia. The purpose of this study is to evaluate the efficacy and safety of eptinezumab in the preventive treatment of migraine in patients (N=513) with chronic migraine. Eligible patients will be randomly assigned to receive, in a blinded manner, a single infusion of eptinezumab 100 or 300 mg or placebo. The patient study duration is approximately 36 weeks (24 weeks in Japan) and includes a Screening Period (28-30 days), a Placebo-controlled Period (12 weeks), an Extension Period (12 weeks; not in Japan), and a Safety Follow-up Period (8 weeks).

In September 2021, the Issuer initiated SUNSET (NCT05064371), an open-label, fixed-dose, long-term extension study of SUNRISE, to support regulatory filing for marketing approval in Japan. The purpose of this study is to evaluate the long-term safety and tolerability of eptinezumab in Japanese patients with migraine (N=100). The patients will receive one infusion of eptinezumab 100 mg at the Baseline Visit and then eptinezumab 100 or 300 mg at 12-week intervals thereafter. The patient study duration is approximately 68 weeks and includes a Treatment Period (60 weeks) and a Safety Follow-up Period (8 weeks).

Vyepti (eptinezumab) – post-marketing commitments in migraine

The Issuer is currently conducting a pediatric program as a post-marketing commitment and is in dialogue with the FDA concerning a pregnancy post-marketing commitment.

In August 2020, the Issuer initiated the agreed pediatric program with an open-label, single-dose PK study to evaluate eptinezumab in children and adolescents with migraine, followed by an optional, multiple-dose, open-label extension period (NCT04537429). In 2021, the Issuer initiated two efficacy and safety studies (PROSPECT-2 and REJOIN) in pediatric patients with migraine (NCT04965675 and NCT05164172).

Vyepti (eptinezumab) – phase IV

In July 2020, the Issuer completed RELIEF (NCT04152083). RELIEF was a randomized, double-blind, parallel-group, placebo-controlled study that assessed the efficacy and tolerability of eptinezumab when initiated during a migraine attack in patients who were candidates for preventive therapy. The results for the co-primary endpoints were statistically significant, demonstrating that patients receiving a 100 mg eptinezumab infusion during a migraine attack achieved earlier freedom from headache pain and absence of their most bothersome symptom than patients receiving placebo. The most bothersome symptom was the individual patient's choice between photophobia, phonophobia, and nausea. The key secondary endpoints of the proportion of patients with pain freedom and the proportion of patients with the absence of their most bothersome symptom 2 hours after the start of infusion were also statistically significant as were all the other secondary endpoints.

In October 2021, the Issuer completed the placebo-controlled treatment period of DELIVER, a phase III study (NCT04418765). The purpose of the study was to evaluate eptinezumab in the prevention of migraine in patients with unsuccessful prior preventive treatments and to support market access in the European Union. The patients enrolled in the study were required to have documented evidence of treatment failure in the past 10 years of 2-4

different preventive migraine medications and have a history of either previous or active use of triptans for migraine. The patients were randomly allocated to placebo or eptinezumab 100 mg or 300 mg given by infusion (N=892). The patient study duration from the Screening Visit to the Completion Visit is approximately 76 weeks and includes a screening period (28-30 days), a placebo-controlled treatment period (24 weeks), and an ongoing treatment extension period (48 weeks).

The study met its primary objective by demonstrating the superiority of eptinezumab versus placebo in reducing the number of monthly migraine days (MMDs) over 12 weeks of treatment. In the study, treatment with eptinezumab 100 mg or 300 mg reduced monthly migraine days by 4.8 and 5.3 days ($p<0.0001$), respectively, compared to a reduction of 2.1 days with placebo.

In addition, DELIVER demonstrated statistically significant effects on all key secondary outcome measures. Specifically, more patients achieved the clinically relevant 50% or greater reduction in migraine days over weeks 1-12 after receiving eptinezumab 100 mg (42.1%) or 300 mg (49.5%) than after receiving placebo (13.1%). The safety profile of eptinezumab in DELIVER was consistent with the safety profile of eptinezumab in the pivotal phase III studies for the preventive treatment of migraine.

Vyepti (eptinezumab) – pipeline project – life cycle management program and phase III

The Issuer is conducting a life cycle management program for Vyepti with the purpose of exploring avenues to expand the use of the brand.

In December 2020, the Issuer initiated ALLEVIATE, a phase III study (NCT04688775). The purpose of ALLEVIATE is to evaluate the efficacy of eptinezumab in patients with episodic cluster headache. Eligible patients will be randomly assigned to receive, in a blinded manner, two infusions of either eptinezumab 400 mg or placebo in a crossover manner during the Placebo-controlled Period and Active-treatment Period. The patient study duration is approximately 77 weeks, including a Screening Period (53 weeks), Placebo-controlled Period (4 weeks), Active-treatment Period (4 weeks), Post-treatment Observational Period (8 weeks), and Safety Follow-up Period (8 weeks). The study will enroll 304 patients.

In September 2021, the Issuer initiated CHRONICLE, a phase III study (NCT05064397). The purpose of CHRONICLE is to evaluate the long-term safety and tolerability of eptinezumab in patients with chronic cluster headache. Eligible patients will receive four infusions of eptinezumab 400 mg. The study duration is approximately 60 weeks, including a Screening Period (4 weeks), Treatment Period (48 weeks), and Safety Follow-up Period (8 weeks). The study will enroll 125 patients.

Cluster headache is a rare but disabling primary headache disorder characterized by episodic attacks of intense unilateral headache that is frequently associated with autonomic symptoms such as lacrimation, conjunctival injection, and nasal congestion. The natural course of illness of episodic cluster headache can be conceptualized as consisting of two phases: cluster headache periods (typically lasting weeks or months) composed of a series of 15- to 180-minute attacks of severe (often excruciating) unilateral headache pain attacks and cranial autonomic symptoms occurring near-daily to multiple times daily during the cluster headache period and attack-free remission periods that may last for weeks, months, or even years.

Rexulti/Rxulti (brexpiprazole)

Rexulti/Rxulti (brexpiprazole) belongs to the Issuer's strategic R&D focus area of circuitry/neuronal biology. The Issuer and Otsuka have initiated an extensive life cycle management program for brexpiprazole. The below describes the ongoing life cycle management program, and post-marketing commitments for brexpiprazole. See "*Marketed Products – The Strategic Brands - Rexulti/Rxulti (brexpiprazole*" for more information on Rexulti/Rxulti.

Brexpiprazole – pipeline Project - phase III study in agitation in Alzheimer's disease

The Issuer and Otsuka are conducting a third phase III study (NCT03548584) of brexpiprazole in the treatment of agitation in patients with dementia of the Alzheimer's type. The decision to initiate a third adaptive study followed discussions with the FDA regarding the two phase III studies for the agitation in Alzheimer's disease indication that were completed by Otsuka and the Issuer in 2017. The study is designed to assess the safety, tolerability, and efficacy of brexpiprazole in the treatment of patients with agitation in Alzheimer's dementia. The study consists of a 12-week double-blind treatment period with a 30-day follow-up.

The primary outcome in the study is the change from baseline in the Cohen-Mansfield Agitation Inventory (CMAI) Total score. The key secondary outcome measure is the change from baseline in the Clinical Global

Impression – Severity of Illness (CGI-S) score, as related to symptoms of agitation. In April 2021, the Issuer and Otsuka announced the decision to continue the recruitment of patients to the planned full enrollment of 330 patients, based on an interim analysis conducted by an independent Data Monitoring Committee. The study completed enrollment in early 2022 and the Issuer expects results from the study in mid-2022.

*Brexpiprazole – pipeline project – phase III study in post-traumatic stress disorder ("**PTSD**")*

The Issuer and Otsuka have initiated a pivotal phase III program consisting of two clinical studies investigating the use of brexpiprazole in combination with sertraline in the treatment of PTSD (NCT04124614 with approximately 577 patients and NCT04174170 with approximately 733 patients) subsequent to a positive phase II study and an *End of Phase II* meeting with the FDA in May 2019.

PTSD is a psychiatric disorder that can develop as a response to traumatic events, such as interpersonal violence, combat, life-threatening accidents and natural disasters. The core features of PTSD include a variety of symptoms, such as re-experiencing phenomena (i.e., flashbacks and nightmares), avoidance behavior, numbing (i.e., amnesia, anhedonia, withdrawal, negativism) and increased arousal (i.e., insomnia, irritability, poor concentration, hypervigilance). Psychiatric co-morbidities are common, and PTSD sufferers can also present with substance abuse, mood and other anxiety disorders, impulsive and dangerous behavior and self-harm.

The execution of these two ongoing studies has been challenged by the COVID-19 pandemic, primarily impacting enrollment rates. Therefore, Lundbeck and Otsuka have sought phase III program advice from the FDA. A proposal for how to address the slow enrollment rates has been discussed with the FDA at a Type C meeting. Provided that the FDA accepts the proposal, headline results are expected within the next 12 months.

Brexpiprazole – phase IV studies and post-marketing commitments

In July 2018, the Issuer and Otsuka initiated a randomized, double-blind, placebo-controlled study to evaluate the efficacy, safety, and tolerability of Rexulti as adjunctive therapy in the maintenance treatment of adults with MDD (NCT03538691). The study will enroll 1450 patients.

In June 2017, the Issuer and Otsuka initiated the agreed pediatric program to evaluate the safety and efficacy of Rexulti in schizophrenia (NCT03198078) and in irritability in autism spectrum disorder (NCT04174365).

Aripiprazole – pipeline – 2-month injectable (LAI) formulation – completed study

The program on long-acting aripiprazole belongs to the Issuer's strategic R&D focus area of circuitry/neuronal biology. Abilify Maintena (aripiprazole) is a product that is administered once monthly. The Issuer has completed a phase I study with a new pharmaceutical formulation of aripiprazole. See the section "*Marketed Products – The Strategic Brands - Abilify Maintena (aripiprazole)*" for more information on the sale and commercialization of Abilify Maintena.

A development project on aripiprazole is being conducted to establish a 2-month formulation, that will serve as a treatment option for patients with schizophrenia or bipolar I disorder where longer-acting treatment is needed. Dosing every second month can add important benefits in terms of convenience for the patients and may improve treatment compliance. It may also reduce the potential need for medication monitoring by healthcare professionals, family, and caregivers.

In July 2019, the Issuer and Otsuka initiated a pivotal phase IB study (NCT04030143) to determine the safety, tolerability, and PK of multiple-dose administration of aripiprazole to adults with schizophrenia or bipolar I disorder. It was a randomized, open-label, parallel-group, multiple-dose study. In addition to the assessment of safety and tolerability, the objective was to establish the similarity of aripiprazole concentrations on the last day of the dosing interval and the exposure in the last dosing interval following the final administration of aripiprazole into the gluteal muscle. The study showed that the new 2-month formulation was safe and tolerable and provided effective plasma concentrations of aripiprazole for 2 months. This implies that the new formulation can be dosed every second month compared to Abilify Maintena, which is given on a monthly basis.

The Issuer and Otsuka are planning and expect to submit the aripiprazole 2-month injectable formulation MAA to EMA for review by mid-2022. In addition, a submission of an NDA for review by the US FDA is planned and expected for mid-2022.

Trintellix/Brintellix (vortioxetine)

Trintellix/Brintellix belongs to the Issuer's strategic focus area of circuitry/neuronal biology. The Issuer is conducting a pediatric program and several phase IV studies, as outlined below. See "*Marketed Products – The Strategic Brands - Trintellix/Brintellix (vortioxetine)*" for more information on Trintellix/Brintellix.

Vortioxetine – post-marketing commitment

The Issuer has conducted a clinical development program for vortioxetine in pediatric patients with MDD. The program was global and was conducted in accordance with the Pediatric Research Equity Act and as part of the Pediatric Investigational Plan (PIP) agreed with the EMA. The pediatric program comprised six studies: two short-term, placebo-controlled studies in children (NCT02709655) and adolescents (NCT02709746), three open-label studies in children and adolescents (NCT01491035, NCT02871297, and NCT03108625), and one relapse-prevention study in children (NCT05014919). In the two short-term, placebo-controlled studies in children (completed in January 2022) and adolescents (completed in 2019), there was no statistically significant difference between vortioxetine and placebo in the primary efficacy analysis. Based on the results of these two studies, the two studies still ongoing in 2022 (one open-label study and the relapse-prevention study) were terminated in April 2022. Vortioxetine was well tolerated in all six studies, and the PK profile of vortioxetine was similar in the pediatric population and in adults. This pediatric program is currently expected to fulfill the requirements to obtain 6 months of pediatric exclusivity/extension.

Vortioxetine – phase IV

The Issuer has recently completed four phase IV studies with vortioxetine in patients with MDD: COMPLETE (NCT03835715), RECONNECT (NCT04220996), RELIEVE (NCT03555136), and VIVRE (NCT04448431).

In 2020, the Issuer completed COMPLETE with vortioxetine in emotional blunting. Emotional blunting is a common symptom of MDD and is clinically important as it prevents full recovery. It is experienced by half of all patients treated with selective serotonin reuptake inhibitors ("**SSRIs**") or serotonin–norepinephrine reuptake inhibitors ("**SNRIs**").

COMPLETE was an eight-week, open-label, flexible-dose study with 150 patients. The patients had been treated at an adequate dose for at least six weeks with either an SSRI or SNRI and suffered from emotional blunting prior to entering this study. A significant improvement in symptoms of emotional blunting, as measured using the Oxford Depression Questionnaire (ODQ), was observed after only one week of treatment; a benefit that continued to increase up until the end of the study. After eight weeks of treatment with vortioxetine, 50% of the patients reported they did not experience this symptom anymore. A significant improvement in the patients' psychosocial functioning as measured using the Sheehan Disability Scale ("**SDS**"; work, family, and social life) was also observed. The results are encouraging as they show that emotional blunting can potentially be addressed by switching medication and may lead to a significant improvement in patients' overall functioning in daily life.

In 2021, the Issuer completed RECONNECT. RECONNECT was an open-label study investigating the effectiveness of eight weeks of acute treatment with flexible doses (10-20 mg/day) of vortioxetine on depressive symptoms in 100 patients with MDD comorbid with generalized anxiety disorder. These patients represent one of the largest groups within MDD. The patients are more difficult to treat than those with MDD alone, the duration of treatment is typically longer, and there is a higher risk of withdrawal and poorer remission rates. The study also investigated the effectiveness of vortioxetine on anxiety symptoms, functioning, global clinical impression, and health-related quality of life. The study demonstrated that, in patients with severe MDD and general anxiety disorder (77% inadequate responders), vortioxetine 10-20 mg significantly reduced symptoms of both depression and anxiety. This reduction in the core symptoms of the disease was accompanied by significant and broad improvement in overall functioning and health-related quality of life. The positive effects of vortioxetine in this study were observed across all the efficacy endpoints at all the time points assessed.

In 2021, the Issuer also completed RELIEVE. RELIEVE was a six-month, global, prospective, observational study conducted in 994 patients with MDD to assess the real-life effectiveness of vortioxetine using the SDS. The SDS measures the impairment patients see in their life in the areas of family, social life, home responsibilities, and work or school. The study met its primary objectives: there were significant and meaningful improvements of 6.9 points and 8.6 points, respectively, after three and six months on the SDS compared to prior antidepressant treatment. An improvement equal to or greater than 4 points on the SDS total score is considered to represent a meaningful improvement for patients. The study provides novel insights by focusing on the patients' own assessment of their functioning in daily life and their experienced improvement after being treated with Trintellix/Brintellix. The study also met its secondary objectives of the effect on health-related quality of life,

depressive symptoms and cognitive symptoms and its exploratory endpoints focusing on (work) productivity. The safety data were consistent with the data in the controlled clinical studies, confirming the tolerability profile of vortioxetine in a real-world setting.

In the beginning of 2022, the Issuer completed VIVRE. VIVRE was a randomized, double-blind, parallel-group, active-comparator study investigating the efficacy of vortioxetine (10 to 20 mg/day) versus desvenlafaxine (50 mg/day) after eight weeks of treatment on depressive symptoms in 605 patients with MDD who had responded partially to monotherapy with an SSRI. The study also investigated the efficacy of vortioxetine versus desvenlafaxine on cognitive functioning, reward motivation, functioning, health-related quality of life, and Clinical Global Impression (CGI). The primary study objective was achieved by demonstrating non-inferiority of vortioxetine to desvenlafaxine on depression symptom reduction as assessed using the MADRS; the treatment difference was -0.47 points on the MADRS in favor of vortioxetine. The study also met its secondary objectives: vortioxetine-treated patients were significantly more likely to reach global clinical remission (CGI-S), have a significant improvement in their daily and social functioning (FAST), as well as experience a significant effect on treatment satisfaction compared to desvenlafaxine as measured using the Quality of Life Enjoyment and Satisfaction Questionnaire.

In addition, the Issuer is currently conducting a phase IV study (MEMORY).

MEMORY (NCT04294654) is an open-label study investigating the effectiveness of 12 weeks of acute treatment with flexible doses (5-20 mg/day) of vortioxetine on depressive symptoms in patients with MDD and early dementia. The study is also investigating the effectiveness of vortioxetine on cognitive function, functioning, global clinical impression, depression, and health-related quality of life. A total of 82 patients have been enrolled in the study.

Lu AG09222 (PACAP mAb) – pipeline project – migraine prevention – phase IIA

Lu AG09222 belongs to the Issuer's strategic R&D focus area of hormonal/neuropeptide signaling and is a monoclonal antibody designed to inhibit pituitary adenylate cyclase-activating polypeptide (PACAP). PACAP has emerged as an important signaling molecule in the pathophysiology of migraine and represents an attractive novel target for treating migraine. In addition, Lu AG09222 may hold potential as a treatment of other disorders, such as inflammatory and pain-related disorders.

A mechanistic role for PACAP in migraine is supported by several clinical observations. Infusion of PACAP38 in patients with migraine without aura triggers migraine-like attacks and sustained vasodilation of extracranial arteries. Furthermore, PACAP38-induced migraine-like attacks are associated with photophobia, phonophobia, and nausea and respond to triptans. In addition, plasma concentrations of PACAP38 are elevated during spontaneous migraine attacks compared to concentrations between attacks, and PACAP plasma concentrations decrease after sumatriptan treatment in migraine headache, correlating with headache amelioration. Thus, Lu AG09222 may hold potential as a migraine prevention treatment for those who have an inadequate response to other therapies and could provide another mechanism-specific therapeutic option for migraine patients and their physicians.

The clinical development program for Lu AG09222 was initiated with a study (NCT04197349) to determine the safety, tolerability, and PK of Lu AG09222. Lu AG09222 binds both forms of PACAP (PACAP38 and PACAP27) with picomolar affinity. Exploratory analyses of Lu AG09222 binding to PACAP, as measured by the serum concentration of the Lu AG09222-PACAP38 complex in the serum of subjects from this study, confirmed the presence of the complex and thus target engagement of Lu AG09222. In this study, Lu AG09222 was generally safe and well tolerated in single doses up to 750 mg in healthy subjects.

In July 2021, the Issuer initiated a randomized, double-blind, parallel-group, placebo-controlled study (NCT04976309) investigating the effect of Lu AG09222 on PACAP38- and VIP-induced vasodilation, heart rate increase, and headache in 25 healthy subjects. In this study, the target engagement and preventive effect of Lu AG09222 on vasodilation induced by PACAP was confirmed.

In November 2021, the Issuer initiated HOPE (NCT05133323). The study is a randomized, double-blind, parallel-group, placebo-controlled study designed to demonstrate proof-of-concept, that is, to investigate whether the inhibitory action of Lu AG09222 on the PACAP pathway can be an effective mechanism for migraine prevention. Approximately 230 patients will be randomly allocated to placebo or one of two doses of Lu AG09222. In parallel with this, Lundbeck initiated a multiple-dose, safety, pharmacokinetic, and pharmacodynamic study in subjects with allergic rhinitis (NCT05126316) to explore the effects of Lu AG09222 in subjects with elevated, circulating inflammatory biomarkers. A total of 36 subjects will be enrolled and will receive Lu AG09222 high dose or low dose or placebo.

Lu AF82422 – pipeline project – phase II

Lu AF82422 belongs to the Issuer's strategic R&D focus area of protein aggregation, folding and clearance and is a monoclonal antibody targeting pathological forms of the protein alpha-synuclein. Lu AF82422 reduced α-Syn spreading in a synucleinopathies mouse model. Abnormal aggregation of alpha-synuclein is believed to play a pivotal role in the development and progression of neurodegenerative disorders with synucleinopathies, for example, Parkinson's disease, multiple system atrophy and dementia with Lewy bodies. The project aims to demonstrate delay of disease progression with a therapeutic effect on disease burden and patient function, by targeting pathological alpha-synuclein with an antibody that inhibits aggregation and potentially clears pathological alpha-synuclein from the brain. In April 2021, the Issuer received orphan drug designation from the European Medicines Agency ("**EMA**").

Lu AF82422 was invented by Lundbeck and Genmab A/S under a collaborative research and license agreement between the two companies. The Issuer initiated the clinical development program with Lu AF82422 in July 2018 to investigate the safety and tolerability of a single dose of Lu AF82422 in healthy subjects and patients with Parkinson's disease (NCT03611569). The study was completed in July 2021. Lu AF82422 was safe and well tolerated in healthy subjects and in patients with Parkinson's disease. The PK profile of Lu AF82422 in patients with Parkinson's disease appeared to overlap with that in healthy subjects.

In November 2021, the Issuer initiated AMULET, a phase II study (NCT05104476). The primary objective of AMULET is to evaluate the efficacy of Lu AF82422 versus placebo on disease progression in patients with multiple system atrophy. The secondary objectives include evaluation of Lu AF82422 on patients' functioning, disease severity, and other aspects of multiple system atrophy, as well as the safety and tolerability of Lu AF82422. Lu AF82422 is administered as an intravenous infusion once every 4 weeks up to a maximum of 72 weeks. The study will randomize a total of 60 patients (40 in the Lu AF82422 group and 20 in the placebo group) from the United States and Japan.

Monoacylglycerol lipase inhibitor (MAGLi)

The Issuer acquired Abide Therapeutics Inc. ("**Abide**") in 2019 and continues to do research at its facility, now the Lundbeck La Jolla Research Center (California, United States). The primary focus at the facility is on discovering new classes of drugs for a broad spectrum of brain diseases based on Abide's discovery platform, which is focused on harnessing the therapeutic potential of serine hydrolases, which is one of the largest and most diverse known enzyme classes.

MAGLi belong to the Issuers strategic R&D neurobiology area of circuitry/neuronal biology. The lead program among the serine hydrolases concerns the regulation of the brain's endocannabinoid neuro-signaling system. In the brain, the endocannabinoid 2-arachidonoylglycerol (2-AG) is synthesized and released "on demand" in active circuits and acts as a negative feedback mechanism both to reduce afferent neurotransmitter release via the activation of pre-synaptic CB1 receptors and to regulate immune response via the activation of microglial CB2 receptors. The level of 2-AG available to signal through the CB1 and CB2 receptors is tightly controlled by enzymatic hydrolysis, by the enzyme monoacylglycerol lipase ("**MAGL**").

As part of its acquisition of Abide, the Issuer also acquired a number of development candidates related to the development of potential inhibitors of MAGL. As described immediately below, the Issuer is currently conducting clinical studies with one of these candidates (Lu AG06466) in a number of indications within neurology and psychiatry. The studies across the indications will assess a variety of common biomarkers to develop tools to help guide further late-stage development.

Lu AG06466 – pipeline projects – phase IB program

Lu AG06466 (formerly ABX-1431) is an orally-available, brain-penetrant, selective and irreversible, first-in-class inhibitor of MAGL that is being developed by the Issuer for the potential treatment of neurological and psychiatric conditions that can benefit from enhancing the function of the endocannabinoid system and 2-AG signaling.

Prior to the acquisition, Abide conducted a number of studies with Lu AG06466. These studies included eight clinical pharmacology studies investigating tolerability, food effect and mechanism of action, including two studies in central pain and peripheral neuropathic pain. Abide also initiated a phase II program in Tourette's syndrome. The randomized, double-blind, placebo-controlled and with individual dose titration study enrolled 49 patients at multiple sites in Europe. In this study, the primary endpoint, the Yale Global Tic Severity Scale (YGTSS-TTS), was not statistically significantly in favour of Lu AG06466 compared to placebo after 28 and 56

days of treatment. As a result, the Issuer will not progress Lu AG06466 in Tourette's Syndrome. The study did not show any adverse events that prohibit development in other indications.

Since the acquisition, the Issuer has conducted two drug-drug interaction studies and one PET study to further understand the appropriate dosing regimen for investigating the compound. As part of the Issuer's Pipeline, the Issuer has initiated a broad phase IB program with Lu AG06466 to guide further development. The phase IB program includes (i) a study in PTSD initiated in September 2020 (NCT04597450) (ii) a study in fibromyalgia initiated in June 2021 and terminated in January 2022 (NCT04974359) (iii) a study in multiple sclerosis spasticity initiated in September 2021 (NCT04990219); and (iv) a study in treatment-resistant focal epilepsy initiated in September 2021 (NCT05081518). In addition, the Issuer is planning studies with additional MAGLi drug candidates.

Lu AF28996 – pipeline project – phase I

Lu AF28996 belongs to the Issuer's strategic R&D focus area of circuitry/neuronal biology and is a novel compound under development by the Issuer for the treatment of Parkinson's disease. Orally administered Lu AF28996 is a long-acting dual D1/D2 receptor agonist in animals.

Lu AF28996 may be beneficial in the treatment of motor fluctuations in patients with Parkinson's disease. Motor fluctuations remain a key unmet need that can be significantly addressed by Lu AF28996 in delivering a D1/D2 dopamine agonist providing or restoring dopaminergic stimulation irrespective of the level of dopamine available (L-DOPA limitation). Lu AF28996 has the potential of anti-parkinsonian properties superior to D2 agonists since, due to the progressive loss of dopaminergic neurons in the brain, only activating the direct pathway via D2 is not sufficient.

The efficacy profile of Lu AF28996 in animal models is comparable to that of apomorphine.

The clinical development program was initiated in 2018 to evaluate the tolerability and PK of Lu AF28996 following one or two single doses administered to healthy subjects **(**NCT03565094**),** as well as the effect of formulation and food. The safety profile of Lu AF28996 in that study is indicative of action on the dopaminergic system. The safety, tolerability, PK, and pharmacodynamic effect of Lu AF28996 and potential therapeutic benefits are currently under investigation in the second clinical study (NCT04291859) with Lu AF28996, which includes patients with Parkinson's disease.

Lu AF87908 – pipeline project – TauAb – phase I

Lu AF87908 belongs to the Issuer's strategic R&D focus area of protein aggregation, folding, and clearance and is a monoclonal antibody targeting the pathological form of the protein tau that is believed to play a pivotal role in the development and progression of Alzheimer's disease and other neurodegenerative disorders. The potential to offer a treatment that will change the course of the disease will offer a fundamental improvement compared to currently available symptomatic treatments. The clinical development program with Lu AF87908 was initiated in September 2019 to investigate the safety, tolerability, immunogenicity, and PK properties of Lu AF87908 in single doses, both in healthy subjects and in patients with Alzheimer's disease (NCT04149860). The study is planned to enroll approximately 100 subjects.

Lu *AG22515 (formerly ABP-A1) – pipeline project – CD40L*

Lu AG22515 belongs to the Issuer's strategic R&D focus area of neuroinflammation/neuroimmunology.

As further described in the section "*Significant Partnerships, Collaborations and Licenses – Other partnerships involving the Issuer's commercialized products and drug candidates*", in October 2021, Lundbeck acquired the exclusive, worldwide rights to research, develop, and commercialize APB-A1 (now Lu AG22515) from AprilBio Co. Ltd, a biopharmaceutical company based in South Korea. Lu AG22515 is a high-affinity human monoclonal antibody that inhibits the CD40L/CD40 pathway through direct interaction with CD40L. Inhibiting the CD40L/CD40 interaction affects adaptive and innate immune responses and has potential in the treatment of a wide range of autoimmune-related CNS disorders and neurological diseases with autoreactive T-cells, B-cells, and marked presence of autoantibodies and inflammation. An Investigational New Drug (IND) application has been opened in the United States. In March 2022, the Issuer initiated the first-in-human study with Lu AG22515. The main objectives of the study are to evaluate the safety, tolerability, PK, and pharmacodynamics of Lu AG22515 in healthy subjects.

Technology Protection

Introduction

The Issuer considers the principal economic safeguard in the pharmaceutical industry is a well-functioning system of patents and related intellectual property rights protection that recognizes the Issuer's efforts and rewards innovation with appropriate protection – and allows time to generate the revenue that the Issuer needs to reinvest in pharmaceutical innovation.

Patents

The Issuer endeavors to protect its products on a worldwide basis in countries, where appropriate, with patents, trademarks and other intellectual property rights, in order to safeguard its investments, particularly in R&D, but also in production and marketing. The Issuer aims to achieve a high level of protection for its product developments. The Issuer also endeavors to patent new processes and production procedures, indications, active ingredient combinations and preparations for new and existing products.

Patent protection is available in most industrialized countries for both new active ingredients and the products that contain them, specific use or application of a product and for the formulations and manufacturing processes and procedures. The basic term of a patent is typically 20 years from the filing of the patent application with the relevant patent office. Patent rights are limited by territory and duration. The Issuer files patent protection applications for its inventions to safeguard the large investment required to obtain marketing approvals for potential new drugs. As the Issuer further develops a product and its uses, these new developments may lead to further inventions. The Issuer applies for patents through patent offices around the world. These patent offices assess whether the Issuer’s inventions meet the strict legal requirements for a patent to be granted. The Issuer aims to monitor and follow up on any intellectual property rights infringements. The Issuer's competitors can challenge its patents in patent offices and/or courts and the Issuer may face challenges early in the patent application process and throughout a patent's life. The grounds for these challenges could be the validity of a patent and/or its effective scope and are based on ever-evolving legal precedents. The Issuer is experiencing increased challenges in the United States and elsewhere in the world (such as in Australia, Brazil, Canada, China and Europe) and there can be no guarantee of success for either party in patent proceedings. For general information concerning legal proceedings, please refer to the section “*Legal Matters & Compliance*”.

To compensate for the lengthy development times of pharmaceutical products, it has been possible for several years to extend the normal terms of certain patents for pharmaceutical products by up to five years e.g. in the United States, European Union, Australia, Canada and Japan. The Issuer makes use of this possibility and will, insofar as it seems reasonable and is feasible, apply for patent term extensions or supplementary protection certificates for its pharmaceutical products. The term of the patent term extension or supplementary protection certificate, if granted, can vary from zero days to five years, depending on the time taken to obtain a marketing approval. The maximum patent term, when including patent term extension or supplementary protection certificate, cannot exceed 15.5 years for the European Union or 14.5 years for the United States from the first marketing authorization.

Patent expiry is normal in the course of business in the pharmaceutical industry. The Issuer’s mature product portfolio is no longer protected by compound patent rights and the Issuer is as a natural part of its business facing patent expiry on an ongoing basis. For further information on the consequences and risks related to patents and other intellectual property rights, including patent expiry, please refer to the risks in “*Risk Factors – Intellectual Property Risks*”.

As of 29 March 2022, the Issuer’s marketed products and products in R&D are protected by approximately 277 patent families.

Other exclusivities

Regulatory data protection ("**RDP**") is an important additional form of exclusivity which is separate from, but runs in parallel to, patent protection. RDP arises in respect of data which is required to be submitted to regulatory authorities to obtain marketing approvals for the Issuer's products. Significant investment is required to generate such data (for example, through conducting global clinical trials) and this proprietary data is protected from use by third parties (such as generic manufacturers) for a number of years in a limited number of countries. The period of such protection, and the extent to which it is respected, differs significantly among countries and varies depending on whether an approved drug is a small or large molecule compound. RDP is an important protection for the Issuer's products, and the Issuer strives to enforce its rights to it, particularly as patent rights are increasingly being challenged.

The RDP period starts from the date of the first marketing approval from the relevant regulatory authority and runs parallel to any patent protection. For small molecule drugs, that form the basis of most of the Issuer's products, RDP generally expires prior to patent expiry in all major markets.

If a product takes an unusually long time to secure marketing approval of, or if patent protection has not been secured, has expired or has been lost, then RDP may be the sole right protecting a product from being copied. In the European Union, the RDP period is 10 years. In case of approval of an additional new indication with significant clinical benefit for the product during this period, one additional year of RDP is added. In the United States, new chemical entities are entitled to a period of five years of RDP. This period of RDP runs parallel to any pending or granted patent protection and starts at the marketing authorization approval of a product. There are circumstances where RDP could be the sole layer of exclusivity protecting a product from being copied. Further, the FDA will grant 12 years RDP for a new biologic product to an innovator manufacturer.

An additional form of regulatory exclusivity is orphan market exclusivity. Under the orphan drug laws in the European Union and United States, market exclusivity is granted to an innovator who gains approval for a pharmaceutical product developed to treat a rare disease or condition. What qualifies as an orphan drug differs between the European Union and the United States. Qualifying orphan drugs are granted 10 years of market exclusivity in the European Union and seven years of market exclusivity in the United States.

In some markets, it may be a requirement to conduct clinical trials, in agreement with regulatory agencies, with pharmaceuticals in a pediatric population. In some jurisdictions, such as European Union, United States and Japan, the conduct of such clinical trials may offer the possibility for additional protection.

Trademarks

A trademark is the exclusive right to use a registered mark and prevent third parties using such trademark by appropriate means, including court actions. Trademark protection is available in most industrialized countries, and the Issuer is dependent on the existence and protection of its trademark rights, which comprise the names of the Issuer and many of its key products and are registered in the countries in which the Issuer sells the majority of its products. Effective trademark protection requires extensive controls, monitoring and enforcement.

As of 31 December 2021, the Issuer and/or its subsidiaries own or has the co-exclusive rights to use approximately 8600 international trademark registrations and applications, and 180 United States trademark registrations, including: The LUNDBECK name, the Lundbeck signature, the Lundbeck logo, PROGRESS IN MIND®, and product brand names, including: BRINTELLIX®, TRINTELLIX®, VYEPTI®, CIPRALEX®, LEXAPRO®, CIPRAMIL®, SEROPRAM®, CELEXA®, FLUANXOL®, DEANXIT®, CLOPIXOL®, SABRIL®, ONFI®, NORTHERA®, XENAZINE®. Additionally, the Issuer and/or its subsidiaries have the rights to use in relevant jurisdictions the following product brand names: REXULTI®, RXULTI®, ABILIFY MAINTENA®, EBIXA®, and AZILECT®. Other than the registered trademarks listed above, the Issuer currently relies on its unregistered trademarks, trade names and service marks, as well as its domain names and logos, as appropriate, to market its brands and to build and maintain brand recognition. The Issuer is seeking to register and will continue to seek to register and renew, or secure by contract, where appropriate, trademarks, trade names and service marks as they are developed and used, and reserve, register and renew domain names as appropriate.

Trade secrets and confidential information

Trade secrets are, in general, any confidential information which provides the Issuer a competitive edge and is unknown to others. Trade secrets can be both technical information and commercial information. The Issuer requires its scientific personnel to maintain laboratory notebooks and other research records in accordance with its policies, which are also designed to strengthen and support its intellectual property protection. In addition to its patented intellectual property, the Issuer relies on trade secrets and other proprietary information, especially when the Issuer does not believe that patent protection is appropriate or can be obtained. The Issuer aims to protect its confidential information, trade secrets and inventions via appropriate internal policies and training and via legal agreements with its employees, current and potential third-party collaboration partners and established collaborations.

Intellectual property protection of Pipeline projects

The Issuer's Pipeline projects are generally protected by compound patents in numerous jurisdictions. When the Issuer further develops its projects, inventions, trade secrets, improvements and designs other types of intellectual property may be generated. The Issuer takes diligent steps to protect such intellectual property in numerous jurisdictions, where deemed appropriate.

Intellectual property protection of the Issuer's marketed products

Abilify Maintena

With respect to Abilify Maintena, the Issuer holds a co-exclusive license to its partner, Otsuka's, issued patents and pending patent applications in numerous jurisdictions, including in the United States and Europe. Certain of the issued United States and European patents covering the formulation for Abilify Maintena begin to expire in October 2024 in the United States and Europe. In addition to the formulation patents for Abilify Maintena, Otsuka holds issued patents and pending patent applications in numerous jurisdictions, including, but not limited to, patents and pending patent applications relating to: a) specific forms of the active ingredient expiring in United States between September 2022 and June 2025, including potential extensions; b) formulations of the active ingredient expiring in the United States and Europe, between August 2023 and March 2025, including any potential extensions and depending on the specific jurisdiction; c) processes and devices relevant for the pre-filled syringe product expiring in United States and Europe between July 2028 to November 2031; and d) indications and use of the active ingredient expiring in the United States in March 2034.

Rexulti/Rxulti

With respect to Rexulti/Rxulti, the Issuer holds a co-exclusive license under its partner, Otsuka's, issued patents and pending patent applications in numerous jurisdictions, including patents issued in the United States and Europe. The issued United States and European patents, including potential extensions, covering the composition of matter for Rexulti/Rxulti expire in June 2029 in the United States and October 2031 in Europe. In addition to the composition of matter patents for Rexulti/Rxulti, Otsuka holds issued patents and pending patent applications in numerous jurisdictions, including, but not limited to, patents and patent applications relating to formulation of the active ingredient expiring in October 2032 in the United States and Europe. See the section "*Legal Matters & Compliance – Pending legal proceedings*" for the Issuer's ongoing cases related to United States patents.

Brintellix/Trintellix

With respect to Brintellix/Trintellix, the Issuer holds issued patents and has pending patent applications in numerous jurisdictions, including patents issued in the United States, Europe and Japan. The United States, Japanese and European patents, including potential extensions, covering the composition of matter for Brintellix/Trintellix expire in December 2026 in the United States, October 2027 in Japan and April 2028 in Europe. In addition to the Issuer's composition of matter patents for Brintellix/Trintellix, the Issuer holds issued patents and pending patent applications in numerous jurisdictions, including, but not limited to patents and pending patent applications relating to: a) specific forms of the active ingredient expiring in United States, Europe and Japan between June 2027 and June 2032, including potential extensions and depending on the specific jurisdiction and specific issued patents and pending patent applications; b) indications and use of the active ingredient expiring in United States, Europe and Japan between June 2027 and September 2032, including potential extensions and depending on the specific jurisdiction and specific issued patents and pending patent applications; and c) manufacturing processes of the active ingredient expiring in United States, Europe and Japan between October 2022 and February 2034, including patent extensions and depending on specific jurisdiction and specific issued patents and pending patent applications. See the section "*Legal Matters & Compliance – Pending legal proceedings*" for the Issuer's ongoing cases related to United States patents.

Vyepti

With respect to Vyepti, the Issuer holds issued patents and has pending patent applications in numerous jurisdictions, including patents issued in the United States, Europe and Japan. The issued patents and pending patent applications, including potential extensions, covering the composition of matter for Vyepti® expire in February 2034 in the United States, in 2037 in Europe and in 2036 in Japan (subject to regulatory approval in Japan). In addition to the Issuer's composition of matter patents for Vyepti®, the Issuer holds issued patents and pending patent applications in numerous jurisdictions, including, but not limited to, patents and patent applications relating to formulations, indications and use and manufacturing processes, expected to expire between 2024 and 2040, including potential extensions and depending on the specific jurisdiction and specific issued patent and pending patent applications.

Intellectual property protection of Mature Brands

The Issuer's Mature Brands do not, in general, but with a few exceptions in specific jurisdictions, have patent protection or data exclusivity and are subject to competition from generic products in most of the world. The Issuer holds certain trademark rights and other intellectual property relating to its Mature Brands.

Risks related to intellectual property rights

For further information on the consequences and risks related to patents and other intellectual property rights, including loss of intellectual property rights and patent expiry, please refer to the risk factors in "*Risk Factors – Intellectual Property Risks*".

Significant Partnerships, Collaborations and Licenses

Partnership with Takeda

In 2007, the Issuer and Takeda entered into a strategic partnership for the exclusive co-development and co-commercialization of a portfolio of novel compounds in the Issuer's pipeline for the treatment of mood and anxiety disorders in the United States and Japan. The partnership has focused on the co-development of the two most advanced compounds, Lu AA21004 (vortioxetine and Lu AA24530 (tedatioxetine). Lu AA21004 (vortioxetine) was successfully developed and approved and is today promoted and sold by the partnership in the United States since 2014 and in Japan since 2019 as Trintellix for the treatment of major depressive disorder. Development of Lu AA24530 was subsequently discontinued.

The Issuer retained the exclusive rights to commercialize vortioxetine in the rest of the world and sells the product under the trademark Brintellix in many countries. For more information, see the section "*Marketed Products – The Strategic Brands - Brintellix/Trintellix (vortioxetine)*". The Issuer performs all development, post marketing commitments and commercialization activities, collects all revenue and covers all costs in those countries.

In return for the grant of licenses to Takeda, the Issuer received an initial upfront payment and has, during the partnership, received certain one-off development, regulatory and commercial milestone payments, including – most recently – milestone payments for the first commercial sale in Japan in 2019 and first anniversary for first commercial sale in Japan in 2020. There are no further potential milestone payments under the agreement.

Under the partnership, the Issuer and Takeda jointly, but through their individual companies, develop and commercialize Trintellix in the United States and Japan and share the related costs and revenue. The partnership is governed by various development and commercialization committees in which the parties plan activities and endeavor to resolve any issues.

Both parties actively promote the product in the United States and Japan, but Takeda is responsible for distribution and invoicing and Takeda accounts for all sales and collects receivables. The Issuer supplies the active pharmaceutical ingredient at an agreed purchase price and Takeda manufactures the final product for these markets. The responsibility for performing the development and commercialization and for the related costs is shared between the Issuer and Takeda.

In the United States and in Japan, Takeda is responsible for a large majority share of the activities and related costs and the Issuer is responsible for the remaining smaller share. The Issuer receives a share of net sales which is equal to the share of the costs that the Issuer covers, as well as certain royalty payments calculated on net sales.

The agreement is not time-limited (evergreen) and will remain in effect in perpetuity, unless and until terminated by mutual agreement. Customary termination rights, with customary notice periods, relating to, for example, material breach or safety, apply.

Partnership with Otsuka

In 2011, the Issuer entered into a long-term partnership agreement with Otsuka for the joint development and commercialization of up to five innovative psychiatric and neuroscience products worldwide (two candidates from Otsuka's pipeline and three early projects from the Issuer's Pipeline).

The Issuer was granted co-development and co-commercialization rights by Otsuka to the two late-stage compounds aripiprazole depot formulation and OPC-34712 (now brexpiprazole). The two compounds have been successfully developed and registered and are today commercialized by the partnership as Abilify Maintena (aripiprazole) and Rexulti/Rxulti (brexpiprazole) throughout the world. Additionally, and as described in the sections "*Marketed Products – The Strategic Brands - Rexulti/Rxulti (brexpiprazole)"* and "*Marketed Products – The Strategic Brands - Aripiprazole - Pipeline - 2-months Injectable (LAI) formulation - Completed Study*", Otsuka and the Issuer are currently conducting life cycle management programs for both products.

As part of the partnership agreement, Otsuka was granted the right and option to select and enter into co-development, and eventual co-commercialization arrangements, for up to three of the Issuer's early-stage

compounds. In 2013, Otsuka exercised its option for Lu AE58054 (Idalopirdine) that was ready to enter into phase III clinical studies in Alzheimer's disease. However, in 2016, the program was discontinued. During the time of the partnership, Otsuka has declined the opportunity to partner on an additional three compounds. Otsuka has no further rights and options to select other compounds in the Issuer's pipeline under the partnership agreement.

The Issuer and Otsuka jointly develop and commercialize Abilify Maintena and Rexulti/Rxulti. The parties' roles and responsibilities depend on the country and region and all activities are planned and overseen by various joint development and commercialization committees. The partnership is a sales and cost sharing agreement meaning that the Issuer and Otsuka share the revenue from sales and share development and commercialization costs based on a distribution key which varies by region and product. The Issuer has undertaken certain non-compete obligations.

The Issuer made certain upfront payments at the time of entering into the agreement with Otsuka and has, during the partnership, made certain development and regulatory milestone payments. Subject to regulatory and sales triggers, additional milestone payments may be payable by the Issuer in the future.

The partnership agreements are not time-limited (evergreen) and will remain in effect in perpetuity, unless and until terminated by mutual agreement. Customary termination rights, with customary notice periods, relating to, for example, material breach or safety, apply.

In addition to the collaboration on Abilify Maintena and Rexulti/Rxulti, the partnership between the Issuer and Otsuka includes Selincro (nalmefene), which is marketed by Otsuka in Japan since 2019 under a royalty-bearing license from the Issuer.

Abilify Maintena

In the United States, the United Kingdom, Germany, France, Spain, Italy, Sweden, Norway, Denmark, Finland and Canada, the Issuer and Otsuka jointly commercialize Abilify Maintena. Both parties actively promote the product, but Otsuka is responsible for supply, distribution and invoicing and Otsuka accounts for all sales and collects receivables. In the United States, the responsibility for performing the development, promotion and marketing of Abilify Maintena and the related costs are shared in such a way that Otsuka is responsible for a large majority of the activities and related costs and the Issuer is responsible for the remaining smaller share. The parties equally share responsibility for performance of the activities and related costs in the remaining mentioned co-promotion territories. The Issuer receives from Otsuka a share of net sales in the United States which is equal to the minority share of the costs that the Issuer covers. The Issuer receives a share of net sales which is equal to Otsuka's share in the remaining co-promotion territories.

For Switzerland, Australia, New Zealand, Malaysia and Singapore, the responsibility for performing the development, promotion and marketing of Abilify Maintena and the related costs are shared in such a way that the Issuer is responsible for a majority share of the activities and related costs and Otsuka is responsible for the remaining smaller share. The Issuer performs packaging and distribution as a service for Otsuka and Otsuka accounts for all sales and collects receivables. The Issuer receives from Otsuka a share of net sales in these countries which is equal to the majority share of the costs that the Issuer covers.

Otsuka holds sole rights in many of the Asian countries, including Japan and China, as well as in Turkey and Egypt. Otsuka performs all development and commercialization activities, bears all costs and receives all revenue in such countries.

The Issuer generally holds sole rights to commercialize Abilify Maintena in the rest of Europe and in the rest of the world. For those countries where it is commercially viable, the Issuer promotes, markets and sells Abilify Maintena, bearing all costs, and Otsuka supplies the bulk product at an agreed purchase price which includes an agreed sales share/royalty.

Rexulti/Rxulti

In the United States, Spain, Italy, Sweden, Norway, Denmark, Finland and Canada, the Issuer and Otsuka jointly commercialize Rexulti/Rxulti. Both parties actively promote the product, but Otsuka is responsible for supply, distribution and invoicing and Otsuka accounts for all sales and collects receivables. In the United States, the responsibility for performing the development, promotion and marketing of Rexulti/Rxulti and the related costs are shared in such a way that Otsuka is responsible for a slight majority of the activities and related costs and the Issuer is responsible for the remaining share. The parties equally share responsibility for performance of the activities and related costs in the remaining mentioned co-promotion territories. The Issuer receives from

Otsuka a share of net sales in the United States which is equal to the share of the costs that the Issuer covers. The Issuer receives a share of net sales which is equal to Otsuka's share in the remaining co-promotion territories.

For Australia, New Zealand, Malaysia and Singapore, the responsibility for performing the development, promotion and marketing of Rexulti/Rxulti and the related costs are shared in such a way that the Issuer is responsible for a majority share of the activities and related costs and Otsuka is responsible for the remaining smaller share. The Issuer performs packaging and distribution as a service for Otsuka and Otsuka accounts for all sales and collects receivables. The Issuer receives from Otsuka a share of net sales in these countries which is equal to the majority share of the costs that the Issuer covers.

Otsuka holds sole rights in many of the Asian countries, including Japan and China, as well as in Turkey and Egypt. Otsuka performs all development and commercialization activities, bears all costs and receives all revenue in such countries.

The Issuer generally holds sole rights to commercialize Rexulti/Rxulti in the rest of Europe and in the rest of the world. For those countries where it is commercially viable, the Issuer promotes, markets and sells Rexulti/Rxulti and Otsuka supplies the bulk product at an agreed price. The Issuer bears all costs and receives all revenue.

Other partnerships involving the Issuer's commercialized products and drug candidates

In addition to the significant partnerships described above, the Issuer collaborates closely with other pharmaceutical companies that have granted rights and licenses for individual products or selected geographies to the Issuer to commercialize several of the Issuer's currently marketed products. The most significant licenses and other partnerships are described in the sections *"The Mature Brands – Cipralex/Lexapro, Onfi and Sabril" and* "*Marketed Products – The Mature Brands - Other pharmaceuticals (non-exhaustive list)".*

In October 2010, the Issuer entered into an agreement with Genmab to create and develop human antibody therapeutics for disorders of the central nervous system. The most advanced product candidate resulting from this collaboration is Lu AF82422, which is currently in clinical development by the Issuer. For further details, see "*Research & Development Pipeline – Details on the Issuer's Pipeline and other development activities – Lu AF82422 – Pipeline Project – Phase II*"). Under the agreement, the Issuer may (depending on the development) pay certain development milestones plus low single-digit royalties on net sales.

In October 2021, the Issuer entered into an agreement with AprilBio Co. Ltd., a biopharmaceutical company based in South Korea. Under the agreement the Issuer receives exclusive, worldwide rights to research, develop and commercialize APB-A1, a novel and well-differentiated anti-CD40 ligand (CD40L) antibody-like drug candidate. This novel drug candidate offers significant potential across a wide array of neuroimmune diseases. Under the terms of the license agreement, the Issuer has paid USD 16 million in up-front payment and will pay AprilBio success-based development, regulatory, and sales milestone payments of up to USD 432 million related to APB-A1. Lundbeck will also pay AprilBio tiered royalty payments with the highest tier reaching a low double-digit percentage of net sales. The Issuer will be responsible for all future development activities and expenses related to the project.

Intellectual property under license

As an integrated part of its business, the Issuer out-licenses certain of its intellectual property and products rights. Recent examples are the Issuer's out-licensing of the compound idalopirdine to Denovo Biopharma in June 2021 and the Issuer's out-licensing of the compound LuAF35700 to Nhwa Pharmaceutical in November 2021. The Issuer's decisions as to which opportunities to pursue in its R&D are guided by the Issuer's strategy and priorities. Whenever the Issuer holds know-how, data, patents or other IP that could allow development of new products, but decides not to pursue such activities itself for various reasons, the Issuer will explore options to allow other companies to undertake such research and development – and ultimately potentially commercialization - to the benefit of patients.

In such cases, the Issuer has over time entered into, and expects to enter into, agreements under which the Issuer licenses out to third parties its IP and product rights to research in, develop, market and/or sell compounds, drug candidates and new products. In certain cases, and as part of the payment under such licensing agreements, the Issuer has obtained shareholdings in the license holding company. Such shareholdings are generally not of strategic importance to the Issuer and its core business, and the value of the shareholdings may fluctuate over time.

Additionally, the Issuer holds licenses in certain know-how, data, technologies and intellectual property to support its research activities. The Issuer may seek inspiration from and partly develops certain research programs on such licensed intellectual property. In some cases, the licensor has undertaken to perform research projects using the relevant technology in support of the Issuer's research program. Certain milestone and royalty payment obligations may apply for the Issuer in the event that its use of such IP evolves into product development programs or even marketing of products.

The Issuer's research, scientific, patient advocacy and academic collaborations

The complexity of brain diseases requires a concerted effort. The Issuer is committed to advancing science, from innovations born in-house or externally, to develop new and better treatment options. For the purpose hereof, the Issuer partners with mission-similar stakeholders to accelerate its efforts and the Issuer is recognized as an attractive partner within brain diseases. The Issuer collaborates with companies, academic institutions, individuals, and third parties from around the world.

The Issuer is a member of several scientific, multi-disciplinary partnerships with an array of stakeholders. The Issuer's focus is on contributing to future strategic directions as well as generating enablers that: a) generate new scientific insight; b) develop platforms, tools and standards to support drug discovery and development; c) create synergy and networks among key stakeholders; and d) provide complementary competencies to the Issuer's capabilities.

Partnerships provide the Issuer with the opportunity to exchange expertise and insights that can support joint strategic projects. Depending on the scope, a partnership can provide access to, for example, research assays, biomarkers, validated clinical outcome measures (including digital tools) and large databases, in addition to valuable networks.

The partnerships are typically created around a common goal where all partners contribute with human resources. Industry and society partners may also contribute with financial resources. Partnerships normally run for a period of two to five years.

The Issuer has built a strong global network in preclinical and clinical neuroscience research. Further, the Issuer's partners represent expertise from several scientific areas and are typically from academia, health organizations, regulatory authorities, patient groups, scientific and medical societies, and the pharmaceutical/biotech industry.

The Issuer partners with the advocacy communities (e.g. patient organizations) to understand and amplify the voice of people living with rain diseases.

Investments, Holdings and Recent Acquisitions

Investments

The Issuer continuously makes investments arising from its ordinary course of business. Such investments include, but are not limited to, investments in the Issuer's R&D organization, purchase of new machinery, construction of new production, work and research facilities, investment in new IT systems and software and investments in the launch and commercialization of new products, including Vyepti. Such investments are financed through the Issuer's normal course of business and existing financing facilities. For an overview of the Issuer's material current investments and material future investments, see "*Operating and Financial Review – Material current and future investments*".

Significant holdings

In addition to the Issuer's direct and indirect subsidiaries as listed in Note 23of the Annual Report 2021, the Issuer holds an ownership interest in a number of other companies and joint ventures, none of which are likely to have a significant effect on the assessment of the Issuer's assets and liabilities, financial position or profits or losses.

Recent material acquisitions

Since 2019, the Issuer has made two significant acquisitions. The acquisition of Alder Biotherapeutics Inc. (now named Lundbeck Seattle BioPharmaceuticals, Inc.) ("**Alder**"), and the acquisition of Abide (now named Lundbeck La Jolla Research Center Inc.). The acquisitions were made as part of the Issuer's "Expand and Invest to Grow" strategy, see "*Purpose and Strategy*" for a description hereof.

The acquisition of Abide Therapeutics Inc.

In May 2019, the Issuer completed the acquisition of Abide. Abide was a US-based biopharmaceutical company focused on developing medicines that target the enzyme class "Serine Hydrolases". The acquisition of Abide provided the Issuer with a discovery platform focusing on harnessing the therapeutic potential of one of the largest and most diverse enzyme classes – the serine hydrolases– with the potential to deliver new compounds across a broad spectrum of central nervous system (CNS) indications, which the Issuer's expects to continue to be important in rebuilding the early- and mid-stage pipeline in the long-term.

In addition to strengthening the Issuer's discovery platform, the acquisition of Abide added the lead compound Lu AG06466 (formerly ABX 1431) to the Issuer's pipeline. As described in the section "*Research and Development Pipeline*", the Issuer has closed the phase II study conducted by Abide in Tourette's syndrome and has now initiated a broad phase IB program with Lu AG06466 in other indications.

The acquisition of Alder Biotherapeutics Inc.

In October 2019, the Issuer made the largest acquisition in its history with the completion of the acquisition of Alder. Alder was a clinical-stage biopharmaceutical company that discovered, developed and sought to commercialize genetically engineered therapeutic antibodies with the potential to transform current treatment paradigms meaningfully. With the acquisition of Alder, the Issuer acquired Alder's lead product candidate, eptinezumab, at that time being evaluated for migraine prevention. Eptinezumab is now sold by the Issuer under the product name Vyepti and is one of the Issuer's Strategic Products. For more information on the approval and launch of Vyepti see the section "*Marketed Products – The Strategic Brands - Vyepti (eptinezumab)*".

The total acquisition price was approximately USD 1.95 billion net of cash, including a potential payment under a Contingent Value Right in the amount of approximately USD 236 million. In January 2022 the European Commission approved Vyepti for sale in the European Union and the Contingent Value Right payment was made in first quarter of 2022.

To fund the acquisition, the Issuer applied existing cash balances as well as raised bank debt in the form of a EUR 1.5 billion Revolving Credit Facility (maturing in the second quarter of 2025 – with the possibility of extensions) and a term-loan of DKK 2.0 billion (which was repaid in the first quarter of 2021).

Manufacturing and Supply Chain

Internal production facilities and supply

The Issuer has four manufacturing and production facilities located in Denmark, France and Italy. The facilities play a key role in the Issuer's manufacturing and supply chain. Two of the facilities are chemical production facilities and the other two are pharmaceutical production facilities.

One of the two chemical production facilities is located in Lumsås, Denmark and is owned and operated by the Issuer. The other chemical production facility is located in Padova, Italy and is owned and operated by the Issuer's wholly owned subsidiary, Lundbeck Pharmaceuticals Italy S.p.A. The two facilities' main activity is to produce drug substances for use in the Issuer's marketed products. As per 31 December 2021, approximately 190 full time employees worked at the chemical facility in Lumsås and approximately 145 full time employees worked at the chemical facility in Padova.

One of the two pharmaceutical production facilities is located at the Issuer's headquarters in Valby, Denmark and is owned and operated by the Issuer. The other pharmaceutical production facility is located in Valbonne, France and is owned and operated by Elaiapharm SA, a company owned via the Issuer's wholly-owned subsidiary Sofipharm SA. The two facilities' main activities are to perform solid bulk production, sterile production and packaging of finished products for the Issuer's marketed products. As per 31 December 2021, approximately 265 full time employees worked at the production facility in Valby, Denmark and approximately 210 full time employees worked at the production facility in Valbonne, France.

In addition to the main activities of internal production, the facilities operate as contract manufacturing organization for third parties. The two chemical production facilities are manufacturing and selling drug substances and intermediates to third-parties for the use in such third-parties' pharmaceutical products, and the pharmaceutical production facility in Valbonne, France is performing solid bulk production, sterile production and packaging for third-party products. In 2021, the reported revenue for third-party contract manufacturing was approximately DKK 347 million (compared to approximately DKK 491 million in 2020).

The production of drug substance and investigational medicinal products (a formulation of active substance or placebo being tested or used as a reference in clinical trials) for the use in the Issuer's clinical trials are either performed at the Issuer's facilities in Lumsås, Padova or Valby or outsourced to a number of third parties, including contract manufacturing organizations.

Raw materials, starting materials, excipients, some drug substances and packaging material are sourced from various suppliers. Dual sourcing is established where viable and possible, but important elements of the Issuer's manufacturing and supply remain single-sourced. The facilities apply highly technical and costly machinery and equipment which are purchased from selected vendors and installed at the facilities.

External production and partners

In addition to the Issuer's own manufacturing facilities, the Issuer has agreements with third-party partners and contract manufacturing organizations ("**CMOs**") for their supply of semi-finished products and finished products.

Depending on the sales region, the Issuer's partner Otsuka manufactures and supplies Abilify Maintena and Rexulti/Rxulti either as finished products or semi-finished products for final packaging at the Issuer's facility in Valbonne, France. The Issuer manufactures and supplies Takeda with drug substance for Brintellix/Trintellix for the United States and Japanese markets, and Takeda then completes the drug product manufacturing and packaging process. The Issuer also acts as a back-up for the Trintellix tablet production for the U.S. market. The Issuer receives Azilect finished products from Teva and Ebixa finished products from Merz for the sale by the Issuer in the relevant markets.

Vyepti and the Issuer's legacy US product portfolio (Onfi, Northera, Sabril and Xenazine) are sourced through several third-party CMOs. Drug substance for Vyepti is manufactured by Sandoz GmbH in Austria, and the drug substance is stored at two separate locations in Switzerland and Germany. The drug product manufacturing and packaging of Vyepti is performed under an agreement with Vetter Pharma International GmbH in Germany.

Quality, health, safety & environment (HSE)

The Issuer is required to comply with and maintain high standards of product quality and safety. As described in the section "*Regulatory Affairs – Introduction*" below, the Issuer must comply with Good Manufacturing Practices ("**GMP**") and other statutes, regulations and codes of practices in countries where it operates, and the manufacturing processes are subject to regulatory bodies' regular standard inspections and audits of the Issuer's manufacturing facilities.

The Issuer's supply chain is subject to the monitoring and control by the Issuer's Quality departments. Quality Assurance (QA) performs audits both internally and externally towards vendors and suppliers to ensure compliance with standard operating procedures and policies. Quality Control (QC) analyzes materials and products across the supply chain to ensure compliance to specifications.

The Issuer's health, safety and environment strategy has the aim of ensuring that the Issuer is acting responsibly in relation to HSE and HSE is an integral part of the Issuer's Code of Conduct and broader sustainability framework. The HSE strategy is, in practice, handled through the Issuer's ISO 14001 and ISO 45001 certified HSE management system, which aims at enabling managers and employees at the Issuer to think and act "green and safe".

Supply chain management of sales and distribution

The Issuer's replenishment of all products worldwide is managed centrally. Distribution in markets where the Issuer has established sales subsidiaries are generally managed as make-to-stock, while distribution in markets where the Issuer has not established a subsidiary and therefore operates via partners and distributors are generally managed as make-to-order. The Issuer operates with one enterprise resource planning (ERP) system, enabling transparency across the supply chain from local inventories to production scheduling.

The Issuer distributes finished products through two regional warehouses, through local warehouses and via partners and distributors. The two regional warehouses are the Issuer's Nordic Distribution Centre located at the Issuer's headquarters in Valby, Denmark and the Issuer's European Distribution Centre located in Neunkirchen, Germany. The Nordic Distribution Centre is owned by the Issuer, while the European Distribution Centre is operated and owned by a third-party logistics provider. Local warehouses are all operated and owned by third-party logistics providers or distributors in the respective markets.

Regulatory Affairs

Introduction

The pharmaceutical industry is an extensively regulated industry. The R&D, launch, and commercialization of pharmaceutical products are subject to strict statutory and regulatory control and regulations as well as compliance requirements and requirements to meet high ethical standards. The requirements may vary widely from country to country.

In order for a manufacturer to obtain marketing authorization approval for a pharmaceutical product, it has to comply with applicable laws and regulations that regulate, among other things, the research and development, testing, manufacturing, efficacy, and safety of the product. The marketing authorization process is strictly regulated, and post-marketing commitments impose obligations related to, among other things, adverse effects monitoring and reporting (pharmacovigilance), warehousing, labeling, advertising, promotion, import, export, transport, distribution, pricing, coverage and reimbursement, and use of the pharmaceutical product. Other requirements, such as anti-fraud and abuse regulation, limitations on industry-sponsored scientific and educational activities, prohibition against marketing and promoting off-label use, disclosure of payments or transfer of other value to HCP and other entities, also apply.

The Issuer is throughout its business also required to comply with GxP. GxP is a set of quality guidelines issued with the purpose of ensuring that a product is safe, has the intended use and meets the required standards. GxP is a general abbreviation for "**G**ood **P**ractices" and regulations and the "x" stands for various fields. For example, the Issuer must adhere to **G**ood **L**aboratory **P**ractice (GLP), a quality system of management controls for research laboratories. Other examples are Good Clinical Practice (GCP), an international quality standard for conducting clinical studies, and Good Manufacturing Practices (GMP), which provide guidance for manufacturing, testing, and quality assurance to ensure that manufactured pharmaceuticals are safe for human use. Many countries implement GxPs into their legislation or develop their own versions of GxP.

Research and development – nonclinical and clinical study regulatory requirements

Nonclinical activities are subject to strict requirements, including requirements on animal welfare, and the commencement of nonclinical studies *in vivo* (in animals) requires permissions and approvals from relevant authorities in the country in which the study is to be conducted. The authorities in the European Union and the United States require researchers to apply GLP when performing nonclinical laboratory studies, especially for regulated nonclinical toxicology studies. The GLP regulations set out a number of minimum requirements and promote quality and validity of data generated in the studies and seek to prevent fraudulent practices.

Any commencement of a clinical study is subject to extensive regulations and requirements and must meet the requirements for, among other things, GCP, clinical study protocol registration, institutional ethics review board oversight, patient or caregiver informed consent, and health information privacy requirements. In the European Union, an application to conduct a clinical study (a Clinical Trial Application) must be submitted to the relevant authorities in each of the countries in which the study is to be conducted. In the United States, any new drug is subject to an extensive regulatory clearance process implemented by the FDA, which regulates nonclinical and clinical testing. An Investigational New Drug ("**IND**") application must be submitted to the FDA before commencing clinical studies in humans. An IND review team consisting of specialists in different scientific fields and with different responsibilities review the IND application. If the FDA based on the IND states that the applicant may proceed, then the clinical study may commence. Similar requirements apply in other regions such as China and Japan.

Regulatory authorities, ethics review boards, and clinical data monitoring committees or data safety monitoring boards may require new or additional data before allowing clinical studies to commence, continue, or proceed to the next phase and they may demand that studies be suspended or terminated if any significant safety issues are identified.

Marketing authorization process

The marketing authorization process is the regulatory process of reviewing, assessing and validating the data and evidence to decide whether a new pharmaceutical product, based on parameters such as safety, quality, efficacy and a benefit-risk assessment, can be granted approval for marketing, commercialization and sale. A marketing authorization application includes a substantial amount of information and data, including the extensive nonclinical and clinical data, data from the CMC activities, extensive manufacturing information and the proposed label content. Generating, collecting, processing and interpreting the data takes many years and significant resources.

The following description mainly focuses on the regulatory process for the development and approval of new products in the European Union and the United States. While the regulatory process in many countries is similar to that in the United States and the European Union, the rules and regulations may vary by country and region, and the data necessary to conduct drug development and obtain marketing authorization in one country may not be sufficient to obtain marketing authorization in another country or region.

In the European Union, the EMA is responsible for the validation and scientific evaluation of marketing authorization applications ("**MAA**"). EMA's Committee for Medicinal Products for Human Use makes a scientific assessment of the application and provides a recommendation on whether the medicine should be authorized. The recommendation is forwarded to the European Commission for a decision. If approved, the decision is valid for five years and must then be renewed via a formal renewal process. The European Union applies a centralized procedure, meaning that once the (single) marketing approval is granted, it is valid in all European Union member states, Iceland, Norway and Liechtenstein.

In the United States, the FDA is responsible for the validation and scientific evaluation of new drug candidates and an application for marketing authorization is called a New Drug Application ("**NDA**"). The NDA is submitted to the FDA, where the Center for Drug Evaluation and Research conducts an independent and unbiased review to establish whether the drug's health benefits outweigh its known risks for the intended population, before potentially approving the drug for commercialization. The approval process takes place within a structured and detailed framework that includes: analysis of the target condition and available treatment; assessment of benefits and risks from clinical data; and strategies for managing risks. A largely similar process, with some differences compared to the process for an NDA, applies to Biologics License Applications, the applications for marketing authorization of biological products.

A similar structured process for marketing authorization is required by the Chinese National Medical Product Agency (the "**NMPA**") for the approval and commercialization in China and the Japanese Pharmaceuticals and Medical Device Agency (the "**PMDA**") for approval and commercialization in Japan.

The regulatory authorities are legally required to complete a review within stipulated deadlines, but the review process may be extended by requests for additional information or clarification. The outcome of an assessment can be requirements to perform additional work that must be done before the application can be approved.

The FDA, EMA, NMPA and PMDA apply different measures (drug designations) to encourage the development of certain drugs or to bring drugs faster to the market. For example, the FDA may in some cases grant (1) an expedited (or accelerated) approval process for promising drug treatments that treat significant conditions and provide advantages over treatments currently available; (2) priority review, meaning that the FDA will review the application within six to eight months (however, this does not mean that it will approve the application within this timeframe) rather than the ten to twelve months necessary for a standard review (3) Breakthrough Therapy designation, which may be applied to drugs that are intended to treat a serious condition and where the preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over already available therapies and which expedites the development and review processes; (4) Fast Track, which is designed to facilitate the development and expedite the review of drugs intended to treat serious conditions and fill an unmet medical need, based on promising animal and human data; and (5) Orphan Drug Designation, which is granted for rare diseases and is designed to provide additional incentives such as market exclusivity and financial benefits such as fee waiver. Similarly, the EMA, NMPA and PMDA have introduced programs such as orphan drug designation and the European Union applies a priority medicines scheme (PRIME), NMPA applies a "breakthrough" model and PMDA has a SAKIGAKE designation, which is generally designed to enhance support for the development of medicines that target an unmet medical need and offers enhanced interaction with and early dialogue with developers of promising medicines, thereby allowing the developer to optimize its development plans and speed up evaluation so that the drugs can reach patients sooner.

Once a product has obtained initial marketing authorization, further CMC (for new formulations), nonclinical and clinical studies may be conducted to extend the initial marketing authorization, for example, pediatric population studies, or to add new indications or pharmaceutical forms. In the United States, such submissions are called supplemental marketing authorization applications and, in the European Union, type II variation or extension applications. These supplemental submissions typically contain new data such as safety, quality and efficacy data based on additional studies. The authorities conduct a similar independent and unbiased review to establish whether the benefits of the additional use or pharmaceutical form outweighs the known risks for the intended population.

Distribution and manufacturing, including chemistry, manufacturing and controls ("CMC")

Pharmaceutical companies are required to maintain high standards of product quality and safety and comply with applicable regulations, statutes, and codes of practices in the countries and the regions in which they operate. This includes, but is not limited to, EudraLex (a collection of rules and regulations governing medicinal products in the European Union), the U.S. Code of Federal Regulations, and ICH Guidelines as well as GMP and Good Distribution Practices ("**GDP**"). GMP constitutes the license to operate in pharmaceutical manufacturing and it is a system aimed at ensuring that products are consistently produced and controlled in accordance with the required quality standards. All manufacturing activities, including manufacturing for clinical studies and products for sale in the market, must be performed in accordance with GMP and the manufacturer must hold a valid manufacturing permit. The regulatory requirements set out in GMP are enforced by the EMA, the FDA and other regulatory authorities to ensure proper monitoring, controls and design of manufacturing processes and facilities. Regulatory authorities regularly inspect manufacturing facilities to supervise manufacturers' compliance with GMP. GDP describes the minimum standards that pharmaceutical companies must comply with to ensure that the quality and integrity of medicines is maintained throughout the supply chain.

Al stages (except for the discovery phase) of the drug development process as well as the commercialization process require extensive CMC activities. The aim of the CMC activities is to establish the characteristics of product candidates; the activities include testing and examining raw materials, product stability, chemical composition and solubility. The activities also include testing and optimization of the process relating to the scaling of the manufacturing processes from the small amounts manufactured for use in nonclinical studies (often milligrams) to the larger amounts needed for clinical studies (often kilograms) to the commercialization of the product (in some cases tons).

If there are any modifications to the drug, including changes in indications, labeling, manufacturing processes or facilities, a new supplementary drug application may be required, and the authorities may require that the applicant collects additional data or conducts further nonclinical or clinical studies.

Pricing, coverage and reimbursement

Introduction

Pricing, coverage and reimbursement play a significant role in the uptake and profitability of pharmaceutical products. Pricing generally refers to the official list price registered by a pharmaceutical manufacturer in a market, which may often be discounted or otherwise affected; coverage generally refers to the conditions outlined in a policy to achieve reimbursement; and reimbursement generally refers to the amount adjudicated (reimbursed, paid) by different third party payers. There are instances where no reimbursement applies and out-of-pocket payment is made entirely by the patient, but this is more so in emerging markets, as some form of coverage typically exists in developed markets.

Pricing and reimbursement vary significantly from region to region or country to country and are dependent on a significant number of factors, including, but not limited to, the healthcare system, the regulations that govern it, and the stakeholders involved in the decision-making process. Further, pricing is often a result of a specific evaluation and recommendation on the clinical and economic assessment of a pharmaceutical product. This section sets out a general description of pricing, coverage, and reimbursement in different regions of the world and should not be construed as an exhaustive description.

In some countries, the regulations on price, coverage and reimbursement are very specific and determine the maximum price that will be allowed, which can have an impact on profitability. Further, the regulations and methodologies used to set the price vary across markets and can employ different mechanisms, such as international price referencing, where the prices of the same product in other markets are decisive for the price within the target market. In other countries, there is less regulation, and pricing, coverage and reimbursement are driven by other market factors.

In many parts of the world, third-party payers are the gatekeepers for the decisions taken on price and reimbursement. Third-party payers are primarily government health authorities, managed caregivers, private health insurers and/or other organizations. Most third-party payers employ some form of evaluation of the clinical and economic impact of the pharmaceutical product, which is often conducted by a Pharmacy and Therapeutics (P&T) Committee or a Health Technology Assessment Agency. These committees/agencies can operate at a national/regional level and vary from country to country.

Once price and reimbursement conditions have been set, the adjudication of reimbursement can be quite different across and within countries, where use of the pharmaceutical may require documentation and some level of co-payment by the patient (typically driven by age demographics).

The United States

Employer sponsored private health insurance is the most common coverage overall in the United States and in the population younger than 65 years. Medicare is a federal health insurance program that pays for covered health care services for most people aged 65 years and older and for certain permanently disabled individuals under the age of 65 years. Medicaid is a joint federal/state program that primarily covers the low-income population. There is also a sizable uninsured population and other programs, such as those for the military. Out-of-pocket spending for patients can come in the form of premiums paid to the insurer, co-insurance and deductibles depending on the conditions of the plan. There can be much variability across the United States in coverage as not all plans are uniform and certain disease areas have a larger impact on one age group than another. An example would be symptomatic neurogenic orthostatic hypotension, where the majority of patients would fall within the Medicare and Medicaid programs.

The way reimbursement is adjudicated across plans within employer-sponsored healthcare insurance and other programs also varies. Tiering of pharmaceuticals (categorization typically built on cost of medication, such that generics would be the lowest tiered and encouraged category), use of prior authorization (confirmation the prescription is for a specific disease or that it has been prescribed by an appropriate specialist), step edits (the use of alternatives before the use of the pharmaceutical in focus) and quantity limits (a specific supply over a set time) can have a significant impact on uptake. Drug pricing in the United States is therefore subject to such market forces, among others, rather than being extensively regulated.

Europe

Public health insurance is the most common coverage overall in Europe. Private health insurance does exist but is less common than in the United States. Coverage within social health insurance programs typically follows a pattern of achieving a clinical benefit recommendation that will lead to a price decision. In some countries, a price can be regulated outside a clinical benefit recommendation, but this may lead to reimbursement being challenged. In most countries, pricing and reimbursement (formulary listing) is strictly linked, leading to binary decisions on price dependent on the clinical benefit assessment.

Clinical benefit recommendations are normally made by national health technology assessment ("**HTA**") agencies. These HTAs assess the clinical value of a pharmaceutical, typically against standard-of-care, to determine whether an additional benefit exists to warrant a commercially sustainable price. Some HTAs solely focus on the clinical assessment, whereas others factor in the economic impact through cost effectiveness or budget impact. These assessments can vary across Europe, as the purchasing power and priorities of each market can be different, leading to heterogeneous economic thresholds. Pricing, more so than reimbursement, is further impacted by some markets using international price referencing measures.

In addition to the impact on price, HTAs also use measures that exist in the United States, such as quantity limits and step edits. These measures may manifest in different forms than in the United States but have the same impact in restricting use. Legislation now exists in the European Union in an effort to streamline HTA systems to provide consistency and coherence in moving a product from authorization to reimbursement and launch, but the actual implementation is in its infancy and it will take years before the impact can be assessed.

The EU Regulation on Health Technology Assessment entered into force in January 2022 and will be applied in January 2025. It is currently unknown to the Issuer how this regulation will materialize, but it may significantly impact the pricing, coverage and reimbursement landscape in Europe.

China and Japan

Public health insurance is the most common coverage overall in China. Private health insurance does exist but is less common than in the United States. A similar pattern is observed between China and the Europe, where pricing and formulary listing are linked, but there are exceptions. Prices are not extensively regulated outside formulary listing, which yields some similarities to the U.S. system. Recently, international price referencing has become a factor for products seeking inclusion on the National Reimbursement Drug List. The adjudication of reimbursement varies from region to region, with provincial formularies yielding the heterogeneity seen in the United States and Europe.

Public health insurance is also the most common coverage overall in Japan. Employment-based health insurance or National Health Insurance is required by law for citizens in Japan. Private health insurance is available but is uncommon. Drug pricing in Japan is regulated, with existing drugs serving as a benchmark. For drugs for which there is no benchmark, a specific methodology is applied to determine the price.

Rest of the world

Most developed countries apply a system with some variation of the European system or the U.S. system. For example, Canada has both social and employer-sponsored health insurance programs and drug pricing is highly regulated, with maximum allowable and international price reference measures in place. In emerging markets, outside of general health services and provision of generic pharmaceuticals, private health insurance and out-of-pocket payments are more commonly found. In emerging markets, drug pricing can be regulated and is often subject to international price referencing.

Legal Matters & Compliance

Pending legal proceedings

Except as disclosed herein, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) which may have, or have had during the 12 months prior to the date of this Listing Document, a significant effect on the financial position of the Issuer and its subsidiaries.

The Lundbeck Group is involved in a number of legal proceedings, including patent disputes, the most significant of which are described below. The disputes are subject to numerous uncertainties, and their outcome cannot be predicted with certainty. However, in the opinion of the Issuer, the outcome of the proceedings specified below will either not have a significant effect on the Lundbeck Group's financial position beyond the provisions already provided for by the Lundbeck Group in its latest audited Financial Statements or its 2022 Interim Financial Statements or the outcome is too uncertain to enable the Issuer to make a reliable provision. See also the risks on legal proceedings listed in "*Risk Factors – Legal and Compliance Risks*".

In June 2013, the Issuer received the European Commission's decision that agreements concluded with four generic competitors concerning citalopram violated competition law. The decision included fining the Issuer EUR 93.8 million (approximately DKK 700 million). The Issuer paid and expensed the fine in the third quarter of 2013. In March 2021, the European Court of Justice rejected the Issuer's final appeal of the European Commission's decision. So-called "follow-on claims" for reimbursement of alleged losses, resulting from alleged violation of competition law, often arise when decisions and fines issued by the European Commission are upheld by the European Court of Justice. Health authorities in the UK and an umbrella organization of Dutch health insurance companies have taken formal protective steps against the Issuer with the principal purpose of preventing potential claims from being time-barred under the applicable statutes of limitation. In September 2021, the UK proceedings were transferred from the High Court to the Competition Appeal Tribunal at the request of the parties. The Issuer expects that the UK health authorities will now pursue their alleged claims. Further, in late October 2021, the Issuer received a writ of summons from a German health care company claiming compensation for an alleged loss of profit plus interest payments, allegedly resulting from the Issuer's conclusion of agreements with two of the four generic competitors, which were comprised by the EU Court of Justice ruling. The Issuer is preparing its defense and it may take several years before a final conclusion is reached by the German courts. Finally, in March and April 2022 Lundbeck received letters from several of the regional health authorities in Spain specifically stating that they are intended to interrupt the statute of limitation. It is still uncertain whether the health authorities in Spain will actively pursue any claims.

In Canada, the Issuer is involved in three product liability class-action lawsuits relating to Cipralex/Celexa (two cases alleging various Celexa-induced birth defects and one case against several SSRI manufacturers (including Lundbeck) alleging that SSRI (Celexa/Lexapro) induces autism birth defect, three relating to Abilify Maintena (alleging *inter alia* failure to warn about compulsive behaviour side effects) and one relating to Rexulti (also alleging *inter alia* failure to warn about compulsive behaviour side effects). The cases are in the preliminary stages and as such there is significant uncertainty as to how these lawsuits will be resolved.

In 2018, the Issuer entered into settlements with three of four generic companies involved in an Australian federal court case, in which the Issuer was pursuing patent infringement and damages claims over the sale of escitalopram products in Australia. The Issuer received AUD 51.7 million (DKK 242 million) in 2018. In the Issuer's case against the last of the four generic companies, Sandoz Pty Ltd, the Federal Court found that Sandoz Pty Ltd had infringed the Issuer's escitalopram patent between 2009 and 2012 and awarded the Issuer AUD 26.3 million in damages. Sandoz' appeal of the decision was heard in May 2019 and the Full Federal Court has in

August 2020 allowed Sandoz' appeal and decided that Sandoz is not liable for damages. The High Court of Australia has now allowed Lundbeck's appeal and overturned the Full Federal Court decision on all major issues. The case will be sent back to the Federal Court for recalculation of damages and Lundbeck's appeal of the Australian Patent Office's decision to grant Sandoz a license will be restarted.

Together with Takeda, the Issuer instituted patent infringement proceedings against 16 generic companies in response to their filing of Abbreviated New Drug Applications ("**ANDAs**") with the U.S. FDA seeking to obtain marketing approval for generic versions of Trintellix in the U.S. Two opponents have since withdrawn and the Issuer has settled with eight opponents. As communicated by Lundbeck in company release no. 706 dated 1 October 2021, the cases against the six remaining opponents (the "**ANDA Filers**") have been decided by the U.S. District Court for the District of Delaware (in this paragraph, the "**Court**"). The Court found that the Issuer's patent protecting the active ingredient in Trintellix, vortioxetine (U.S. Patent No. 7,144,884) is valid. The active ingredient patent expires on 17 June 2026, with an expected six-month paediatric exclusivity period extending to 17 December 2026. Assuming the ruling is confirmed at appeal, final approval will not be granted to the relevant ANDA Filers until after expiration of the active ingredient patent, including any extension or additional periods of exclusivity. A total of seven other patents asserted at trial were found by the Court to be valid or their validity was not challenged during the trial. The Court decided that none of the seven other patents were infringed by the relevant ANDA Filers, except that Lupin was found to infringe a patent covering the Issuer's process for manufacturing vortioxetine. Unless and until the Court's ruling is reversed on appeal, the patents found not infringed by a particular ANDA Filer will not prevent that ANDA Filer from receiving final approval. For details on each of the patents comprised by the case, please see the company release no. 706. The Court's decision has been appealed by Lundbeck to the U.S. Court of Appeals for the Federal Circuit. Lupin has appealed with respect to the process patent and the ANDA Filers have cross appealed with respect to the validity of two of the seven other patents.

Together with Otsuka Pharmaceutical, the Issuer has instituted patent infringement proceedings against several generic companies that have applied for marketing authorization for generic versions of Rexulti in the U.S. Lundbeck has strong confidence in the Rexulti patents. The U.S. FDA cannot grant marketing authorization in the U.S. to the generic companies before the patents expire, unless the generic companies receive decisions in their favour. Trial is scheduled to begin later in 2022. The compound patent, including patent term extensions, will expire in the U.S. on 23 June 2029. A patent for the specific formulation used will expire 12 September 2032.

The Issuer received a Civil Investigative Demand ("**CID**") from the U.S. Department of Justice ("**DOJ**") in March 2020. The CID seeks information regarding the sales, marketing, and promotion of Trintellix. The Issuer is cooperating with the DOJ.

In the US, the Issuer is involved in three product liability lawsuits relating to Lexapro (alleging Lexapro induces birth defects). The cases are in the preliminary stages. Lexapro was marketed by Forest Labs. in the U.S. Lundbeck will vigorously defend against the claims raised.

The Issuer and Otsuka have received a Paragraph IV certification from Viatris Inc. (formerly Mylan) with respect to certain of the patent listed for Abilify Maintena in the U.S., and Otsuka and Lundbeck have instituted patent infringement proceedings against Viatris Inc. The U.S. FDA cannot grant marketing authorization in the U.S. to Viatris Inc. before the patents expire unless they receive a decision in their favor. A District Court decision is currently expected by August 2024.

Sustainability

Sustainability is an imperative to the Issuer and an integral part of the Issuer's strategy and culture. The Issuer has been a signatory to the United Nations Global Compact since September 2009. With this commitment, the Issuer recognizes its corporate responsibility to respect human and labor rights, to commit to environmental protection and to work against corrupt behavior in any form. The Issuer has established a sustainability strategy and action plan that supports the United Nations Global Compact Principles, that helps to mitigate risks and adverse impacts related to its business activities and that contributes towards fulfilment of certain of the 17 United Nations Sustainable Development Goals ("**SDG**") by 2030, more specifically:

- **Goal 3**: Ensure healthy lives and promote well-being for all at all ages
- **Goal 5**: Achieve gender equality and empower all women and girls
- **Goal 8**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- **Goal 10**: Reduce inequality within and among countries
- **Goal 12**: Ensure sustainable consumption and production patterns
- **Goal 13**: Take urgent action to combat climate change and its impacts
- **Goal 16**: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The Issuer's sustainability strategy, the related actions and public reporting area organized under the following themes:

Access to medicines

The Issuer leverages its specialist knowledge to address the burden of brain diseases and make medicine available. The Issuer aims to promote accessibility of its medicines by addressing discriminatory, physical, economical and informational barriers. The Issuer works to reduce stigma and enhance cultural acceptability of brain diseases. Further, the Issuer acts to provide medicine of good quality, to safeguard patient safety and combat falsified medicine. The Issuer is recognized for its work with patient groups, which is also evident from its top-ten rating (rated as number ten) in the latest PatientView report, "The corporate reputation of pharma 2021," issued in April 2022. The survey includes responses from 2,150 patient groups worldwide who state they reached out together to a maximum of 19 million patients.

Diversity and inclusion

In 2020, the Issuer decided to include SDG 10 (Reduce inequality) to the Issuer's commitment to the SDGs. Societal patterns of inequality are often reflected within social institutions and businesses. This decision also broadens the Issuer's commitment on gender equality to cover activities addressing systemic discrimination based on race, sexual orientation, physical and mental disabilities, income levels and more. Following an employee led process in the Diversity & Inclusion Forum established by the Issuer in 2020, the Issuer has defined a two-year plan for 2021-2022 with new initiatives to strengthen and build a more inclusive organization. As one of the first tangible actions, a global training program to address unconscious bias in management decisions was established and successfully launched in 2021. Furthermore, the Issuer has an established policy to promote inclusion and diversity in the workplace and prevent any form of discrimination.

Transparent interactions

The Issuer works with healthcare professionals and patients to deliver new treatment options within brain diseases. The Issuer publishes its clinical research results in accordance with its policy for scientific publications and responsible clinical trial data sharing. The Issuer annually discloses payments and other transfers to qualified healthcare professionals and healthcare organizations in accordance with applicable legal requirements, including the EFPIA Disclosure Code and the U.S. Physician Payments Sunshine Act.

Responsible business conduct

The Issuer has established a Code of Conduct with a related Compliance Program and its global organization has 17 Regional Compliance Officers covering all sales affiliates globally. The Code of Conduct Compliance Program consists of global compliance procedures, training of employees, monitoring of business activities and appropriate management governance and follow up. The Issuer's aim is to sustain an ethical culture and support its employees in making appropriate ethical decisions. In addition, the Issuer's global employee satisfaction survey identifies the most important topics within each business area and provides a framework for dialogue on employee satisfaction and motivation.

Sustainable consumption

The Issuer has adopted an integrated approach to Health, Safety and Environment (HSE) and manages an ISO14001 certified HSE System. The aim is to minimize consumption of resources, air emissions and wastes by enhancing processes and recycling materials. As an example, in 2021 the Issuer recovered approximately 65 per cent of the solvents in the Issuer's chemical production. This ongoing effort eliminates the need to purchase thousands of tons of solvents and reduces additional resources required for external production, transportation and waste management. The Issuer also investigates the environmental effects of its medicines to meet regulatory requirements.

Climate action

The Issuer has acted to combat climate change and since 2006 it has reduced its CO^2 emissions by more than 70 per cent, mainly by reducing its energy consumption. In 2020, the Issuer established a new science-based target for 2034, which align with the standards set out in the Paris Agreement adopted at the United Nations Climate Change Conference of the Parties (COP-21). The Issuer aims to reduce its carbon emissions from production and fleet drastically by almost two-thirds (2/3) over the next 15 years. Further, the Issuer will work with its suppliers and customers to reduce the carbon footprint outside the Issuer's premises by nearly one-fifth (1/5) over the next 15 years. Finally, the Issuer has publicly pledged to ensure that it is carbon neutral no later than 2050.

In 2021, the Issuer was recognized as being 'world leading' by the Carbon Disclosure Project ("**CDP**") and included on the CDP's Climate A-list, the highest possible rating awarded to only the top 2 per cent of the more than 13,000 companies surveyed by CDP worldwide.

Health and safety at work

The Issuer provides its employees with a physical and mental work environment where staying safe and healthy is a fundamental right. To ensure this, the Issuer maintains an ISO 45001 certified HSE System. The HSE System's procedures and organization deliver prioritized and continuous improvements in line with defined annual targets. These include preventing work-related accidents where systematic root cause analysis is used to define preventive actions. Internal audits are performed to identify improvements and the system's performance is reviewed annually by senior management. The Issuer's health and safety principles are extended to its contract manufacturers' facilities where regular audits are conducted.

Suppliers and third parties

The Issuer engages suppliers and third parties when providing innovative treatments to patients. While these collaborations add value to local economies, they may also hold adverse impacts. Therefore, the Issuer applies systematic due diligence and monitoring procedures for business collaborations aimed at respecting human and labor rights, ensuring environmental protection and preventing promotional misconduct, conflicts of interest and financial crime, for example, bribery, tax evasion, and violations of trade sanctions. The procedures are particularly important for collaborations involving chemical manufacturing, customs clearance, price negotiations, when obtaining product marketing authorization, organizing promotional or educational events and selling products.

SELECTED HISTORICAL FINANCIAL AND OPERATING INFORMATION

Reference is made to the section "*Presentation of Financial and certain other Information*". The selected financial information as set out below has been extracted from Lundbeck's Financial Statements and quarterly releases.

Additionally, certain measures presented herein are not measures of financial performance under IFRS and investors are cautioned not to place undue reliance on these measures. Investors should read the following data together with the Financial Statements of Lundbeck for the financial years ended 31 December 2021, 2020 and 2019 as well as the interim unaudited financial statements for the period 1 January 2022 to 31 March 2022 with comparative figures for the period 1 January 2021 to 31 March 2021, each available on the Issuer's website and incorporated by reference into this Listing Document, including the notes to those financial statements and the sections in this Listing Document named "*Presentation of Financial and certain other Information*" and "*Operating and Financial Review*". The incorporation by reference of the Financial Statements and the 2022 Interim Financial Statements is described in further detail in "*Additional Information – Documents incorporated by reference*".

Income statement

	For the quarter ended 31 March		For the year ended 31 December		
DKK million	2022	2021	2021	2020	2019
Revenue	4,372	4,273	16,299	17,672	17,036
Cost of sales	845	946	3,648	4,166	3,840
Gross profit	**3,527**	**3,327**	**12,651**	**13,506**	**13,196**
Sales and distribution costs	1,435	1,318	5,885	5,946	5,514
Administrative expenses	236	210	933	966	899
Research and development costs	981	917	3,823	4,545	3,116
Other operating expenses, net	-	-	-	59	514
Profit from operations (EBIT)	**875**	**882**	**2,010**	**1,990**	**3,153**
Net financials, expenses	347	85	429	84	127
Profit before tax	**528**	**797**	**1,581**	**1,906**	**3,026**
Tax on profit for the period	116	176	263	325	713
Net profit for the period	**412**	**621**	**1,318**	**1,581**	**2,313**
Earnings per share, basic (EPS) (DKK)	2.07	3.13	6.63	7.96	11.64
Earnings per share, diluted (DEPS) (DKK)	2.07	3.13	6.63	7.96	11.64

Statement of financial position- Assets

DKK million	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
Goodwill	5,474	5,243	5,377	4,845	5,278
Product rights	16,952	17,622	17,097	17,632	20,732
Other rights	139	152	143	90	114
Projects in progress	149	116	133	171	131
Intangible assets	**22,714**	**23,133**	**22,750**	**22,738**	**26,255**
Land and buildings	1,167	1,212	1,179	1,219	1,205
Plant and machinery	478	435	467	444	438
Other fixtures and fittings, tools and equipment	159	128	165	122	136
Prepayments and assets under construction	612	503	612	492	419
Right-of-use assets	477	480	484	456	476
Property, plant and equipment	**2,893**	**2,758**	**2,907**	**2,733**	**2,674**
Other financial assets	54	82	57	116	60
Other receivables	160	119	134	104	101
Deferred tax assets	206	266	193	233	5
Financial assets	**420**	**467**	**384**	**453**	**166**
Non-current assets	**26,027**	**26,358**	**26,041**	**25,924**	**29,095**
Inventories	**3,518**	**2,582**	**2,775**	**2,163**	**2,204**
Trade receivables	2,849	2,814	2,459	2,553	2,768
Income taxes receivable	154	238	183	217	464
Other receivables	395	425	289	868	388
Prepayments	515	387	627	380	202
Receivables	**3,912**	**3,864**	**3,558**	**4,018**	**3,822**
Securities		**-**	**-**	**-**	**4**
Cash and bank balances	**1,614**	**1,661**	**2,279**	**3,924**	**3,008**
Current assets	**9,044**	**8,107**	**8,612**	**10,105**	**9,038**
Assets	**35,071**	**34,465**	**34,653**	**36,029**	**38,133**

Statement of financial position- Equity and Liabilities

	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Share capital	996	996	996	996	996
Foreign currency translation reserve	1,086	412	874	134	882
Hedging reserve	(185)	(81)	(162)	95	(75)
Retained earnings	16,549	15,896	16,571	15,748	14,979
Equity	**18,446**	**17,223**	**18,279**	**16,973**	**16,782**
Retirement benefit obligations	286	288	288	288	295
Deferred tax liabilities	1,482	1,522	1,448	1,614	1,832
Provisions	126	142	92	139	258
Bank debt and bond debt	5,945	5,314	4,783	5,397	7,062
Lease liabilities	442	438	453	416	437
Other payables	514	1,573	492	1,190	1,187
Non-current liabilities	**8,795**	**9,278**	**7,556**	**9,044**	**11,071**
Retirement benefit obligations	1	2	1	2	-
Provisions	1,359	1,485	1,405	1,672	2,048
Bank debt	-	400	-	2,000	2,000
Trade payables	4,138	3,667	3,914	3,740	3,933
Lease liabilities	84	79	86	77	79
Income taxes payable	528	834	519	675	551
Other payables	1,720	1,497	2,893	1,846	1,669
Current liabilities	**7,830**	**7,964**	**8,818**	**10,012**	**10,280**
Liabilities	**16,625**	**17,242**	**16,374**	**19,056**	**21,351**
Equity and liabilities	**35,071**	**34,465**	**34,653**	**36,029**	**38,133**

Statement of cash flows

DKK million	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
Profit from operations (EBIT)	875	**882**	2,010	1,990	3,153
Adjustment for non-cash items	348	213	1,148	2,477	1,071
Change in working capital	(879)	(915)	(305)	(18)	(935)
Cash flows from operations before financial receipts and payments	**344**	**180**	**2,853**	**4,449**	**3,289**
Financial receipts	37	27	68	11	5
Financial payments	(522)	(31)	(200)	(298)	(15)
Cash flows from ordinary activities	**(141)**	**176**	**2,721**	**4,162**	**3,279**
Income taxes paid	(64)	(68)	(449)	(325)	(670)
Cash flows from operating activities	**(205)**	**108**	**2,272**	**3,837**	**2,609**
Acquisition of businesses	-	-	-	-	(10,496)
Contingent consideration payment from acquisition of business	(1,076)	-	-	-	-
Purchase of intangible assets	(31)	(23)	(202)	(114)	(88)
Purchase of property, plant and equipment	(56)	(62)	(410)	(364)	(356)
Sale of property, plant and equipment	-	1	2	1	4
Purchase of securities and other financial assets	-	-	-	(17)	(18)
Sale of securities and other financial assets	-	-	-	27	3,199
Cash flows from investing activities	**(1,163)**	**(84)**	**(610)**	**(467)**	**(7,755)**
Cash flows from operating and investing activities (free cash flow)	**(1,368)**	**24**	**1,662**	**3,370**	**(5,146)**
Proceeds from loans and issue of bonds	1,234	400	400	3,701	11,095
Repayment of bank loans and borrowings	(98)	(2,152)	(3,123)	(5,169)	(4,080)
Repayment of lease liabilities	(25)	(20)	(82)	(83)	(67)
Buyback of treasury shares	(45)	(34)	(34)	(29)	(20)
Capital increase through exercise of warrants		-	-	1	4
Dividends paid in the financial year, net	(397)	(497)	(497)	(815)	(2,384)
Cash flows from financing activities	**669**	**(2,303)**	**(3,336)**	**(2,394)**	**4,548**
Net cash flows for the year	**(699)**	**(2,279)**	**(1,674)**	**976**	**(598)**
Cash and bank balances at beginning of period	2,279	3,924	3,924	3,008	3,605
Unrealized exchange gains/losses on cash and bank balances	34	16	29	(60)	1
Net cash flows for the year	(699)	(2,279)	(1,674)	976	(598)
Cash and bank balances at end of period	**1,614**	**1,661**	**2,279**	**3,924**	**3,008**
Interest-bearing debt, cash, bank balances and securities, net, is composed as follows:					
Cash and bank balances	1,614	1,661	2,279	3,924	3,008
Securities	-	-	-	-	4
Interest bearing debt	(6,617)	(6,372)	(5,468)	(8,030)	(9,578)
Interest-bearing debt, cash, bank balances and securities, net, at end of period – net cash/(net debt)	**(5,003)**	**(4,711)**	**(3,189)**	**(4,106)**	**(6,566)**

Non-IFRS financial measures

For a description and definition of the APMs included in this Listing Document see "*Presentation of Financial and certain other Information – Non-IFRS financial measures/alternative performance measures*".

A reconciliation of the APMs used in this Listing Document to an appropriate measure calculated in accordance with IFRS is included below as well as certain other calculations.

APM measures reflected in the Financial Statements

Core EBIT reconciliation

	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Profit from operations (EBIT)	**875**	**882**	**2,010**	**1,990**	**3,153**
Amortization of product rights	309	371	1,274	1,548	1,309
Impairment and inventory valuation	-	-	-	839	-
Major restructuring	-	-	233	-	-
Acquisition and integration costs	-	-	-	59	514
Legal fees and settlements	-	-	-	-	-
Divestments/sales milestones	-	-	-	-	-
Core EBIT	**1,184**	**1,253**	**3,517**	**4,436**	**4,976**

Core EBIT margin calculation

	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Core EBIT	**1,184**	**1,253**	**3,517**	**4,436**	**4,976**
Revenue	4,372	4,273	16,299	17,672	17,036
Core EBIT Margin (%)	**27.1**	**29.3**	**21.6**	**25.1**	**29.2**

EBITDA calculation

	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
EBIT	**875**	**882**	**2,010**	**1,990**	**3,153**
Depreciation, amortization and impairment losses	415	470	1,710	2,793	1,670
Gain on divestment of properties recognized in other operating expenses, net	-	-	-	-	-
EBITDA	**1,290**	**1,352**	**3,720**	**4,783**	**4,823**

Net debt/EBITDA calculation

	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Interest-bearing debt, cash, bank balances and securities, net – net cash/(net debt)	(5,003)	(4,711)	(3,189)	(4,106)	(6,566)
EBITDA (rolling four quarters)	3,658	4,708	3,720	4,783	4,823
Net Debt / EBITDA	**(1.4)**	**(1.0)**	**(0.9)**	**(0.9)**	**(1.4)**

Net interest-bearing debt (NIBD) calculation

	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Interest-bearing debt, cash, bank balances and securities, net, is composed as follows:					
Cash and bank balances	1,614	1,661	2,279	3,924	3,008
Securities	-	-	-	-	4
Interest bearing debt	(6,617)	(6,372)	(5,468)	(8,030)	(9,578)
Interest-bearing debt, cash, bank balances and securities, net – net cash/(net debt)	**(5,003)**	**(4,711)**	**(3,189)**	**(4,106)**	**(6,566)**

R&D ratio calculation

	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Revenue	4,372	4,273	16,299	17,672	17,036
Research and development costs	981	917	3,823	4,545	3,116
R&D ratio	**22.4**	**21.5**	**23.5**	**25.7**	**18.3**

OPERATING AND FINANCIAL REVIEW

The following is a discussion of Lundbeck's financial condition and results of operations as at and for the financial years ended 31 December 2021, 2020 and 2019, and for the financial period from 1 January 2022 to 31 March 2022 with comparative figures for the financial period 1 January 2021 to 31 March 2021.

You should read the following operating and financial review of Lundbeck in conjunction with the sections entitled "Selected Historical Financial and Operating Information", "Presentation of financial and certain other information" as well as the Financial Statements of Lundbeck and the Lundbeck Group and the related notes which are incorporated into this Listing Document by reference as set out in "Additional Information – Documents incorporated by reference". This discussion may contain forward-looking statements, which are subject to risks and uncertainties, including, but not limited to, certain risks described in the "Risk Factors" section of this Listing Document. Actual results could differ materially from those expressed or implied in any forward-looking statements. See the section entitled "Special Notice Regarding Forward-Looking Statements" in this Listing Document.

Overview of financial performance

The selected financial information as set out above and below has been extracted from Lundbeck's Financial Statements and the 2022 Interim Financial Statements.

Principal factors affecting Lundbeck's business and results of operations

The Issuer's business, financial condition and results of operations have been affected in the years under review, and are expected to continue to be affected, by certain principal factors and development relating to its business, as set forth below.

Shareholders should also read the sections entitled "*Risk Factors*" and "*Business*" for further information relating to factors that could have a material effect, directly or indirectly, on the Lundbeck Group's business, financial condition and results of operations in the future.

The following factors have affected, and will continue to affect, the Issuer's business and results of operations.

Trends within the industry

Market and commercial

Pricing, coverage and reimbursement plays a significant role in the uptake and profitability of pharmaceutical products, including those of the Issuer.

Potential future healthcare reforms globally, including in the US, which is the Issuer's most significant market, could significantly impact the Issuer.

National, regional and global price regulations and/or market or regulatory focus on the price of pharmaceutical products affect the business, revenue, profitability and results of operations of the Lundbeck Group and are expected to continue to do so in the future. For the risk relating to rising pricing pressure for pharmaceutical products, please refer to the "*Risk Factors*"-section.

R&D expenses and progression in the pipeline

Research and development form the cornerstone of the Issuer's activities and is essential for the Issuer's ambition to improve the health and quality of life of people living with diseases affecting brain health. For a general description of the Issuer's and the Lundbeck Group's research and development activities and pipeline, please refer to the "*Business*"-section generally and specifically the sub-header "*Research & Development and Pipeline*".

The R&D of new products and the development of new indications or formulations for already approved products require significant financial investments and entail highly complicated processes and methods. These factors have a significant impact on the Issuer's ability to progress its R&D pipeline.

The expenses and costs for development of the R&D pipeline may vary significantly from year to year but are expected to be a substantial cost in the future as it has been in the past. The costs depend on the phase of development, the number of molecules and product-specific requirements for each trial.

For the periods presented, the R&D costs were mainly impacted by the clinical studies and trials for the label expansion of existing products and obtaining relevant studies for regulatory approvals of products such as Vyepti, label expansions of Rexulti and other pipeline drugs.

Intellectual property rights protection and proper licenses and authorization

The Issuer considers that the principal economic safeguard in the pharmaceutical industry is a well-functioning system of patents and related intellectual property rights protection that recognizes the Issuer's efforts and rewards innovation with appropriate protection – and allows time to generate the revenue that the Issuer needs to reinvest in pharmaceutical innovation.

The Issuer endeavors to protect its products on a worldwide basis with patents, trademarks and other intellectual property rights, in order to safeguard its investments, particularly in R&D. The Issuer aims to achieve a high level of protection for its product developments. The Issuer also endeavors to patent new processes and production procedures, secondary indications, active ingredient combinations and preparations for new and existing products.

The Issuer's efforts to defend its existing intellectual property rights and its future expected endeavors to create and/or obtain new intellectual property rights, as well as its ability to obtain relevant licenses and authorizations to produce and sell products is expected to continue to materially affect the Issuer's business.

Economic environment

As a global pharmaceutical company, the Issuer is subject to a number of external factors that have impacted the performance of the Issuer, and that may impact the future performance of the Issuer (see also "*Risk Factors*").

In the periods presented, the Issuer has been impacted by the COVID-19 pandemic, mainly in respect of both patients' and the Issuer's employees' ability to visit healthcare personnel and relevant medical personnel. This has led to a significant reduction of in-person patient visits to physician offices, which has reduced the use of physician-administered therapies across all disease categories. This impacted the sales of certain of the Issuer's Strategic Brands, including the Issuer's newest acquired strategic product Vyepti. Further, COVID-19 limited the recruitment, timelines and the costs of certain of the Issuer's clinical studies. The pandemic also led to a number of savings related to cost avoidance on promotional activities. For COVID -19 related risks see "*Risk Factors*".

The Russian war against Ukraine initiated in February 2022 is bringing inflation and exacerbating supply chain pressures. Lundbeck has ceased new investments and further accrual to clinical trials as well as diminished promotional activities. Although the situation has not generated a current material impact, it increases uncertainty and may have a certain impact in the Issuer's future sales, supply cost and the recruitment, timelines and the costs of certain of the Issuer's clinical studies. For Russian war against Ukraine related risks see "*Risk Factors*".

Business combinations and partnerships

In 2019, the Issuer made the acquisitions described below in section "*Business – Investments, Holdings and Recent Acquisitions – Recent material acquisitions*". The acquisitions are in line with the Issuer's strategy from 2019 to 'Expand and Invest to Grow' as described in the section "*Business – Research & Development and Pipeline – Introduction to the Issuer's research and development*". The Issuer's net revenue and results of operations are affected by its ability to identify, integrate and realize synergies from, and grow acquired businesses, as intended, as well as its ability to manage known and unknown risks resulting from such acquisitions.

The Issuer conducts development, co-development, commercialization and co-commercialization of product candidates and Strategic Brands through important strategic partnerships with several key partners. For a description of the partnerships, see "*Business - Significant Partnerships, Collaborations and Licenses*".

The Issuer's partners play an important role in the Issuer's business as they assist with or conduct clinical and regulatory development, manufacture products and/or commercialize several of the Issuer's product candidates and products. Consequently, the collaboration in and results of the partnerships have impacted and will continue to significantly impact the Issuer's performance in the future.

Currency exchange rate fluctuations

The Issuer's business has been impacted by the developments in currency exchange rates. With sales in around 100 countries around the world, the Issuer is exposed to the risk of fluctuating currency exchange rates. Significant foreign currency risks for the Issuer relate to, among others, USD, CNY, JPY and CAD. The Issuer also has a significant exposure towards emerging markets' currencies, such as MXN, BRL, THB and ZAR. To

mitigate risks, the Issuer hedges a large part of its exposure of some currencies for a period of around one year into the future. The Issuer's risk mainly relates to unforeseen exposure and events and to movements beyond the one-year time horizon. The Issuer follows the currency development closely and, in addition to hedging, also seeks to mitigate currency exchange risks by price adjustments in countries with high inflation and unstable currencies.

Critical accounting estimates and judgements

In preparing the consolidated Financial Statements and the 2022 Interim Financial Statements, the Management Boards have made estimates and judgments that affect the application of the Lundbeck Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized prospectively.

The Management Boards believe that the following accounting estimates, assumptions and judgments are significant to the consolidated financial statements:

1. Estimate of discounts and rebates in the U.S.
2. Judgment and estimate of deferred tax assets and liabilities and provision for uncertain tax positions.
3. Estimate of the value-in-use methodology for impairment of product rights.
4. Estimate of ongoing legal disputes, litigations and investigations.
5. Assumptions and estimates used in the calculation of the fair value related to contingent consideration (other payables) from the businesses acquired in 2019.

The related significant accounting policies are below:

Discounts and rebates

The most significant sales deductions are in the U.S. and comprises discounts and rebates given in connection with sales under the U.S. Federal and State Government Healthcare programs, primarily Medicaid.

The Management Boards' estimate of discounts and rebates is based on a calculation which includes a combination of historical product/population utilization mix, price increases, program/market growth and state-specific information. Further, the calculation of rebates involves legal interpretation of relevant regulations and is subject to changes in interpretive guidance from governmental authorities. The obligations for discounts and rebates are incurred at the time the sale is recorded; however, the actual rebate related to a specific sale may be invoiced by the authorities six to nine months later. In addition to this billing time lag, there is no statute of limitations for states to submit rebate claims; thus, rebate adjustments in any particular period may relate to sales from a prior period. Moreover, when a product loses exclusivity, shifts in payer mix may cause Medicaid claims/estimates to be more volatile.

Uncertain tax positions

The Lundbeck Group operates in a multinational tax environment. Complying with tax rules can be complex as the interpretation of legislation and case law may not always be clear or may change overtime. In addition, transfer pricing disputes with tax authorities may occur. The Management Boards' judgments are applied to assess the possible effect of exposures and the possible outcome of disputes or interpretational uncertainties.

The Management Boards estimate future income according to budgets, forecasts, business plans and initiatives scheduled for the coming years, which supports the recognition of deferred tax assets. When forecasting the utilization of tax assets, the Lundbeck Group applies the same assumptions as for impairment testing.

Joint taxation

The Issuer and its Danish subsidiaries are part of a Danish joint taxation scheme with Lundbeckfonden (Lundbeckfond Invest A/S including subsidiaries of Lundbeckfond Invest A/S), according to which the Issuer has partly a joint and several liability and partly a secondary liability with respect to corporate income taxes etc. for the jointly-taxed companies. In addition, the Issuer has partly a joint and several liability and partly a secondary

liability with respect to any obligations to withhold tax on interest, royalties and dividends for these companies. However, in both cases the secondary liability is capped at an amount equal to the share of the capital of the company directly or indirectly owned by the ultimate parent company. The total tax obligation under the joint taxation scheme is shown in the financial statements of Lundbeckfond Invest A/S.

Impairment

Intangible assets with indefinite useful lives, intangible assets not yet available for use and goodwill acquired in a business combination are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they may be impaired. The annual impairment test is performed irrespective of whether there is any indication of impairment.

Intangible assets and property, plant and equipment in use with finite useful lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Pending legal proceedings

The Issuer and Lundbeck Group is involved in a number of legal proceedings, including patent disputes. In the opinion of the Management Boards, the outcome of these proceedings will not have a material impact on the financial position or cash flows beyond the amount already provided for in the financial statements, or it is too uncertain to make a reliable provision. Such proceedings will, however, develop over time, and new proceedings may occur which could have a material impact on the financial position and/or cash flows.

Other payables

Other payables include contingent consideration, payables to shareholders, debt to public authorities, etc.

Contingent consideration is recognized as part of business combinations and is recognized at fair value considering the passage of time and changes in the applied probability of success. The fair value is assessed at each reporting date and the effect of any adjustments relating to the timing of payment and the probability of success is recognized under financial income or financial expenses. Payables to shareholders and other debts are measured at amortized cost.

Strategic initiatives

In 2019, Lundbeck launched its "Expand and Invest to Grow" strategy. The purpose of the strategy is to grow the business by focusing its efforts around the five strategic imperatives listed below. For details on the Issuer's strategy, see the section "*Business – Purpose and Strategy*".

- Maximizing the performance of its existing brands
- Expanding operating space within brain diseases
- Rebuilding the pipeline
- Enhancing organizational agility and collaboration
- Maintaining focus on profitability

The Issuer expects to continuously use its strategic imperatives to guide it towards its ambition to expand and invest to grow. The below description sets out a few of the many business drivers that will help Lundbeck pursue its strategy and objectives.

The Issuer's product portfolio

Lundbeck's Strategic Brands (Abilify Maintena, Brintellix/Trintellix, Rexulti/Rxulti and Vyepti) continue to show solid growth, both in volume and value, across all regions. At the same time, several of Lundbeck's Mature Brands have shown resilience.

The Issuer intends to continue to accelerate its efforts in growing its Mature Brands and Strategic Brands across more geographies, thereby seeking to maximize its existing brands to drive growth in the coming years. In particular, Lundbeck expects that the Strategic Brands will be key drivers for the Issuer's growth in the coming years. The Issuer's geographical expansion of Vyepti and the work which is done to continue to grow and expand the Issuer's other Strategic Brands, along with several other life-cycle management projects, are therefore all deemed important to the future growth of Lundbeck.

The Issuer expects to launch Vyepti globally on its own. With the launch of Vyepti, the Issuer expects to build a migraine and specialty pain franchise.

Expansion of operating space

Lundbeck has taken significant strides to expand its operating space through the acquisitions of Abide in 2019, which provided the Issuer with a discovery platform and the clinical phase IIA candidate Lu AG06466, and the acquisition of Alder later in 2019, which added Vyepti (eptinezumab) to the Issuer's product portfolio and some additional R&D programs. These acquisitions supported the expansion of the operating space and the pipeline with new biology areas that complement the Issuer's skills and capabilities, supporting the future growth ambitions of the Issuer. Acquisitions have materially affected and are expected to continue affecting the Issuer's business.

Research and development

The Issuer focuses its internal research efforts in the earliest phases into four areas of neurobiology where the Issuer believes that the science is the most advanced and holds the greatest potential for discovering breakthrough and differentiated medicines. The Issuer has an experimental clinical group focusing on early biomarker and clinical readouts as well as a global clinical development group capable of executing global development programs; it also has a global-local network in Patient Safety, Regulatory Affairs, and Medical Affairs, and thereby a strong link with the Issuer's commercial affiliates. Additionally, the Issuer aims to apply novel technologies, e.g., digital, through-out the value chain to enable the Issuer to stay at the forefront of innovation.

Revenue and segment information

The below table sets out the revenues generated by selected products in the financial years ending 31 December 2021, 2020 and 2019 as well as for the financial period ended 31 March 2022 with comparative figures for the financial period ended 31 March 2021. The revenues have been segmented based on geography.

The Issuer's geographical structure was changed effective 1 January 2022. Following the change, the geographical split of revenue has been subject to modifications. With the new geographical structure, Canada moved from North America to International Markets and smaller entities were moved between International Markets and Europe. The North America region has been renamed to United States to better reflect its new composition. Comparative figures have been adjusted following the new geographical structure.

	For the quarter ended 31 March		For the year ended 31 December		
	2022	2021	2021	2020	2019
DKK million					
Abilify Maintena	**677**	**584**	**2,420**	**2,271**	**1,961**
United States	232	196	812	801	687
International Markets	118	100	427	384	320
Europe	327	288	1,181	1,086	954
Brintellix/Trintellix	**990**	**804**	**3,526**	**3,102**	**2,826**
United States	349	317	1,435	1,384	1,304
International Markets	340	237	1,013	803	714
Europe	301	250	1,078	915	808

	For the quarter ended 31 March		For the year ended 31 December		
Northera[1,2]	**n/a**	**n/a**	**n/a**	**2,553**	**2,328**
Rexulti/Rxulti	**831**	**672**	**2,849**	**2,620**	**2,270**
United States	774	636	2,675	2,499	2,196
International Markets	46	31	148	103	63
Europe	11	5	26	18	11
Vyepti[3]	**170**	**76**	**492**	**93**	**n/a**
United States	167	76	489	93	n/a
International Markets	3	n/a	3	n/a	n/a
Strategic Brands	**2,668**	**2,136**	**9,287**	**10,639**	**9,385**
Cipralex/Lexapro	682	666	2,346	2,380	2,314
International Markets	511	504	1,662	1,715	1,641
Europe	171	162	684	665	673
Northera[1,2]	n/a	348	665	n/a	n/a
Onfi[1,2]	82	146	505	642	1,052
Sabril[2]	152	167	657	777	847
Mature Brands	**916**	**1,327**	**4,173**	**3,799**	**4,213**
Other pharmaceuticals[1]	812	661	2,439	2,738	3,100
Other revenue	65	81	347	491	660
Effects from hedging	(89)	68	53	5	(322)
Revenue	**4,372**	**4,273**	**16,299**	**17,672**	**17,036**

1. In 2019 and 2020, Northera was reported as a Strategic Brand. In 2021, Northera was reported as a Mature Brand due to loss of exclusivity in February 2021. In 2022, including Q1 2022, Northera is reported under "Other Pharmaceuticals". Sales of Northera reached DKK 111 million in the first quarter of 2022, compared to DKK 348 million in the first quarter the year before. No changes in comparatives were performed.

2. Products sold only in the United States.

3. Approved for commercialization in the United States in 2020 and in certain countries in the International Markets region in 2021.

Summary of the key financial developments for the quarter ended 31 March 2022 compared to the quarter ended 31 March 2021.

Results of operations

Revenue and segment information

In aggregate, Strategic Brands (Abilify Maintena, Brintellix/Trintellix, Rexulti/ Rxulti and Vyepti) grew 25% in the first quarter of 2022 reaching DKK 2,668 million or 61% of total revenue. Total revenue reached DKK 4,372 million in the quarter, an increase of 2%, as the quarter was impacted by some erosion on Northera following its loss of exclusivity in the same quarter last year and reduced contract work.

The newest product in the portfolio, Vyepti, continues to grow, reaching DKK 170 million for the quarter compared to DKK 76 million in Q1 2021.

Strategic Brands performance:

- Revenue of Abilify Maintena increased 16% to DKK 677 million (11% in local currencies)
- Revenue of Brintellix/Trintellix increased 23% to DKK 990 million (17% in local currencies)
- Revenue of Rexulti/Rxulti increased 24% to DKK 831 million (14% in local currencies)

- Revenue of Vyepti reached DKK 170 million an increase of 124% (105% in local currencies

Costs

Total costs in the first quarter of 2022 increased by 3% to DKK 3,497 million compared to DKK 3,391 million in the first quarter the previous year.

Cost of sales declined by 11% to DKK 845 million in the first quarter of 2022 and the gross margin was 80.7% compared to 77.9% in 2021. Cost of sales was positively impacted by the loss of exclusivity on Northera, as the asset was fully depreciated during the first quarter in 2021, and, also by reduced royalty costs. Amortization of product rights was DKK 309 million for the quarter compared to DKK 371 million in 2021 due to Northera being fully amortized during the first quarter of 2021.

Sales and distribution costs were DKK 1,435 million, an increase of 9% compared to first quarter of 2021 which was impacted by COVID-19-related cost avoidance. Sales and distribution costs corresponded to 32.8% of revenue, compared to 30.8% in 2021. Administrative expenses increased 12% to DKK 236 million, corresponding to 5.4% of total revenue. SG&A costs were DKK 1,671 million compared to DKK 1,528 million in 2021. The SG&A ratio was 38.2%, compared to 35.8% in 2021 as activities were increased with the lifting of pandemic restrictions.

R&D costs were DKK 981 million for the period with an R&D ratio of 22.4%. Compared to 2021, the R&D costs increased 7%.

Total operational costs (OPEX) reached DKK 2,652 million compared to DKK 2,445 million in the same period in 2021.

EBITDA (non-IFRS)

EBITDA decreased by approximately 5% to DKK 1,290 million the first quarter of 2022 compared to DKK 1,352 million the same period the year before. This is a result of decreased amortizations due to Northera loss of exclusivity in the second half of the first quarter in 2021.

Depreciation and amortization

Depreciation, amortization and impairment losses, which are included in the individual expense categories, amounted to DKK 415 million in the first quarter of 2022 compared to DKK 470 million in 2021. Amortization of product rights was DKK 309 million for 2022 compared to DKK 371 million in 2021.

Core-EBIT and EBIT (non-IFRS)

Core EBIT declined by 6% to DKK 1,184 million compared to the same period in 2021 and Core EBIT margin was 27.1%.

EBIT declined by 1% thereby reaching DKK 875 million. The EBIT margin reached 20.0% compared to 20.6% in the first quarter of 2021.

This development should be seen in the light of the expected increased activity level following the waning COVID-19 restrictions.

Net financial income/expenses

The Lundbeck Group generated a net financial expense of DKK 347 million in the first quarter of 2022, compared to a net financial expense of DKK 85 million in the first quarter of 2021.

The expenses are primarily driven by the fair value adjustments of the contingent consideration triggered by the European Commission approval of Vyepti for sale in the European Union, amounting to DKK 319 million, along with interest costs on the debt portfolio (including interest rate swaps), and banking costs.

Taxes

The effective tax rate for the first quarter 2022 is 22.0%. The tax rate is negatively impacted by the non-deductible payment of contingent consideration regarding the European Commission's approval of Vyepti but offset by the Danish research & development incentive.

Net profit & EPS (non-IFRS)

Net profit reached DKK 412 million for the first quarter of 2022 compared to DKK 621 million in 2021, as a consequence of increased activity level. The reported net profit corresponded to an EPS of DKK 2.07 versus an EPS of DKK 3.13 the previous year.

Financial position

Assets

Assets at 31 March 2022 increased 1% to DKK 35,071 million compared to DKK 34,653 million at 31 December 2021. The increase was within current asset, which accounted for DKK 9,044 million in 2022, and more specifically an increase of inventories combined with an increase of receivables, partly offset by a decrease of cash and bank balances. Non-current assets remained unchanged to DKK 26,027 million at 31 March 2022 compared to DKK 26,041 million at 31 December 2021.

Inventories

Inventories amounted to DKK 3,518 million at 31 March 2022 compared to DKK 2,775 million at 31 December 2021, an increase of 27%, driven by standard inventory build-up as per the Issuer's strategy.

Receivables

Receivables amounted to DKK 3,912 million in 2022 compared to DKK 3,558 million at 31 December 2021, an increase of 10%. The increase is driven by trade receivables which increased by 16% to DKK 2,849 million due to increase in sales.

Cash and bank balances

Cash and bank balances amounted to DKK 1,614 million in 2022 compared to DKK 2,279 million at 31 December 2021, a decrease of 29%. The decrease is driven by the payment of the contingent consideration to former shareholders of Alder BioPharmaceuticals (subsequently renamed Lundbeck Seattle BioPharmaceuticals, Inc.) of USD 2 per share totaling an amount of DKK 1,566 million, triggered by the European Commission's approval of Vyepti, as well as the dividend payout of DKK 397 million, approved at the Annual General Meeting in March 2022.

Liabilities

Liabilities at 31 March 2022 increased 2% to DKK 16,625 million compared to DKK 16,374 million at 31 December 2021. The increase was within non-current liabilities, which accounted for DKK 8,795 million, and more specifically an increase of bank debt and bond debt. The increase was partly offset by a decrease of current liabilities decreased to DKK 7,830 million in 2022 compared to DKK 8,818 million in 2021, due to a decrease of other payables.

Bank debt and bond debt

Non-current bank debt and bond debt increased by 24% to DKK 5,945 million compared to DKK 4,783 million in 2021. The increase mainly relates to the drawing on the revolving credit facility needed for the payment triggered by the European Commission's approval of Vyepti.

Other payables

Current other payables decreased by 41% to DKK 1,720 million compared to DKK 2,893 million at 31 December 2021. The decrease was driven by the payment of DKK 1,566 million of contingent consideration to the former shareholder of Alder BioPharmaceuticals (subsequently renamed Lundbeck Seattle BioPharmaceuticals Inc.) of USD 2/share, triggered by the European Commission's approval of Vyepti.

Cash flows

Net cash flow for the period

In the first quarter of 2022, the net cash outflow reached DKK 699 million compared to an outflow of DKK 2,279 million in first quarter of 2021 which included repayment of DKK 2.0 billion loan. The net cash flow in

2022 is impacted by the European Commission's approval of Vyepti and the dividend payout of DKK 397 million which was approved at the Annual General Meeting in March 2022.

Cash flow from operating activities

Cash flows from operating activities amounted to an outflow of DKK 205 million in first quarter of 2022 compared to an inflow DKK 108 million in first quarter of 2021. The development compared to 2021 primarily relates to the realized financial expense in connection with the payment of the contingent consideration for the European Commission's approval of Vyepti. The European Commission's approval of Vyepti triggered a payment to former shareholders of Alder BioPharmaceuticals (subsequently renamed Lundbeck Seattle BioPharmaceuticals, Inc.) of USD 2/share. This resulted in a payment of DKK 1,566 million, from which DKK 490 million was a cash outflow from operating activities.

Cash flow from investing activities

Lundbeck Group's net cash flows from investing activities were an outflow of DKK 1,163 million in first quarter of 2022 compared to an outflow of DKK 84 million in first quarter of 2021 driven by payment of contingent consideration of DKK 1,076 million related to the European Commission's approval of Vyepti.

Cash flow from financing activities (if explanations are available)

The cash flows from financing activities were an inflow of DKK 669 million in first quarter of 2022 compared to an outflow of DKK 2,303 million in first quarter of 2021. The cash inflow mainly related to the drawing on the RCF needed for the payment triggered by the European Commission's approval of Vyepti.

Summary of the key financial developments for the financial year ended 31 December 2021 compared to the financial year ended 31 December 2020

Results of operations

Revenue and segment information

In aggregate, Strategic Brands (Abilify Maintena, Brintellix/Trintellix, Rexulti/ Rxulti and Vyepti) grew 15% in 2021 (18% in local currencies) reaching DKK 9,287 million or 57% of revenue. Total revenue reached DKK 16,299 million in 2021, a decline of 8% (5% in local currencies), due to erosion on Northera following loss of exclusivity and reduced contract work.

In 2021, Vyepti, continued to grow since its launch in April 2020, reaching DKK 492 million in compared to DKK 93 million in 2020. Vyepti is now approved in the EU bringing the total approved countries to 39. Regulatory review is ongoing in 13 markets and around 5 submissions are planned in 2022.

Strategic Brands performance:

- Revenue of Abilify Maintena increased 7% to DKK 2,420 million (8% in local currencies)
- Revenue of Brintellix /Trintellix increased 14% to DKK 3,526 million (16% in local currencies)
- Revenue of Rexulti /Rxulti increased 9% to DKK 2,849 million (14% in local currencies)
- Revenue of Vyepti reached DKK 492 million

Costs

Total costs declined by 9% to DKK 14,289 million compared to DKK 15,623 million in 2020.

Cost of sales declined by 12% to DKK 3,648 million in 2021 and the gross margin was 77.6% compared to 76.4% in 2020. Cost of sales was negatively impacted by the inclusion of Vyepti amortizations, but reduced royalty costs mitigated some of the effect.

Sales and distribution costs were DKK 5,885 million, a decline of 1% compared to 2020 mainly because of COVID-19-related cost avoidance. Sales and distribution costs corresponded to 36.1% of revenue, compared to 33.6% the year before. Administrative expenses declined 3% to DKK 933 million, corresponding to 5.7% of total revenue. Selling, general & administrative expenses (SG&A) for 2021 reached DKK 6,818 million compared to DKK 6,912 million in 2020. The SG&A ratio for the period was 41.8%, compared to 39.1% the prior year.

R&D costs were 3,823 million for 2021 with a R&D ratio of 23.5%. Compared to 2020, the R&D costs declined 16%, while adjusted for the impairment of foliglurax of DKK 792 million in 2020, the R&D costs increased by 2%.

Total operational costs (OPEX) reached DKK 10,641 million compared to DKK 11,457 million for 2020. Adjusted for the impairment of foliglurax product rights last year, OPEX consequently did not change.

EBITDA (non-IFRS)

EBITDA decreased by approximately 22% to DKK 3,720 million for 2021 compared to DKK 4,783 million in 2020. This was a result of Northera loss of exclusivity in February 2021.

Depreciation and amortization

Depreciation, amortization and impairment losses, which are included in the individual expense categories, amounted to DKK 1,710 million in 2021 compared to DKK 2,793 million in 2020, which included the impairment of foliglurax product rights of DKK 792 million recognized in the first quarter of 2020. Amortization of product rights was DKK 1,274 million for 2021 compared to DKK 1,584 million in 2020.

Core-EBIT and EBIT (non-IFRS)

Core EBIT for 2021 declined by 21% to DKK 3,517 million and the Core EBIT margin was 21.6%.

EBIT reached DKK 2,010 million compared to DKK 1,990 million in 2020 which was impacted by the impairment of the foliglurax product rights in 2020. The EBIT margin increased from 11.3% to 12.3%.

Net financial income/expenses

The Issuer generated a net financial expense of DKK 429 million for 2021, compared to a net financial expense of DKK 84 million for 2020.

Financial income reached DKK 14 million compared to DKK 277 in 2020.

Financial expenses mainly consist of interest costs on the debt portfolio (including interest rate swaps), fair value adjustments on contingent considerations and banking costs. Financial expenses reached DKK 443 million compared to DKK 361 million the previous year.

Taxes

The effective tax rate for 2021 is 16.6% compared to 17.0% in 2020. The tax rate is positively impacted by increased R&D deductions, Foreign Derived Intangible Income (FDII) benefits and recognition of tax credits.

Net profit & EPS (non-IFRS)

Net profit for 2021 reached DKK 1,318 million compared to DKK 1,581 million in 2020 as a consequence of declining revenues following the expected generic erosion of Northera. The reported net profit corresponded to an EPS of DKK 6.63 versus an EPS of DKK 7.96 the year before.

Financial position

Assets

Assets decreased in 2021 by 4% to DKK 34,653 million compared to DKK 36,029 million in 2020. The decrease was primarily within current asset, which accounted for DKK 8,612 million in 2021, and more specifically a decrease of 42% of cash and bank balances. The net decrease in assets included an increase of inventories by 28% to DKK 2,775 million in 2021 compared to DKK 2,163 million in 2020. Non-current assets remained unchanged to DKK 26,041 million in 2021 compared to DKK 25,924 million in 2020.

Receivables

Receivables decreased to DKK 3,558 million in 2021 compared to DKK 4,018 million in 2020, a decrease of 11%. The decrease is primarily driven by other receivables.

Other receivables decreased by 67% to DKK 289 million in 2021 compared to DKK 868 million in 2020. The decrease is the effect of stronger currencies in 2021 compared to 2020 which had an impact on the hedging strategy followed by the Issuer.

Cash and bank balances

Cash and bank balances amounted to DKK 2,279 million in 2021 compared to DKK 3,924 million in 2020, a decrease of 42%, mainly due to the repayment of a bank loan net of DKK 1,752 million during 2021.

Liabilities

Liabilities in 2021 decreased by 14% to DKK 16,374 million compared to DKK 19,056 million in 2020. The decrease was primarily within non-current liabilities, which accounted for DKK 7,556 million, and more specifically a decrease in other payables and in bank debt and bond debt and provisions. Additionally, current liabilities decreased to DKK 8,818 million in 2021 compared to DKK 10,012 million in 2020, due to a decrease in provisions and bank debt, offset by an increase in other payables.

Other payables

Non-current other payable decreased by 59% to DKK492 million in 2021 compared to DKK1,190 million in 2020. Current other payable increased by 57% to DKK to DKK 2,893 million in 2021 compared to DKK 1,846 million in 2020. Total other payables increased by 11% to DKK 3,385 million in 2021 compared to DKK 3,036 million in 2020. The increase is primarily due to an adjustment to goodwill related to the acquisition of Alder BioPharmaceuticals (subsequently renamed to Lundbeck Seattle BioPharmaceuticals, Inc.) due to identification of accounting errors in the purchase price allocation in prior years relating to the fair value of a future milestone payment to a third party of Alder BioPharmaceuticals of DKK 273 million. Bank debt and bond debt

Non-current bank and bond debt decreased by 11% to DKK 4,783 million in 2021 compared to DKK 5,397 million in 2020. Current bank and bond debt decreased 100% to DKK 0 in 2021 compared to DKK 2,000 million in 2020. Total bank debt and bond debt decreased by 35% to DKK 4,783 million in 2021 compared to DKK 7,397 million in 2020, due to the repayment of the short-term loan.

Provisions

Non-current provisions decreased by 34% to DKK 92 million in 2021 compared to DKK 139 million in 2020. Current provisions decreased 16% to DKK 1,405 in 2021 compared to DKK 1,672 million in 2020. Total provisions decreased by 17% to DKK 1,497 million in 2021 compared to DKK 1,811 million in 2020, due to Lonza liability settlement.

Cash flows

Net cash flow for the year

In 2021, the net cash outflow reached DKK 1,674 million compared to an inflow of DKK 976 million in 2020. The net cash flow in 2021 is impacted by dividend payout of DKK 497 million which was approved at the Annual General Meeting in March 2021 and repayment of bank loans net of DKK 2,279 million.

Cash flow from operating activities

Cash flows from operating activities amounted to DKK 2,272 million in 2021 compared to DKK 3,837 million in 2020. The development compared to last year primarily relates to reduced EBITDA due to Northera loss of exclusivity, the Lonza liability settlement, negative impact from working capital due to inventory build-up and a higher cash tax payment related to intercompany transfer of product rights in 2020.

Cash flow from investing activities

The Lundbeck Group's net cash flows from investing activities were an outflow of DKK 610 million for 2021 compared to an outflow of DKK 467 million in 2020.

Summary of the key financial developments in the financial year ended 31 December 2020 compared to the financial year ended 31 December 2019

Results of operations

Revenue and segment information

Sales of all Strategic Brands showed solid growth in 2020 although growth was lower than expected for some of the products due to the COVID-19 pandemic. The revenue for 2020 reached DKK 17,672 million compared to DKK 17,036 million in 2019.

In 2020, Vyepti (eptinezumab-jjmr) was approved in the U.S. for the preventive treatment of migraine in adults. The product was launched in April 2020 in the U.S. and reached sales of DKK 93 million, which was close to a doubling from the third to the fourth quarter of 2020.

Sales of the Strategic Brands for the period (Abilify Maintena, Brintellix/Trintellix, Northera, Rexulti/Rxulti and Vyepti) grew by 13% for the period, reaching DKK 10,639 million or approximately 60% of Lundbeck Group's total revenue. The biggest markets were the US, China, Canada, Japan, Spain, Italy and France.

In the second half of 2020, product sales were significantly impacted by depreciation of main exchange rates and reduced promotional activity in many countries as a consequence of the COVID-19 pandemic thereby having impacted new patient enrolment negatively, particularly among primary care physicians (PCPs).

Strategic Brands performance:

- Revenue of Abilify Maintena increased 16% to DKK 2,271 million (17% in local currencies)
- Revenue of Brintellix /Trintellix increased 10% to DKK 3,102 million (13% in local currencies)
- Revenue of Northera increased 10% to DKK 2,553 million (12% in local currency)
- Revenue of Rexulti /Rxulti increased 15% to DKK 2,620 million (17% in local currencies)
- Revenue of Vyepti reached DKK 93 million following the launch in the US in April 2020.

Costs

Total costs in 2020 grew by 17% to DKK 15,623 million compared to DKK 13,369 million in 2019.

The increase was mainly due to:

- Increased investments in the commercial organization in the US, China and Japan to support the continued growth of Brintellix/Trintellix and Vyepti.
- Impairment of the foliglurax product rights, a selective positive allosteric modulator of the glutamate 4 receptor for the treatment of Parkinson's disease, and R&D restructuring costs (as a result of restructuring of the Issuer's global R&D organization finalized in mid-2020), both recognized in R&D costs of DKK 792 million and DKK 77 million, respectively.
- Valuation adjustment of Vyepti's inventory after the start-up phase, due to the stabilization of the production after the start-up phase.
- Increase in amortization due to Vyepti of approximately DKK 500 million.
- Excluding the non-recurring costs for foliglurax impairment, the R&D restructuring costs and the Vyepti inventory valuation adjustment, total costs increased by approximately 10%.

Cost of sales increased by 8% to DKK 4,166 million in 2020 and the gross margin was 76.4%. Cost of sales was impacted by the valuation adjustment of Vyepti's inventory due to the stabilization of the production after the start-up phase and the decline in Onfi sales that was offset by the changed product mix, resulting in reduced royalty costs.

Sales and distribution costs were DKK 5,946 million, an increase of 8% compared to 2019. Sales and distribution costs corresponded to 33.6% of revenue, compared to 32.3% the year before. Administrative expenses

increased 7% to DKK 966 million, corresponding to 5.5% of total revenue. Total sales, general and administrative expenses (SG&A) combined were DKK 6,912 million, compared to DKK 6,413 million in 2019. The SG&A ratio for the year was 39.1%, compared to 37.6% the prior year.

R&D costs increased 46% to DKK 4,545 million in 2020. The R&D ratio reached 25.7%. Adjusted for the impairment and the restructuring costs, the R&D ratio was 21%.

Other operating expenses, net, amounted to DKK 59 million for 2020 as a consequence of acquisition and integration costs related to the acquisition of Alder Biopharmaceuticals Inc. in 2019. In 2019, other operating expenses, net amounted to DKK 514 million.

EBITDA (non-IFRS)

EBITDA decreased by approximately 1% to DKK 4,783 million for 2020 compared to DKK 4,823 million in 2019. This was a result of operations as well as additional R&D costs from the increased clinical activity for Vyepti.

Depreciation and amortization

Depreciation, amortization and impairment losses, included in the individual expense categories, amounted to DKK 2,793 million in 2020 compared to DKK 1,670 million in 2019. The increase was mainly a consequence of the impairment of foliglurax product rights of DKK 792 million. The amortization of product rights was DKK 1,548 million for 2020 compared to DKK 1,309 million in 2019. The increase in amortization was mainly due to Vyepti that was approved and launched in 2020.

Core-EBIT and EBIT (non IFRS)

Core EBIT for 2020 declined 11% to DKK 4,436 million and the Core EBIT margin was 25.1%.

EBIT reached DKK 1,990 million compared to DKK 3,153 million in 2019, the lower number being impacted by the foliglurax impairment, the increase in amortization of product rights and the valuation adjustment of Vyepti's inventory due to the stabilization of the production after the start-up phase.

Net financial income/expenses

The Lundbeck Group generated a net financial expense of DKK 84 million in 2020, compared to a net financial expense of DKK 127 million in 2019. The variation was mainly due to a fair value adjustment gain of DKK 70 million in connection with the investment in Imara, Inc. recognized in 2020 and in which Lundbeck owns 3% of the share.

In 2020, the financial expenses, net, were broken down into financial expenses, mainly consisting of interest costs on the loan portfolio (including interest rate swaps) and banking costs, and financial income which mainly consisted of net gains in other financial assets.

Taxes

The effective tax rate for 2020 was 17.0% compared to 23.6% in 2019. The tax rate was impacted by the increase in Danish research & development incentives and by integration work of acquired companies causing:

- Accelerated utilization of net operating losses (NOLs) leading to recognition of prior year not-recognized NOLs and tax credits;
- Lower blended state rate taxes;
- Low tax rate realized on transfers to Denmark of all IP rights from Lundbeck La Jolla Research Center Inc. and all IP rights related to foliglurax.

Net profit & EPS

Net profit for 2020 amounted to DKK 1,581 million compared to DKK 2,313 million in 2019. The reported net profit in 2020 corresponded to an EPS of DKK 7.96 versus an EPS of DKK 11.64 for 2019.

Financial position

Assets

Assets decreased in 2020 by 6% to DKK 36,029 million compared to DKK 38,133 million in 2019. The decrease was primarily within non-current asset, a decrease of 11% mainly due to a decrease of intangible assets which accounted for DKK 25,924 million. The net decrease in assets included an increase of current assets by 12% to DKK 10,105 million in 2020 compared to DKK 9,038 million in 2019, primarily in receivables and cash and bank balances.

Intangible assets

Intangible assets totaled DKK 22,738 million in 2020 compared to DKK 26,255 million in 2019, a decrease of 13%, as a result of decreases in goodwill and product rights.

Goodwill amounted to a total of DKK 4,845 million in 2020, compared to DKK 5,278 million in 2019, a decrease of 8%. The reason for this development is the effect of foreign exchange differences which led to a loss of DKK 409 million in 2020.

Product rights accounted for DKK 17,632 million in 2020, compared to DKK 20,732 million in 2019, a decrease of 15%. This was primarily due to a loss in foreign exchange rate of DKK 1,357 million in 2020 and amortizations. Furthermore, Lundbeck recorded an impairment loss (write down of the carrying value) of DKK 792 million in 2020. The impairment was caused due to foliglurax not meeting the primary study endpoint.

Deferred taxes

Deferred tax assets totaled DKK 233 million in 2020 compared to DKK 5 million in 2019, such increase being due to the revaluation of tax losses and deferred tax credits from previous years.

Receivables

Receivables increased to DKK 4,018 million in 2020 compared to DKK 3,822 million in 2019, an increase of 5%, due to higher other receivables and prepayments, and partly offset by trade receivables and income taxes receivable.

Trade receivables declined to DKK 2,553 million in 2020 compared to DKK 2,768 million in 2019, which was a decrease of 8% despite an increase in revenue, mainly due to the improvement in payment terms.

Income taxes receivables were DKK 217 million in 2020 compared to DKK 464 million in 2019, a decrease of 53%. The liability for current tax in 2019 was impacted by accelerated tax benefits from the integration of acquired entities causing an on-account payment to be an overpayment.

Other receivables totaled DKK 868 million in 2020 compared to DKK 388 million in 2019, an increase of 124%. Variation is mainly due to the exchange rate effect on cross-currency swaps hedging for loans and revenue, especially affected from the USD/DKK exchange rate fluctuations.

Liabilities

Liabilities in 2020 decreased by 11% to DKK 19,056 million compared to DKK 21,351 million in 2019. The decrease was primarily within non-current liabilities, which accounted for DKK 9,044 million, and more specifically a decrease in deferred tax liabilities and in bank debt and bond debt. Additionally, current liabilities decreased to DKK 10,012 million in 2020 compared to DKK 10,280 million in 2019, due to a decrease in provisions.

Deferred tax liabilities

Deferred tax liabilities totaled DKK 1,614 million in 2020 compared to DKK 1,832 million in 2019, primarily due to amortization of product rights.

Bank debt and bond debt

Bank debt and bond debt totaled DKK 5,397 million in 2020 compared to DKK 7,062 million in 2019, which was a decrease of approximately 24%. This was a result of Lundbeck repaying part of its debt from the acquisitions in 2019.

Provisions

Provisions totaled DKK 1,672 million DKK in 2020. This is equivalent to a decrease of 18%. The decrease was mainly due to the utilization of the restructuring provisions and other provisions such as legal disputes.

Cash flows

Net cash flow for the period

In 2020, the net cash flows reached an inflow of DKK 976 million compared to an outflow of DKK 598 million in 2019. The net cash flows were impacted in 2020 by dividend payout for a net amount of DKK 815 million and repayment of bank loans.

Cash flow from operating activities

Cash flows from operating activities amounted to DKK 3,837 million in 2020 compared to DKK 2,609 million in 2019. The positive development is due to higher EBITDA, reduced taxes paid due to tax receivables from prior years and an improved working capital.

Cash flow from investing activities

Net cash flows from investing activities were an outflow of DKK 467 million compared to an outflow of DKK 7,755 million in 2019 as a consequence of the acquisition of Alder. The free cash flow reached an inflow of DKK 3,370 million in 2020 compared to an outflow of DKK 5,146 million in 2019.

Capital resources

Capitalization and indebtedness

The information presented below should be read in conjunction with other parts of this Listing Document, including in particular the sections below entitled "*Credit facilities*" and "*Financial considerations – Liquidity*".

The following table sets forth the capitalization and indebtedness of the Lundbeck Group as at 31 March 2022:

DKK million	**31 March 2022**
Cash and bank balances	**1,614**
Capitalization	
Total current debt (including current portion of non-current debt)	230
Guaranteed	-
Secured	-
Unguaranteed / unsecured	230
Total non-current debt *(excluding current portion of non-current debt)*	**6,387**
Guaranteed	-
Secured	-
Unguaranteed / unsecured	6,387
Total capitalization	**6,617**
Shareholders' equity	
Share capital	996
Legal reserve	-
Other reserves*	17,450
Total shareholders' equity	**18,446**

** Includes: Foreign currency translation reserve, Hedging reserve and Retained earnings*

DKK million	31 March 2022
Net interest-bearing debt	**5,003**
Leverage	**1.4**

	DKK million	31 March 2022
Indebtedness		
A	Cash and bank balances	**1,614**
B	Cash Equivalents	**-**
C	Other current financial assets	**-**
D	**Liquidity (A + B + C)**	**1,614**
E	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	**230**
F	Current portion of non-current financial debt	**-**
G	**Current financial indebtedness (E + F)**	**230**
H	**Net current financial indebtedness (G – D)**	**(1,384)**
I	Non-current financial debt (excluding current portion and debt instruments)	**442**
J	Debt instruments	**5,945**
K	Non-current trade and other payables	**-**
L	**Non-current financial indebtedness (I + J + K)**	**6,387**
M	**Total financial indebtedness**	**5,003**

Credit facilities

Lundbeck has a diversified loan portfolio with a variating maturity profile. As of 31 March 2022, the loan portfolio consisted of two bank loans and one outstanding bond issuance established pursuant to the Issuer's 2,000,000,000 Euro Medium Term Note programme (the "**EMTN Programme**") as described below.

On 25 June 2019, Lundbeck as borrower entered into a multicurrency Revolving Credit Facility agreement with its strategic banks as a syndicated group. The group consisted of (i) Nordea Bank Abp, (ii) Danske Bank A/S, (iii) BNP Paribas, (iv) Bank of America Merrill Lynch, (v) Skandinaviske Enskilda Bank and (vi) Jyske Bank A/S. The facility has an aggregate principal amount of EUR 1,500,000,000 and had a maturity date on 25 June 2023, however, with three extension possibilities of one year each, at the lenders' discretion. As of 31 March 2022, the facility has been extended two times, and the maturity date is therefore 25 June 2025.

On 16 September 2019, Lundbeck as borrower entered into a term loan with some of its strategic banks as a syndicated group. The group consisted of (i) Nordea Bank Abp, (ii) Danske Bank A/S, (iii) BNP Paribas, (iv) Skandinaviska Enskilda Bank and (v) Jyske Bank A/S. The term loan had an aggregate principal amount of DKK 2,000,000,000 with a maturity date one year after the drawing date with a corresponding maturity of 22 October 2020. On 31 March 2020, the Issuer entered into an amendment and restatement agreement with the lenders with a new maturity date of 22 October 2021 including two extension possibilities each of one year, at the lenders' discretion. The loan was prepaid in full in Q1 2021.

On 14 October 2020, Lundbeck made its first bond issuance as part of its EMTN Programme. The issuance had a of nominal value of EUR 500,000,000. The bond was rated BBB- by the rating agency Standard & Poor's and is a senior unsecured bond with a fixed coupon of 0.875% for a 7-year tenor and a maturity date of 14 October 2027. The gross proceeds of EUR 499 million were used to repay existing debts under the revolving credit facility and were as such leverage neutral.

The Issuer has the following composition and maturity structure on its credit facilities as of 31 March 2022:

	Currency	Expiry of commitment	Fixed/ floating	Weighted average effective interest rate	Amortized cost	Nominal value	Fair value
				%	DKKm	DKKm	DKKm
31 March 2022							
Bank loan	USD	Jun 2025	Floating	1.23	1,239	1,239	1,239
Bank loan	USD	Jun 2025	Floating	1.06	1,005	1,005	1,005
Issued bonds	EUR	Oct 2027	Fixed	0.88	3,701	3,719	3,489
Total					**5,945**	**5,963**	**5,733**

Contractual commitments

Research and development milestones and collaborations

The Lundbeck Group has entered into a number of agreements relating to research and development. According to the agreements, Lundbeck is committed to pay certain milestones. At 31 March 2022, potential future milestone payments covering the coming ten-year period totaled up to DKK 1,052 million.

Sales milestones

The Lundbeck Group is committed to pay certain commercial sales milestones. The amounts depend on future sales.

Other purchase obligations

The Lundbeck Group has undertaken purchase obligations relating to property, plant and equipment in the amount of DKK 100 million as at 31 March 2022.

Financial considerations

Currency

In March 2022, foreign currency risks managed by derivatives and loans comprised cash flow risk in several currencies and USD translation risk, emanating from net investments in foreign subsidiaries. Lundbeck has hedged part of the translation risk emanating from its net investments in foreign subsidiaries in the U.S. by taking out bank debt in USD. Thereby, Lundbeck decreases the negative impact that a weaker USD will have on the value of its U.S. assets, as a decrease in the value of the debt portfolio would offset part of this impact. Lundbeck designates the USD bank debt as hedge of net investment, and the exchange rate adjustments are recognized in other comprehensive income.

The Issuer hedges a part of the Lundbeck Group's anticipated revenue in selected currencies for a period of 12-18 months using forward exchange contracts and currency options. Hedging is performed on a rolling basis each month.

On 31 March 2022, the Issuer had the following material forward and option contracts:

Forward exchange contracts (against DKK)	Contract amount according to hedge accounting	Fair value at year-end recognized in the statement of comprehensive income/other receivables	Fair value at year-end recognized in the statement of comprehensive income/other payables	Realized exchange gains/losses for the year recognized in the statement of profit or loss/ statement of financial position	Average hedge prices of existing forward exchange contracts	Maturity
	DKKm	DKKm	DKKm	DKKm	DKK	
31 March 2022						
CAD (sell position)	340	-	(20)	(5)	501.93	Feb. 2023
CNY (sell position)	473	-	(29)	(18)	97.96	Jan. 2023
JPY (sell position)	160	5	-	2	5.66	Nov. 2022
USD (sell position)	2,476	1	(107)	(59)	638.18	Feb. 2023
Other currencies	1,205	12	(54)	(9)		Mar. 2023
Total		**18**	**(210)**	**(89)**		

Currency option contracts (against DKK)	Contract amount according to hedge accounting	Fair value at year-end recognized in the statement of comprehensive income/other receivables	Fair value at year-end recognized in the statement of comprehensive income/other payables	Realized exchange gains/losses for the year recognized in the statement of profit or loss/ statement of financial position	Average hedge price range of existing option contracts	Maturity
	DKKm	DKKm	DKKm	DKKm	DKK	
31 March 2022						
AUD (sell position)	99	-	(6)	-	460.18 - 488.04	Dec. 2022
CAD (sell position)	218	-	(10)	-	503.09 - 528.36	Feb. 2023
CNY (sell position)	47		(3)	-	‘100.58 –	Nov. 2022
JPY (sell position)	42	-	(1)	-	5.49 - 5.90	Oct. 2022
USD (sell position)	990	-	(30)	-	641.00 - 670.10	Jan. 2023
Total		**0**	**(50)**	**0**		

The option contracts are part of hedging strategies where the Issuer has bought a put option and sold a call option, which results in a hedge price range for each currency. The CNY position consists of a bought put option only.

For additional information on the currency risks applicable to the Lundbeck Group, please refer to the section “*Risk Factors – Economic and Financial Risks*”.

Interest

The Issuer has a loan-portfolio and has floating interest rates on some parts of the outstanding debt. The majority of the interest rate risk is, however, hedged through interest rate swaps. In 2020, the Issuer issued a Eurobond fixed at a yield of 0.91% for the 7-year tenor until 2027 (see the section *“Capital resources – Credit facilities*” above for further details). An overview of the debt portfolio as of 31 March 2022 is shown in the above table under “*Credit facilities*”:

A large part of the USD funding was swapped into fixed interest rates by interest rate swaps. The nominal amounts of the interest rate swaps follow the expected repayment profile of the USD debt until the swaps expire in 2023. The total outstanding amount of the interest rate swaps as of 31 March 2022was USD 260 million, and the average interest rate was 1.56% for the fixed legs and 0.24% for the floating legs. The USD bank loans were designated as hedging of net investments.

For additional information on the interest risks applicable to the Lundbeck Group, please refer to the section "*Risk Factors – Economic and Financial Risks*".

Credit

As of 31 March 2022, Lundbeck's products were sold primarily to distributors of pharmaceuticals, pharmacies and hospitals. The payment conditions for the customers, including credit periods and any payment of interest in case of non-payment, vary, but were generally based on industry practice in the relevant market. As a result of special trading conditions in specific markets, the credit period may be up to approximately 360 days. The weighted average credit period was approximately 45 days.

As of 31 March 2022 and in 2021, no single customer contributed 10% or more of total revenue. The Company has historically experienced low levels of losses on trade receivables (see note 10 to the 2021 Financial Statements).

The credit risk on cash and derivatives (forward exchange contracts, currency options and interest rate swaps) was limited, as Lundbeck only deals with banks with a solid credit rating. To further limit the risk of loss, internal limits were defined for the credit exposure accepted towards the banks with whom the issuer collaborates. The counterparty risk towards banks with a higher risk profile was kept to a minimum, only allowing balances necessary for operating needs within the immediate future.

For additional information on the credit risks applicable to the Lundbeck Group, please refer to the section "*Risk Factors*".

Liquidity

As at 31 March 2022, Lundbeck's portfolio of loans and facilities were diversified in terms of both instrument, maturity profile and lenders. For more details on the credit facilities see "*Capital resources – Credit facilities*" above.

The loan facilities were subject to covenants, and no breaches were encountered during 2021. At 31 March 2022, Lundbeck had unutilized committed credit facilities of DKK 8.9 billion (DKK 9.2 billion in 2021).

In October 2020, Lundbeck issued a seven-year Eurobond in the amount of EUR 500 million with a fixed coupon of 0.875%. The bond was issued under Lundbeck's EMTN Program.

In addition, Lundbeck had a number of uncommitted credit facilities to cover its day-to-day operations. At 31 March 2022 and 31 March 2022, these credit facilities were unutilized.

For additional information on the liquidity risks applicable to the Lundbeck Group, please refer to the section "*Risk Factors – Economic and Financial Risks*".

Material current and future investments

Material current investments

As of the date of the Listing Document the Issuer has no material investments in progress, other than the investments arising from the ordinary course of business as disclosed in the section "*Business – Investments, Holdings and Recent Acquisitions*".

Material future investments

As of the date of the Listing Document, the Issuer has no specific plans concerning material future investments, other than investments arising from the ordinary course of business as disclosed in the section "*Business – Investments, Holdings and Recent Acquisitions*".

No significant change

As at the date of this Listing Document, there have been no significant changes to the Company's financial condition and operating result since the end of the period covered by the 2022 Interim Financial Statements for the period 1 January 2022 to 31 March 2022.

Working capital statement

In the opinion of the Company, the working capital available to the Company at the time of completion of the Share Split is sufficient for its present requirements for the next 12 months following the date of this Listing Document.

PROSPECTIVE FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

Statement by the Board of Directors and Executive Management

We have prepared and presented the prospective financial information for the financial year ending 31 December 2022, including the principal assumptions stated under "*Methodology and assumptions*". The accounting policies applied are in accordance with the accounting policies set out in the notes to Issuer's 2021 Financial Statements incorporated by reference into this Listing Document, except to the extent new accounting policies are required to be adopted in 2022 as disclosed in note 1 to the Issuer's 2021 Financial Statements. The prospective financial information for the financial year ending 31 December 2022 is prepared for the purpose of this Listing Document.

The prospective financial information for the financial year ending 31 December 2022 is based on several factors, including certain estimates and assumptions. The principal assumptions upon which we have based the prospective financial information for the financial year ending 31 December 2022 are described under "*Methodology and assumptions*". Many of the significant assumptions applied are outside of the Issuer's control or influence.

The prospective financial information for the financial year ending 31 December 2022 represents the best estimates of the Board of Directors and Executive Management at the date of publication of this Listing Document. Actual results may differ from the prospective financial information for the financial year ending 31 December 2022 as unexpected events can occur, and anticipated events may not materialize as expected. Variation of results due to change of events can be material and significant for the Issuer's result. You should read the prospective financial information for the financial year ending 31 December 2022 in this section in conjunction with "*Risk Factors*" included elsewhere in this Listing Document. See also "*Special Notice Regarding Forward-Looking Statements*".

Valby, Denmark, 20 May 2022

H. Lundbeck A/S

Board of Directors

Lars Søren Rasmussen
Chairman

Lene Skole-Sørensen
Deputy Chairman

Lars Erik Holmqvist
Board Member

Jeremy Max Levin
Board Member

Jeffrey Berkowitz
Board Member

Dr. Dorothea Wenzel
Board Member

Santiago Arroyo
Board Member

Hossein Armandi
Board Member

Dorte Clausen
Board Member

Lasse Skibsbye
Board Member

Camilla Gram Andersson
Board Member

Executive Management

Deborah Dunsire *President and CEO*	Johan Luthman *Executive Vice President, Research & Development*
Lars Bang *Executive Vice President, Product Development & Supply*	Jacob Tolstrup *Executive Vice President and CCO*

Prospective financial information

Introduction

The Issuer's Board of Directors and Executive Management have prepared the prospective financial information for the Issuer for the financial year ending 31 December 2022 which is included in this Listing Document, in accordance with applicable laws, rules and regulations.

While this prospective financial information is presented with numerical specificity, information is based upon a number of assumptions and estimates, which the Issuer considers realistic and reasonable. As a result, this prospective financial information is inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, and based upon future business decisions subject to change. Additionally, the business impact caused by COVID-19 entails a forecast with further uncertainty as the possible long-term effects of the global pandemic has yet to materialize across the globe and markets.

The Issuer's expectations presented in the consolidated prospective financial information as to future developments may deviate substantially from actual developments, and Issuer's actual results of operations may vary considerable from the prospective financial information because anticipated events may not occur as expected or may materially differ from the forecast provided. Accordingly, shareholders should treat this information with caution and not place undue reliance on the expectations set forth below.

Methodology and assumptions

The prospective financial information reflects the actual performance of the Issuer's business for the three (3) months ended 31 March 2022 and the Issuer's estimates and assumptions concerning its performance for the periods thereafter. The prospective financial information has been prepared based on the Issuer's accounting policies, which are in accordance with IFRS as adopted by the EU and presented in the Financial Statements incorporated by reference into this Listing Document.

The prospective financial information is prepared in accordance with the Issuer's normal forecasting and budgeting procedures and on a basis comparable to the historical financial information included in "*Presentation of Financial and Certain Other Information*" in this Listing Document.

Many assumptions relating to the prospective financial information are outside of Issuer's influence, including those relating to changes in market, political, legal, fiscal or economic conditions, currency fluctuations and actions by customers or competitors.

The Issuer's actual results of operations could deviate considerably from its forecasts as a result of other factors, including, but not limited to, those described listed in "*Special Notice Regarding Forward-Looking Statements*" and "*Risk Factors*".

For more information regarding principal factors the Issuer expects could have a substantial effect on its results of operations see "*Operating and Financial Review – Principal factors affecting the Issuer's business and results of operations*".

For the purpose of preparing the prospective financial information for the year ending 31 December 2022, the Issuer has applied the principal assumptions set forth below.

Revenue

The revenue estimate for the financial year ending 31 December 2022 is, to some extent, based on reported revenue of DKK 4,372 million for the three (3) months ending 31 March 2022. The estimated revenue is generally based on the expected units of products sold during the nine remaining months of the financial year ending 31 December 2022. The Issuer's estimate for the financial year ending 31 December 2022 assumes:

- The Issuer's estimate of revenue for the financial year ending 31 December 2022 assumes an increase of 2%-6% in 2022. The estimate assumes revenue growth for Strategic Brands and a revenue decline for Mature Brands. The assumption is partially within the Issuer's control.

- Strategic Brands. The expected increase in revenue is in part due to expected increased revenue from the sales of Vyepti driven by increased demand for uptake in the US and continued global launch. The expected increase in revenue from Rexulti, Brintellix/Trintellix and Abilify Maintena is primarily due to an expected growth in underlying demand, increased market share and expected price increases in the US. The assumption is partially within the Issuer's control.

- Mature Brands. For Mature Brands, the company assumes a decline in revenues primarily due to increased generic competition and price erosion. The assumption is considered outside the Issuer's influence.

- The Issuer's estimate assumes that the COVID-19 pandemic's impact on the Issuer's business is not worsened. The assumption is outside the Issuer's control.

The Issuer's estimates for the financial year ending 31 December 2022 are primarily based on historic experience and current market expectations. Such estimates are dependent on a wide range of factors some of which are partially within the Issuer's control and some of which are out of its control. In part, the Issuer's revenue trajectory is based on sales representative's ability to interact and engage with customers and physicians to influence market share. Assumptions relating to macro-economic conditions, industry considerations, regulatory changes and limitations (particularly with reference to the COVID-19 pandemic) are outside the Issuer's control. The Issuer's estimates assume there will not be any material change in the competitive or regulatory landscape, and/or other external actions which are significantly outside the Issuer's control by the Issuer's customers that could have an adverse effect on the Issuer's ability to continue its trajectory of product offering in the market. See the section "*Risk Factors*" for a general description of various risks that are relevant for the Issuer and which may have a material adverse effect on the Issuer's and the Lundbeck Group's business, financial condition and results of operations.

EBITDA (non-IFRS), operating profit (EBIT) and core EBIT

In addition to the Issuer's assumptions to revenue growth in the financial year ending 31 December 2022, the Issuer's expectations regarding EBITDA (non-IFRS), Core EBIT (non-IFRS) and EBIT are based on the following assumptions:

- The Issuer assumes continued significant investments in research and development largely in line with 2021 investments. This assumption is mostly within the Issuer's control.

Additional assumptions

- The Issuer expects currency exchange rates to be in line with the latest exchange rates observed by the time of preparing the Listing Document (outside of the Issuer's control).

- The issuer's prospective financial information for the financial year ending 31 December 2022 is based on the following hedging rates for its material currencies, i.e. USD/DKK (6.36), CNY/DKK (0.98) and CAD/DKK (5.01).

- The Issuer assumes an expected hedging loss of approximately DKK 330 million.

Non-IFRS financial measures

Core EBIT and EBITDA presented within the prospective financial information are not defined as or a measure of financial performance under IFRS, but are measures used by the Issuer to monitor the performance of its business and operations. The Issuer has presented these non-IFRS measures within the prospective financial

information because they are considered both important supplement measures of the Issuer's expected performance and are widely used by investors in comparing performance between companies.

Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS measures contained in the prospective financial information and it should not be considered a substitute for financial measures computed in accordance with IFRS.

The non-IFRS financial measures Core EBIT and EBITDA are defined the sections "*Presentation of Financial and Certain Other Information – Non-IFRS financial measures/alternative performance measures - Core EBIT*" and *Presentation of Financial and Certain Other Information – Non-IFRS financial measures/alternative performance measures – EBITDA*".

Expectations for the financial year ending 31 December 2022

Based principally on the assumptions and methodology set out above, the expectations for the Issuer's performance for the financial year ending 31 December 2022 are:

- The Issuer expects revenue to be between DKK 16.7 – 17.3 billion
- The Issuer expects EBITDA (non-IFRS) of between DKK 4.0 – 4.4 billion
- The Issuer expects Core EBIT of between DKK 3.6 – 4.0 billion.
- The Issuer expects an operating result (EBIT) of between DKK 2.2 – 2.6 billion.

(See also the section "*Special Notice Regarding Forward-Looking Statements*").

The Issuer's financial and operational performance is affected by various factors (see the section "*Operating and Financial Review – Principal factors affecting the Issuer's business and results of operations*"). For a discussion of certain factors that may have an adverse effect on the Issuer's operational and financial performance, see "*Risk Factors*".

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Overview

Lundbeck has a two-tier governance structure consisting of the Board of Directors and the Executive Management. The two bodies are separate and have no overlapping members.

Board of Directors

The Board of Directors is responsible for the overall and strategic management and proper organization of Lundbeck's business and operations and it supervises Lundbeck's activities, management and organization. The Board of Directors appoints and dismisses the members of the Executive Management, who are responsible for the day-to-day management of Lundbeck.

In accordance with article 5.1 of the Articles of Association, the general meeting of Lundbeck shall elect not less than four (4) and not more than eight (8) members to the Board of Directors. In addition to the members elected by the general meeting, the employees of Lundbeck and its Danish subsidiaries shall elect a number of members to the Board of Directors in accordance with the Danish Companies Act. The Board of Directors elects a chairman (the "**Chairman**") and a deputy chairman (the "**Deputy Chairman**") of the Board of Directors among its members.

The members of the Board of Directors elected by the general meeting are elected for a term of one year until the next annual general meeting. Members of the Board of Directors may be re-elected.

The following table presents an overview of the members of the Board of Directors:

Name	Position	Independent	Year of first appointment	Expiration of term
Lars Søren Rasmussen	Chairman	Yes	2013	2023
Lene Skole-Sørensen	Deputy Chairman	No	2015	2023
Lars Erik Holmqvist	Board member	No	2015	2023
Jeremy Max Levin	Board member	Yes	2017	2023
Jeffrey Berkowitz	Board member	Yes	2018	2023
Dr. Dorothea Wenzel	Board member	Yes	2021	2023
Santiago Arroyo	Board member	Yes	2021	2023
Hossein Armandi	Board member	No	2022	2026
Dorte Clausen	Board member	No	2022	2026
Lasse Skibsbye	Board member	No	2022	2026
Camilla Gram Andersson	Board member	No	2022	2026

Lundbeck has based its assessment of the individual independence of the members of the Board of Directors elected by the annual general meeting on the criteria set out in the Corporate Governance Recommendations (as defined below). Five (5) members of the Board of Directors elected by the annual general meeting have been assessed by Lundbeck to be independent whereas the remaining two (2) members of the Board of Directors elected by the annual general meeting are not considered independent by Lundbeck. Lene Skole-Sørensen and Lars Erik Holmqvist are considered to be non-independent board members due to their responsibilities in the Foundation and its shareholder and, therefore, each of them represents the interests of the Foundation.

Lundbeck believes that the present members of the Board of Directors possess the professional skills and experience required to serve as board members of Lundbeck and to supervise and manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

Biographies

Other than as presented below, none of the members of the Board of Directors have been a member of the administrative, management or supervisory bodies of a company or a partnership or been a partner in a partnership outside the Lundbeck Group within the past five years.

Lars Søren Rasmussen (born 1959, Danish nationality) has been Chairman of the Board of Directors since March 2016 (having been a member of the Board of Directors since March 2013). Lars Søren Rasmussen is currently chairman of the board of directors of Coloplast A/S (listed on Nasdaq Copenhagen) and serving as CEO of Ado Holding af 26.02.2004 ApS, Ado af 26.02.2004 ApS, Germination af 2008 ApS, Anders R ApS, Emma KR ApS, Emil KR ApS, Ane HR ApS and 3-Form ApS. In addition, Lars Søren Rasmussen is serving as chairman of the DI (Danish Industry) Committee on Diversity and as vice chairman of the Danish Committee of Corporate Governance and is a fully liable partner at I Lossens Time I/S. In the past five years, Lars Søren Rasmussen has previously been chairman of the board of directors of Ambu A/S (listed on Nasdaq Copenhagen), chairman of the board of directors of Igenomix S.à.r.l., a member of the board of directors of Demant A/S (listed on Nasdaq Copenhagen), CEO of Coloplast A/S and a fully liable partner at Film Invest I/S. Lars Søren Rasmussen holds an Executive MBA degree from the Scandinavian International Management Institute (SIMI) and a Bachelor of Science in Engineering from Aalborg University.

Lene Skole-Sørensen (born 1959, Danish nationality) has been Deputy Chairman of the Board of Directors since March 2015. Lene Skole-Sørensen is currently serving as CEO of Lundbeckfonden and of Lundbeckfond Invest A/S, chairman of the board of directors of LFI Equity A/S, deputy chairman of the board of directors of Falck A/S, Alk-Abelló A/S (listed on Nasdaq Copenhagen) and Ørsted A/S (listed on Nasdaq Copenhagen) and as a member of the board of directors of Nordea Abp (listed on Nasdaq Copenhagen). Lene Skole-Sørensen is also a fully liable partner at I/S Ågård and a member of Komitéen for god Fondsledelse. In the past five years, Lene Skole-Sørensen has previously been deputy chairman of the board of directors of TDC Holding A/S and a member of the board of directors of Tryg A/S and Tryg Forsikring A/S. Lene Skole-Sørensen holds a Bachelor of Commerce in Finance (HD) from Copenhagen Business School, Denmark, the A.P. Møller Group International Shipping Education from the A.P. Møller Group, Accelerated Development Programme from London Business School, United Kingdom, Managing Corporate Resources from IMD Business School, Switzerland, and INSEAD's "Leading from the Chair'' from INSEAD Business School.

Lars Erik Holmqvist (born 1959, Swedish nationality) has been a member of the Board of Directors since March 2015. Lars Erik Holmqvist is currently serving as chairman of the board of directors of Biovica International AB (listed on Nasdaq Stockholm) and as a member of the board of directors of Lundbeckfonden, Lundbeckfond Invest A/S, Alk-Abelló A/S (listed on Nasdaq Copenhagen) and Vitrolife AB (listed on Nasdaq Stockholm). In the past five years, Lars Erik Holmqvist has previously been senior advisor to Bain Capital Private Equity and a member of the board of directors of Tecan AG. Lars Erik Holmqvist holds a Bachelor of International Business from Mid Sweden University and INSEAD's "International Executive Program, Business Administration and Management" from INSEAD Business School.

Jeremy Max Levin (born 1953 in South Africa, British and American nationality) has been a member of the Board of Directors since March 2017. Jeremy Max Levin is currently chairman of the board of directors of Opthea Limited (listed on ASX) and CEO and chairman of the board of directors of Ovid Therapeutics Inc. (listed on Nasdaq Global Select Market). In addition, Jeremy Max Levin is serving as a member of the board of directors of BIO (Biotechnology Innovation Organization in the United States) and as a partner in De Hoek Farm LLC. In the past five years, Jeremy Max Levin has previously been a member of the board of directors of Biocon Ltd. Jeremy Max Levin holds a Bachelor of Medicine, Bachelor of Surgery from University of Cambridge, a master's degree and Doctorate of Philosophy in Molecular Biology and a Bachelor of Arts, Zoology from University of Oxford.

Jeffrey Berkowitz (born 1966, American nationality) has been a member of the Board of Directors since March 2018. Jeffrey Berkowitz is currently CEO of Real Endpoints and a member of the board of directors in Zealand Pharma A/S (listed on Nasdaq Copenhagen), Uniphar PLC (listed on London Stock Exchange), Esperion Therapeutics Inc. (listed on Nasdaq Global Market), Click Therapeutics and Pharma Two B. In the past five years, Jeffrey Berkowitz has previously been a member of the board of directors of Infinity Pharmaceuticals Inc. (listed on Nasdaq Global Select Market) and executive vice president of UnitedHealth Group (listed on the New York Stock Exchange). Jeffrey Berkowitz holds a Bachelor of Arts in Political Science and a Juris Doctor degree from Brooklyn Law School.

Dr. Dorothea Wenzel (full name: Dr. Ilse Dorothea Wenzel, born 1969, German nationality) has been a member of the Board of Directors since March 2021. Until August 2021, Dr. Dorothea Wenzel served as executive vice president and head of Global Business Unit Surface Solutions of Merck KGaA (listed on the Frankfurt Stock Exchange). In addition, Dr. Dorothea Wenzel is serving on the Supervisory Board of Fresenius Medical Care AG & Co. KGaA. (listed on the Frankfurt Stock Exchange and on New York Stock Exchange as American Depositary Shares (ADS)) and on the board of directors of Dentsply Sirona Inc. (listed on NASDAQ). In the past five years, Dr. Dorothea Wenzel has previously been CFO of Merck KGaA's Performance Materials division and Head of Strategy & Controlling and Head of Global Business Franchise Fertility at Merck Healthcare. Dr. Dorothea Wenzel holds a Ph.D. in Health Economics and Macroeconomics and a Diploma in Business & Computer

Sciences from Technical University of Darmstadt. In addition, Dr. Dorothea Wenzel has been a Visiting Fellow at the department of Health Policy at Harvard university and visiting Student at the Haas School of Business, University of California.

Santiago Arroyo (born 1960, American nationality) has been a member of the Board of Directors since March 2021. Santiago Arroyo is currently a member of the board of directors of Marinus Pharmaceuticals, Inc. In the past five years, Santiago Arroyo has previously been Chief Medical Officer of Momenta Pharmaceuticals Inc. and Chief Medical Officer and a member of the board of directors of Boston Pharmaceuticals Inc. Santiago Arroyo holds a Medical degree from the Autonomous University of Madrid and a Ph.D. from the University of Barcelona.

Hossein Armandi (born 1962, Danish nationality) has been a member of the Board of Directors as an employee elected representative since March 2022. Hossein Armandi is currently a Senior Technician in the Translational DMPH division of H. Lundbeck A/S. In the past five years, Hossein Armandi has previously been a member of the board of directors of Fredensborg Forsyning A/S (until 2021), Fredensborg Spildevand A/S (until 2021), Fredensborg Forsyning Holding A/S (until 2021), Fredensborg Vand A/S (until 2021) and Fredensborg Affald A/S (until 2021). Hossein Armandi has a Prof.bach degree in process technology from the Copenhagen Technical School.

Dorte Clausen (born 1984, Danish nationality) has been a member of the Board of Directors as an employee elected representative since March 2022. Dorte Clausen is currently Principal Clinical Study Manager in the Clinical Operations division of H. Lundbeck A/S. Dorte Clausen is currently also a member of the board of directors of Pharmakon A/S. Dorte Clausen has not held any managerial positions or directorships in the past five years (except for the aforementioned directorship in Pharmakon A/S). Dorte Clausen holds a Master degree in Molecular Biomedicine from the University of Copenhagen.

Lasse Skibsbye (born 4 1983, Danish nationality) has been a member of the Board of Directors as an employee elected representative since March 2022. Lasse Skibsbye is currently Principal Scientist in the Non-Clinical Safety Research, R&D division of H. Lundbeck A/S. Lasse Skibsbye is also a member of the board of directors in Safety Pharmacology Society (2020-2024). Before the employment at H. Lundbeck A/S, Lasse Skibsbye held a position as post-doctoral fellow at University of Copenhagen. In the past five years, Lasse Skibsbye has been the sole partner of FuturePharma.dk (until 2018). Lasse Skibsbye holds a MSc degree in Pharmacy and a PhD degree in Medicine from University of Copenhagen and a DSP degree from Safety Pharmacology Society.

Camilla Gram Andersson (born 1972, Danish nationality) has been a member of the Board of Directors as an employee elected representative since March 2022. Camilla Gram Andersson is currently Director in the Product Manufacturing and Supply division of H. Lundbeck A/S and head of Corporate Health, Safety and Environment of H. Lundbeck A/S. Camilla Gram Andersson has not held any managerial positions or directorships in the past five years. Camilla Gram Andersson holds a degree in Master of science, specialized in HSE management systems from DTU.

Executive Management

According to article 5.5 of Lundbeck's Articles of Association, the Board of Directors appoints an Executive Management consisting of two (2) to six (6) members. The primary task of the Executive Management is to carry out the day-to-day management of Lundbeck.

The following table presents an overview of the current members of the Executive Management:

Name	Position	Year of first employment with Lundbeck	Year of appointment to current position
Deborah Dunsire	President & CEO	2018	2018
Johan Luthman	EVP, Research & Development	2019	2019
Jacob Tolstrup	EVP, CCO	1999	2022
Lars Bang	EVP, Product Development & Supply	1988	2016

Lundbeck believes that the members of the Executive Management possess the professional skills and international experience required for their positions in Lundbeck and to manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

In April 2022, the Issuer announced the appointment of the Issuer's new EVP & CFO, Joerg Hornstein. Joerg Hornstein will assume his role with the Issuer no later than 1 September 2022 and he will be registered with the Danish Business Authority. Joerg Hornsteisn will join the Issuer from a role as Executive Vice President and CFO with AC Immune SA.

Biographies

Other than as presented below, the members of the Executive Management have not been members of the administrative, management or supervisory bodies of a company or a partnership or a partner in a partnership outside Lundbeck within the past five years.

Deborah Dunsire (born 1962, UK and USA nationality) has been President & CEO of H. Lundbeck A/S since September 2018. Deborah Dunsire is currently a member of the board of directors of Syros Pharmaceuticals Inc. (listed on Nasdaq Global Select Market) and Ultragenyx Pharmaceutical Inc. (listed on Nasdaq Global Select Market). In addition, Deborah Dunsire is serving as a member of the board of advisors of Museum of Science, Boston and the board of trustees Northeastern University. In the past five years, Deborah Dunsire has previously been president and CEO and a member of the board of directors of Xtuit Pharmaceuticals Inc. and Forum Pharmaceuticals Inc. From 2017-2021 she served as a member of the board of directors of Alexion Pharmaceuticals Inc. Deborah Dunsire holds a medical degree in general medicine from the University of Witwatersrand, Johannesburg, South Africa.

Johan Luthman (full name: Per Johan Luthman, born 1959, Swedish nationality) has been EVP, Research & Development since February 2019. Prior to that, Johan Luthman was Senior Vice President and Head of Clinical Development of Eisai Inc., US (Eisai Co. Ltd. is listed on Tokyo Stock Exchange) Before then, Johan was CEO at Geneuro SA, Geneva and SVP & Therapy Area Head of Neurology, Immunology & Inflammation Research at MerckSerono S.A., Geneva. Johan Luthman also worked at Astra/Astra Zeneca, Sweden. Johan Luthman studied medicine and dentistry at the Karolinska Institute, Solna, Sweden where he graduated with a Doctor of Dental Sciences and a PhD in Neurobiology and Histology and subsequently became an associate professor, followed by a professorship in Pharmacology at the University of Chile, Santiago. He obtained business education at SIMI, Copenhagen, Denmark and Thunderbird & MIT/Sloan Management Institute, Cambridge, MA, USA.

Jacob Tolstrup (born 1972, Danish nationality) has been EVP and CCO since January 2022 (having been EVP, Commercial Operations prior to January 2022). Jacob Tolstrup is currently chairman of the board of directors of Lundbeck Pharma A/S, Lundbeck Export A/S and Pharmacosmos A/S. In addition, Jacob Tolstrup is serving as a member of the board of directors of Antoax A/S and Antoax Holding A/S. In the past five years, Jacob Tolstrup has previously been chairman of the board of directors of Lundbeck China Holding A/S, Antoax A/S, Antoax Holding A/S and Pharmacosmos Holding A/S. Jacob Tolstrup holds a Master of Science degree in Business Administration & Commercial Law from Aalborg University, Denmark and an MBA from European Business College, Munich, Germany.

Lars Bang (born 1962, Danish nationality) has been EVP, Product Development & Supply since December 2018 (having been EVP, Supply Operations & Engineering until December 2018). Lars Bang is currently chairman of the board of directors of Lundbeck Pharmaceuticals Italy S.p.A. and a member of the board of directors of O.B. Holding Aabenraa ApS. In addition, Lars Bang is serving as President of Elaiapharm SAS (Lundbeck Pharmaceuticals France) and as a member of the Advisory Board of the Institute of Chemical Engineering and the Board of Representatives at the Technical University of Denmark. In the past five years, Lars Bang has previously been chairman of the board of directors of Oxygen Propco P/S, a member of the board of directors of Fertin Pharma A/S, Claudio HoldCo A/S and Claudio BidCo A/S, a member of the Business Council at the Municipality of Copenhagen and CEO of Komplementarselskabet Gl. Køge Landevej ApS and GKL 59 ApS. Lars Bang holds a Master of Science degree in Engineering from the Technical University of Denmark, a Bachelor of Commerce degree in Marketing from Copenhagen Business School and The Danish Pharmaceutical Academy Programme from the Danish Association of the Pharmaceutical Industry.

Business address

The business address of the members of the Board of Directors and the Executive Management is: c/o H. Lundbeck A/S, Ottiliavej 9, DK-2500 Valby, Denmark.

Statement on past records

During the past five years, none of the members of the Board of Directors or the Executive Management have been: (i) convicted of fraudulent offenses; (ii) directors or officers of companies that have entered into bankruptcy, receivership or liquidation except as set out immediately below; or (iii) subject to any public incrimination and/or

sanctions by statutory regulatory authorities (including designated professional bodies), and have not been disqualified by a court from acting as a member of an issuer's board of directors, executive board or supervisory body or being in charge of an issuer's management or other affairs.

Jacob Tolstrup was a member of the board of directors of Lundbeck China Holding A/S until 2019 where voluntary liquidation proceedings commenced against Lundbeck China Holding A/S by the Issuer. Lundbeck China Holding A/S was liquidated in May 2020.

Lars Bang is a member of the board of directors of O.B. HOLDING. AABENRAA ApS in which voluntary liquidation proceedings were commenced in October 2020 and withdrawn in November 2020. Dissolution proceedings have subsequently been re-initiated.

Statement on conflicts of interest

There are no material conflicts of interest by members of the Management Boards in relation to the Share Split or the Admission.

There are no family ties among the members of the Board of Directors or the Executive Management.

With the exception of Lene Skole-Sørensen and Lars Erik Holmqvist, Lundbeck is not aware of any member of the Board of Directors or the Executive Management having been appointed to their current position pursuant to an agreement or understanding with the major shareholder, customers, suppliers or other parties.

With respect to their duties as members of the Board of Directors or the Executive Management, none of the members of the Board of Directors or the Executive Management have conflicts of interest. See also "*Holdings of Existing Shares and LTIP awards*" for a description of the current ownership interest in Lundbeck held by members of the Board of Directors or the Executive Management.

In regards to potential conflicts of interest relating to their duties as members of the Board of Directors or the Executive Management, certain members of the Board of Directors hold positions with companies within the same industry as Lundbeck, and Lundbeck may do business in the ordinary course with companies in which members of the Board of Directors or the Executive Management may hold positions as directors or officers. Otherwise, none of the members of the Board of Directors or the Executive Management have positions in other companies which could result in a conflict of interest vis-à-vis such companies, either because Lundbeck has an equity interest in such company or because Lundbeck and the company concerned have an ongoing business relationship, except as disclosed under "*Related Party Transactions*".

It follows from the Rules of Procedure of the Board of Directors and the Danish Companies Act that a member of the Board of Directors or the Executive Management shall not participate in the preparation, discussions or the decision-making process concerning (a) an agreement between Lundbeck and the member in question, (b) legal proceedings between the member in question and Lundbeck or (c) an agreement between Lundbeck and any third-party or legal proceedings brought against any third-party if the member in question has a significant interest therein that may conflict with Lundbeck's interests.

BOARD PRACTICES

Board practices and committees

Lundbeck's Board of Directors is, as part of its obligations provided by corporate law of being in charge of the overall and strategic management of the company, responsible for approving the corporate strategy, setting goals for the Executive Management and for ensuring that members of the Executive Management and other senior managers have the right qualifications. The Board of Directors also evaluates management performance and management remuneration. Furthermore, the Board of Directors has the overall responsibility for ensuring that adequate internal and external controls are in place and for identifying and addressing any relevant risks.

The Board of Directors will meet at least once every quarter and whenever deemed necessary by the Chairman or requested by a member of the Board of Directors, the Executive Management or the auditors elected by the general meeting. The Board of Directors forms a quorum when more than half of its members are present or represented, always provided that the Chairman and the Deputy Chairman are present. However, no resolution is passed unless all board members have had access to participate in the transaction of the business. Resolutions are passed by a simple majority of votes. In the event of equality of votes, the Chairman or – in the Chairman's absence – the Deputy Chairman has the casting vote.

The Board of Directors conducts an annual evaluation of the contribution and performance of the Board of Directors as a whole and of each of its members. The Chairman is responsible for the evaluation of the Board of Directors, except the evaluation of him- or herself, which will be made by the Deputy Chairman or another board member as determined by the Board of Directors. The result of the evaluation will be discussed by the Board of Directors. The Board of Directors also conducts an annual evaluation of the work and results of the Executive Management on the basis of predetermined criteria. The cooperation will be evaluated in a formalized dialogue between the Chairman of the Board of Directors and the CEO (or the most recent registered member of the Executive Management, if applicable), and the result of the evaluation will be submitted to the Board of Directors.

The Board of Directors has set up three advisory committees: the Audit Committee (as defined below), the Remuneration & Nomination Committee (as defined below) and the Scientific Committee (as defined below). The three committees advise the Board of Directors on financial information and reporting, Lundbeck's remuneration and nomination strategy, including remuneration of the Executive Management and Lundbeck's strategic R&D. Each committee has a charter or terms of reference setting forth its purpose and responsibilities. All the committees report to and make recommendations for decisions to be made by the Board of Directors. As of the date of this Listing Document, the majority of the members of each of the committees meet the independence requirements set out in the Corporate Governance Recommendations (as defined below) and the Board of Directors continuously endeavour to ensure that the majority of committee members are considered independent.

Audit Committee

Lundbeck's audit committee (the "**Audit Committee**") is a committee of the Board of Directors that has been established to assist with the oversight of the external auditors, the internal compliance functions, legal matters, enterprise risk management (ERM) and certain internal controls, accounting treatment and financial and sustainability reporting, tax and treasury, insurance coverage and other issues which the Audit Committee, subject to its own assessment, may find necessary, as well as other tasks which the Board of Directors may instruct it to carry out.

In accordance with the Recommendations on Corporate Governance of the Danish Committee on Corporate Governance issued on 2 December 2020 (the "**Corporate Governance Recommendations**"), Lundbeck has decided that the Chairman of the Board of Directors cannot be the chairman of the Audit Committee. In addition, at least one member shall in accordance with applicable Danish law have accounting or audit qualifications and between them, the members shall possess expertise and experience relevant to the healthcare industry and to provide an updated insight into, and experience in, the financial, accounting and audit aspects of companies with shares admitted to trading and official listing on a regulated market. The Audit Committee shall consist of no less than three (3) and not more than five (5) members appointed by and among the Board of Directors and, following the annual general meeting held on 23 March 2022, it consists of Dr. Dorothea Wenzel as chairman and Lars Søren Rasmussen and Lars Erik Holmqvist as members.

The Audit Committee convenes when it is deemed necessary or appropriate, however not less than three (3) times a year. The CFO, the SVP of Group Finance and the person responsible for financial compliance reviews shall participate in the meetings of the Audit Committee, unless otherwise requested by the Audit Committee, and Lundbeck's external auditor shall participate in meetings of the Audit Committee if so requested by the Audit Committee. The external auditor shall attend at least one meeting per year and when the Audit Committee deems

it necessary. The external auditors shall attend a meeting with the Audit Committee without the presence of the Executive Management at least once per year.

Remuneration and Nomination Committee

The purpose of Lundbeck's remuneration and nomination committee (the "**Remuneration and Nomination Committee**") is to – within its area of responsibility – support, advise and assist the Board of Directors in fulfilling its responsibilities to shareholders and other stakeholders of Lundbeck. This entails, *inter alia*, assisting the Board of Directors with matters related to the remuneration of the Board of Directors and Executive Management, including reviewing and updating Lundbeck's remuneration policy in accordance with Sections 139 and 139a of the Danish Companies Act, evaluating and making recommendations for the remuneration of the members of the Board of Directors and the Executive Management, ensuring that the remuneration is in compliance with Lundbeck's remuneration policy, and the assessment of the performance of the persons concerned, as well as the preparation of the remuneration report in accordance with Section 139b of the Danish Companies Act. Further, the Remuneration and Nomination Committee assists the Board of Directors with ensuring that appropriate plans and processes are in place for nomination of candidates to the Board of Directors, the Executive Management and the board committees. The Remuneration and Nomination committee also evaluates the composition and results of the Board of Directors, the Executive Management and the board committees which includes making recommendations for nomination or appointment of members of (a) the Board of Directors, (b) the Executive Management and (c) the board committees established by the Board of Directors.

The Remuneration and Nomination Committee shall consist of no less than three (3) and not more than five (5) members appointed for a one-year term by and among the Board of Directors. Following the annual general meeting held on 23 March 2022, the committee consists of Lars Søren Rasmussen as chairman and Lene Skole-Sørensen and Jeffrey Berkowitz as members.

The Remuneration and Nomination Committee convenes when it is deemed necessary or appropriate, however not less than three (3) times a year. With the exception of agenda items reserved for the Remuneration and Nomination Committee's internal discussion, the CEO and the EVP of People & Communication attend the meetings and may speak without voting rights. The Remuneration and Nomination Committee can also invite other members of the Executive Management and relevant Lundbeck employees or external advisers to attend the meetings.

Scientific Committee

The purpose of Lundbeck's scientific committee (the "**Scientific Committee**") is to advise the Board of Directors on support for strategic research and development. Accordingly, the Scientific Committee's tasks entail, *inter alia*, advice to the Board of Directors in matters relating to Lundbeck's R&D strategy with a special focus on innovation strategy, risk-balance in the pipeline, review of the R&D budget and return on investment, as these topics are of significant importance to Lundbeck. Therefore, a key role for the Scientific Committee is to get in depth understanding of R&D strategic investments to provide a better understanding of these matters to the Board of Directors. Further, the committee will act to review the scientific and technical aspects of pipeline business development deals that will require the Board of Directors' approval for execution.

The Scientific Committee shall consist of no less than two (2) and no more than four (4) non-executive members of the Board of Directors. The Board of Directors shall appoint the members of the Scientific Committee, including the chairperson. In March 2022, the Board of Directors elected Jeremy Max Levin (chairman), Lene Skole-Sørensen, Jeffrey Berkowitz and Santiago Arroyo as members of the Scientific Committee.

The Scientific Committee meets at least two (2) times per year or more frequently as the circumstances dictate. The chairperson shall chair all meetings. All members of the Board of Directors that are not members of the Scientific Committee may attend the meetings. The Chief Scientific Officer, Head of Clinical Development and Experimental Medicine and EVP of Research and Development are responsible for presenting matters of relevance for the overall risk assessment of R&D strategy and investment to the Scientific Committee and will be consistent attendees. In addition, the Scientific Committee may engage external advisers upon prior consent from the chairman of the Board of Directors.

Corporate governance

Lundbeck is committed to exercising good corporate governance at all times and the Board of Directors regularly assesses rules, policies and practices according to the Corporate Governance Recommendations. Nasdaq Copenhagen has incorporated the Corporate Governance Recommendations in the Nordic Main Market Rulebook for Issuers of Shares of 1 October 2021 (the "**Nordic Main Market Rulebook**''). Accordingly, as a company

with shares admitted to trading and official listing on Nasdaq Copenhagen, Lundbeck is required to comply with or explain deviations from the Corporate Governance Recommendations as also required pursuant to Section 107b of the Danish Consolidated Financial Statements Act.

For the financial year ended 31 December 2021, Lundbeck has complied with all of the recommendations set out in the Corporate Governance Recommendations of 2 December 2020.

For the financial year ending 31 December 2021, Lundbeck will report on its compliance with the recommendations set out in the new Corporate Governance Recommendations (as defined above).

Lundbeck's corporate governance practices are accounted for in the statutory statement on corporate governance, which is available on Lundbeck's website, www.lundbeck.com/global. The information on Lundbeck's website does not form part of this Listing Document and is not incorporated by reference into this Listing Document.

Description of internal control and financial reporting procedures

The Board of Directors and the Executive Management have the overall responsibility for ensuring that adequate internal and external controls are in place and for identifying and addressing any relevant risks. Oversight of compliance within the established enterprise risk management framework is delegated to the Audit Committee.

Risk management framework

Enterprise risk management is considered an integral part of doing business, which is reflected in the risk management process. The process starts in the decentralized teams within each Executive Management areas, which have detailed and extensive knowledge of the risks within their areas of responsibility. They systematically identify, quantify, respond to and monitor risks. They are ideally placed to mitigate our risk exposure in the first instance.

Each area shares the risks with the central Risk Office on a semi-annual basis. The central Risk Office provides the risk framework and conducts interviews with management, risk contributors and risk responsible individuals. This represents an integral part in the alignment of risks reported to the Risk Office. In cooperation with each Executive Management area, the Risk Office assesses the likelihood of an event occurring and the potential impact on the Group in terms of financial loss. The key risk overview is presented to Executive Management for their assessment and approval, before it is reported to the Audit Committee and approved by the Board of Director.

The corporate risk register kept by the Risk Office provides a consolidated overview of the Issuer's risk exposure by detailing each risk, risk category and type. The risk descriptions provide details on the event, its current status, the status of the response and the likelihood and potential impact. The Issuer's reporting process defines six risk categories, being (i) Research and Development (ii) Market, Commercial, and Strategy (iii) Supply, Quality and Product Safety (iv) IT security; (v) Legal and Compliance; (vi) Financial.

Control environment

The Board of Directors approves the overall risk management policies presented by the Executive Management. These policies are incorporated in the internal control and risk management system, which comprises a clearly defined organizational structure, including roles and responsibilities. Based on this structure, Lundbeck has drawn up guidelines describing the principal business procedures, internal controls, requirements on segregation of functions and duties, reconciliations, approvals and authorizations as well as accounting policies. Compliance with the guidelines is verified in an ongoing process. The risk management processes are continually updated and adapted to match internal and external requirements, where risks related to trends, global economic developments, geopolitics and long-term forecasts are assessed as part of the Issuer's long-term planning. This is aimed to provide a clear basis for decision-making on the Issuer's overall risk-exposure and mitigating actions.

In addition, Lundbeck has set up a central controlling function to check the financial reporting from all group companies, including compliance with the accounting policies. Each business area has been allocated a business controlling function which reviews the validity of reported earnings and underlying activities of each business area.

Executive Management regularly assesses the risks that Lundbeck is exposed, including, but not limited to risks related to financial reporting. In respect of any changes that could affect Lundbeck's risk environment, the

Executive Management will review and consider appropriate mitigating actions together with the Board of Directors. At least once a year, the Audit Committee assesses whether the internal controls related to the financial reporting process are effective in relation to the risks identified.

Once a year, and as needed, the Audit Committee reviews the accounting policies and any changes thereto as well as critical estimates and judgments related to financial reporting. As part of the review, the Audit Committee discusses changes in accounting policies and the impact of critical estimates and judgments with the Executive Management. The Audit Committee reports the findings of these assessments to the Board of Directors, which approves the financial reporting process and the findings of the assessment.

Control activities

Lundbeck's control activities are based on Lundbeck's risk assessment, but continuous risk control processes are in place as well. The objective of the control activities is to ensure compliance with strategies, policies, manuals and procedures, etc., is established by the Board of Directors and the Executive Management and each business area, respectively, and Lundbeck aims to prevent, detect and correct any misstatement, discrepancies and errors, etc.

One of the key elements of the control activity is the Minimum Control Framework covering the key-risks across Lundbeck's business, including financial reporting risks, IT-risks and compliance fraud risks. The purpose of the framework is to ensure an acceptable level of assurance preventing unintentional and intentional errors. At the same time, a single global framework brings standardized controls across all entities, increasing efficiency of site visits and making rotation between entities easier.

Compliance visits and audits also play an important role in the compliance monitoring, where parts of the Issuer's business are assessed and reviewed periodically.

Requirements have been defined in respect of analyses of budget, key figures, monthly financial data, etc. In the reporting packages that form the basis of internal and external financial statements. The business areas have established reporting procedures that are consistent with Lundbeck's reporting process and the special operational issues of each business area. Supplementary information is gathered on an ongoing basis for use in ensuring compliance with any requirements regarding notes, other disclosure requirements and operational analyses.

Monitoring activities

The risk assessment and control activities are monitored in an ongoing process. The process includes a review of the financial results, which are compared to budgets and estimates, and an analytical control and ongoing assessments are performed of key figures. Major weaknesses and noncompliance with internal guidelines are reported to the Executive Management, who follows up on any issues.

Lundbeck's external auditors will, as part of their audit of the financial statements, report on any major weaknesses in Lundbeck's internal control and risk management system in the long-form audit report to the Board of Directors, while less significant weaknesses are addressed in a management letter to the Executive Management. The Board of Directors ensures that the Executive Management follows up on any outstanding issues, and the Executive Management ensures that the subsidiaries follow up on any weaknesses. Once a year, subsidiary managers and financial controllers declare that the reporting is consistent with Lundbeck's guidelines. In connection with the financial reporting process, the Executive Management makes a separate statement that the consolidated reporting is consistent with Lundbeck's guidelines and policies.

External audit

Lundbeck's independent auditors are appointed for a term of one year by the shareholders at Lundbeck's annual general meeting upon recommendation from the Board of Directors. The Board of Directors assesses the independence and competencies and other matters pertaining to the auditors. The framework for the auditors' compensation and duties, including audit and non-audit tasks, is agreed annually between the Board of Directors and Lundbeck's auditors and is based on recommendation from the Audit Committee. The Audit Committee and the Executive Management have regular dialogue and exchange of information with its auditors.

Lundbeck's independent auditors attend the annual board meeting at which the annual report is presented. For further information on Lundbeck's 'external auditors, see "*State Authorized Public Accountants*".

REMUNERATION AND BENEFITS

Compensation of the Board of Directors and the Executive Management

The remuneration policy prepared in accordance with Sections 139 and 139a of the Danish Companies Act sets out the overall framework for remuneration of and is applicable to the Board of Directors and the Executive Management of Lundbeck and has been approved at the annual general meeting held 23 March 2021 (the "**Remuneration Policy**"). The compensation of the Board of Directors and the Executive Management of the Issuer described herein for 2021 has been determined in accordance with the principles set out the Remuneration Policy. The Issuer may change the Remuneration Policy, subject to approval by the shareholders of any significant amendments in accordance with Section 139(2) of the Danish Companies Act. The Remuneration Policy is available on the Issuer's website. Information included on the Issuer's website does not form part of and is not incorporated by reference into this Listing Document, unless otherwise specifically stated herein.

Compensation of the Board of Directors

The overall goals of the remuneration to the Board of Directors in Lundbeck are to attract and retain competent expertise from the relevant international business community, ensure determination and implementation of Lundbeck's business strategy and to ensure long-term interests and sustainability of the Issuer and its business. The employee-elected members of the Board of Directors will receive the same remuneration as the members of the Board of Directors elected at the Issuer's general meeting.

According to the Remuneration Policy, all ordinary members of the Board of Directors receive a fixed annual base fee (the "**Base Fee**"). The Chairman of the Board of Directors receives up to three (3) times the Base Fee, and the Deputy Chairman receives up to two (2) times the Base Fee. The ordinary members and the Chairmen of the Audit Committee, the Scientific Committee, the Remuneration and Nomination Committee and any other committee established by the Board of Directors will receive an additional fee that may vary but not exceed the Base Fee. Further, members of the Board of Directors with permanent residence outside of Europe will, as compensation for time and travel, receive an additional fee ("**Time & Travel Compensation**") that will not exceed the Base Fee. Members of the Board of directors may additionally be reimbursed by Lundbeck for their travelling, accommodation, training and similar costs associated with the work in the Board of Directors. None of the above-mentioned fees exclude each other. For example, if the Chairman of the Board of Directors serves as a member of a committee, or if a member of the Board of Directors serves in more than one committee, the fees above will be cumulative.

Members of the Board of Directors may also, pursuant to the Remuneration Policy, receive an additional fee for operational tasks carried out on an ad hoc basis outside the scope of the ordinary duties of the Board of Directors. The Chairman of the Board of Directors shall approve such tasks and determine such additional fee prior to the execution of the tasks. The additional fee shall reasonably reflect the time spent and the workload of the ad hoc operational task carried out and must be approved prior to or subsequently by the general meeting.

Members of the Board of Directors do not participate in bonus or incentive schemes.

The total remuneration of the Board of Directors for 2021 amounted to DKK 8.450 million (compared to DKK 7.525 million in 2020). The following table presents an overview of the compensation paid by Lundbeck to the Board of Directors in respect of the financial year ended 31 December 2021:

OVERVIEW OF BOARD REMUNERATION

DKK'000 BOARD MEMBERS	Ordinary board member fee	Audit Committee	Remuneration & Nomination Committee	Scientific Committee	Additional fixed fee	**Total 2021**	**Total 2020**
Lars Søren Rasmussen, Chairman	1,200	200	300			1,700	1,663
Lene Skole-Sørensen, Deputy	800		200	200		1,200	1,175
Lars Erik Holmqvist	400	200				600	588
Jeremy Max Levin	400			300	400	1,100	1,075
Jeffrey Berkowitz	400		200	200	400	1,200	1,175
Dr. Dorothea Wenzel [(1)]	300	225				525	0
Santiago Arroyo [(2)]	300			150	300	750	0
Henrik Andersen [(3)]	100	75				175	688
Rikke Kruse Andreasen, Employee elected representative [(4)]	400					400	388

DKK'000 BOARD MEMBERS	Ordinary board member fee	Audit Committee	Remuneration & Nomination Committee	Scientific Committee	Additional fixed fee	**Total 2021**	**Total 2020**
Ludovic Tranholm Otterbein, Employee elected representative [5]	400					400	388
Henrik Sindal Jensen, Employee elected representative [6]	400					400	388
Total	**5,100**	**700**	**700**	**850**	**1,100**	**8,450**	**7,525**

1) Joined the Board of Directors on 24 March 2021.
2) Joined the Board of Directors on 24 March 2021.
3) Left the Board of Directors on 24 March 2021.
4) Left the Board of Directors on 23 March 2022.
5) Left the Board of Directors on 23 March 2022.
6) Left the Board of Directors on 23 March 2022.

In preparation for joining the Board of Directors on 24 March 2021, Santiago Arroyo entered into a consultant agreement with the Company in December 2020. The agreement allowed Santiago Arroyo to participate in board meetings in advance of the 2021 ordinary general meeting. Santiago Arroyo was paid a total of DKK 100,000 in consultant fee under the consultant agreement.

Lundbeck has not granted any loan, issued any guarantees or undertaken any other similar obligations to or on behalf of the members of the Board of Directors. Lundbeck has not allocated any funds or made provisions for any pension benefits, severance scheme or the like for members of the Board of Directors and has no obligation to do so. No member of the Board of Directors is entitled to any kind of compensation upon resignation as a member of the Board of Directors.

Compensation of Executive Management

In order to attract the desired competencies within key areas, create value for the benefit of Lundbeck's shareholders and other stakeholders, fulfill Lundbeck's business strategy and to secure short-term and long-term interests and sustainability, the remuneration framework for the Executive Management, as set out in the Remuneration Policy, is comprised by several fixed and variable components.

According to the Remuneration Policy the fixed remuneration components for the Executive Management comprise individually negotiated fixed annual base salaries ("**Base Salary**"). In addition, members of the Executive Management will, on an individual negotiated basis and as decided by the Board of Directors, receive pension contributions in the form of a fixed payment of up to 26.1% of their Base Salary ("**Pension**"); certain customary benefits in accordance with market standards and depending on the member's individual circumstances; and other benefits, such as company car, supplemental training and insurances ("**Other Benefits**"). Such Other Benefits will typically represent a relatively small proportion of the total remuneration package and will typically not exceed 10% of the fixed annual base salary for the individual member of the Executive Management. The fixed remuneration enables the Executive Management to take decisions with a long-term perspective, without undue considerations for short-term priorities. The variable remuneration components for the Executive Management consists of a short-term incentive program ("**STI**") (as described below) and long-term incentive program ("**LTI**"). The variable remuneration components are designed to promote performance in line with Lundbeck's growth strategy and to further align the interests of the Executive Management and the Issuer's shareholders.

According to the service agreement with the Issuer's CEO, the Issuer will indemnify the CEO from the increase in income taxation on U.S. wages and on realized as well as unrealized investment return from personal assets that will accrue from the time the CEO moved to Denmark and became subject to Danish taxation on worldwide income in accordance with Danish tax legislation and the Denmark/United States double taxation agreement (**"Tax Indemnification"**). The Tax Indemnification is estimated after year end and paid to the CEO, subject to an end-of-year reconciliation. From 2020 and onwards the indemnification is capped at an average of DKK 25 million per year over the CEO's period of service for Issuer. Since the cap is calculated as an average, the payment in a given year may exceed DKK 25 million, for example, if payments in previous years were lower than DKK 25 million. In 2021, the Tax Indemnification is currently estimated at DKK 34.3 million. Unless specifically stated, the numbers mentioned in this Listing Document are exclusive of the above-described Tax Indemnification.

The total remuneration of the Executive Management for 2021 amounted to DKK 91.4 million with Tax Indemnification (compared to DKK 62.7 million in 2020). The following table presents an overview of the

compensation paid by Lundbeck to the Executive Management in respect of the financial year ending 31 December 2021:

	Deborah Dunsire – President & CEO		Anders Gøtzsche - EVP & CFO		Jacob Tolstrup – EVP, Com Operations		Lars Bang - EVP, Product Devopment & Supply		Per Johan Luthman – EVP, R&D		**Total Management**		Totals in Annual Report 2021 (2)
2021 remuneration	DKKm	%	DKKm	%	DKKm	%	DKKm	%	DKKm	%	DKKm	%	DKKm
Base Salary	9.9(3)	*16%*	5.1	*47%*	4.0	*47%*	4.1	*47%*	4.0	*47%*	27.1	*28%*	27.1
Pension	0.0	*0%*	1.3	*12%*	1.0	*12%*	1.1	*12%*	1.1	*12%*	4.5	*5%*	4.5
Other benefits	0.2	*0%*	0.2	*2%*	0.2	*3%*	0.2	*3%*	0.2	*3%*	1.0	*1%*	1.0
Total fixed	**10.1**	***17%***	**6.6**	***61%***	**5.2**	***62%***	**5.4**	***62%***	**5.3**	***62%***	**32.6**	***34%***	**32.6**
STI	8.0	*13%*	1.6	*15%*	1.3	*15%*	1.3	*15%*	1.3	*15%*	13.5	*14%*	13.5
LTI (1)	8.4	*14%*	2.6(4)	*24%*	2.0	*23%*	2.1	*23%*	2.1	*24%*	17.1	*18%*	11.0
Termination/ Severance pay	0.0	*0%*	0.0	*0%*	0.0	*0%*	0.0	*0%*	0.0	*0%*	0.0	*0%*	0.0
Total variable	**16.4**	***27%***	**4.2**	***39%***	**3.3**	***38%***	**3.4**	***38%***	**3.4**	***39%***	**30.6**	***31%***	**24.5**
Total without tax indemnification	**26.5**	***44%***	**10.8**	***100%***	**8.5**	***100%***	**8.8**	***100%***	**8.7**	***100%***	**63.2**	***65%***	**57.1**
Tax indemnification	34.3(5)	*56%*	0.0	*0%*	0.0	*0%*	0.0	*0%*	0.0	*0%*	34.3	*35%*	34.3
Total with tax indemnification	**60.8**	***100%***	**10.8**	***100%***	**8.5**	***100%***	**8.8**	***100%***	**8.7**	***100%***	**97.5**	***100%***	**91.4**

2020 remuneration	DKKm	%	DKKm	%	DKKm	%	DKKm	%	DKKm	%	DKKm	%
Total without tax indemnification	27.4	*90%*	11.4	*100%*	8.7	*100%*	9.1	*100%*	8.6	*100%*	65.1	*100%*
Total with tax indemnification	30.1	*100%*	11.4	*100%*	8.7	*100%*	9.1	*100%*	8.6	*100%*	67.8	*100%*

1) The value of the LTI representing the actual full grant value for the 2021 program based on the individual Management member's fixed base salary and grant target. The amount of shares vesting may be reduced if vesting criteria are not met.
2) The value of the long-term incentive program in the Annual Report is calculated using the IFRS 2 accounting principle, where the grant value of the LTI in the year of the grant is distributed and expensed over the three-year vesting period.
3) This includes a 17.0% pension payment amounting to DKK 1.4 million.
4) The Grant value of DKK 2.6 million (10,237 shares) will not vest in February 2024 as a result of Anders Gøtzsche's resignation in December 2021.
5) Tax indemnification is considered as a variable pay component. Total variable remuneration for Deborah Dunsire (including tax indemnification) is DKK 50.7 million corresponding to 83% of total remuneration.

The CEO is generally entitled to a notice period of 12 months if the employment is terminated by Lundbeck. The CEO may terminate the employment with a notice period of 12 months. In addition to salary during the notice period, the CEO is entitled to 12 months' severance pay.

The members of the Executive Management, other than the CEO, are generally entitled to a notice period of 12 months if the employment is terminated by Lundbeck. The members may generally terminate the employment with a notice period of 6 months.

Members of the Executive Management, including the CEO, are, under their respective service contracts, subject to non-competition and non-solicitation clauses. Members of the Executive Management, except for the CEO, may, depending on the circumstances, receive compensation for applicable non-solicitation and non-competition clauses and the compensation may – depending on the circumstances – be reduced if the member finds other occupation during the restricted period.

The employment contracts of the members of the Executive Management other than the CEO also imports various terms similar to those provided by the Danish Salaried Employees Act (in Danish: "*funktionærloven*").

Lundbeck has not granted any loan, issued any guarantees or undertaken any other similar obligations to or on behalf of the Executive Management. The Company has not allocated any funds or made provisions for any pension benefits, severance scheme or the like for the Executive Management and has no obligation to do so.

Incentive programs

Lundbeck operates with different result- and performance-based incentive programs, hereunder mainly: a Cash-Based Short-Term Incentive Program (as defined below) and three (3) different Long-Term Incentive Program (as defined below).

Share Split related bonuses

There are no bonuses directly related to the Share Split. Completion of the Share Split may lead to amendment of one or more of the key performance indicators for one or more members of the Executive Management under the Cash-Based Short-Term Incentive Program to ensure the intent and purpose of the incentive program is upheld.

The Cash-Based Short-Term Incentive Program (the "STI")

The main purpose of Lundbeck's STI is to ensure focus on important primarily short-term KPIs and reward results that are necessary to successfully implement and execute the Issuer's business strategy and short-term goals.

The STI program for the Executive Management members may include KPIs that link to financial results and innovation, thereby securing sustainability and/or KPIs that directly contribute to environmental and corporate social sustainability.

The KPIs and their individual weightings are generally proposed by the Remuneration and Nomination Committee and approved by the Board of Directors. The KPIs will primarily consist of a range of key financial, non-financial and/or individual performance metrics.

The specific measures, targets and weightings may vary from year to year. Examples of KPIs that may be included are: EBIT result, revenue result, pipeline development, criteria related to budgets, compliance with internal rules, sustainability targets and execution of specific projects linked to Lundbeck's business strategy and short-term focus areas.

The individual STI payment levels will, for each of the members of the Executive Management, be determined by the Board of Directors from year to year. The CEO will have a target of up to 100% and a maximum of up to 117% of the Base Salary. The other members of the Executive Management will have a target of up to 33.33% and a maximum of up to 50% of the Base Salary.

All members of the Executive Management, including the CEO, may receive payment below the target and potentially 0% payment in case of below target performance. In 2021, the CEO received a STI pay-out of 81 % of the maximum bonus and the other Executive Management members received a STI pay-out of 63 % of the maximum bonus.

In addition to the above STI for the Executive Management, the Issuer has implemented cash-based short-term incentive programs for certain of its employees within the Lundbeck Group. Employees above a certain senior-level are entitled to participate in such programs linked to company performance and individual performance targets whereas other employees may be entitled to a yearly cash-based bonus linked to company performance targets.

Long-Term Incentive Programs (the "LTIs") prior to the Share Split

The Issuer has established three (3) different LTIs to incentivize and reward long-term value creation and align with shareholders' interests by fulfilling strategic goals. Further, the LTIs serve the purpose of ensuring loyalty towards the Issuer and its long-term value creation and ensures retention of participants under the different LTIs.

Currently, Lundbeck has three (3) LTI programs, namely a Long-Term Performance Bonus Program (**"LTPB Program"**), a Restricted Share Units Program ("**RSU Program"**) and a Restricted Cash Units Program (**"RCU Program"**).

The LTPB is applicable to specific U.S. key persons and employees. Participants in the LTPB will be allotted cash bonus awards which will confer a right on the participant to receive a cash bonus, the amount of which is calculated based on certain predefined financial performance metrics and the performance of the price of the Issuer's Existing Share for the three (3) year period between date of grant and vesting date of the cash bonus award. The total grant value of the LTPB Program, the setting of the program's strategic objectives and the approval of all individual participants' grants are determined and approved by the Issuer's Remuneration and Nomination Committee.

The RSU Program is applicable to the Executive Management, except for the CEO, and specific key persons and employees in the Group with a certain level of seniority. Participants in the RSU Program will be allotted a number of Restricted Share Units (RSUs), each of which confers a right on the participant to receive one Existing Share at the time of vesting, subject to certain vesting conditions being met.

The RCU Program is applicable to the CEO and certain U.S. based employees. Participants in the RCU Program will be allotted a number of Restricted Cash Units (RCUs), each of which confers a right on the participant to receive a cash payment in the amount of the market price for one Existing Share in Lundbeck at time of vesting, subject to certain conditions being met.

RSUs and RCUs are collectively referred to as "**LTI Instruments**".

Executive Management

According to the Remuneration Policy, the Board of Directors may, on an on-going basis (rolling grants) and, if considered relevant by the Board of Directors, an ad hoc basis in relation to specific events, grant LTI Instruments to the Executive Management. The Executive Management may participate with an awarded value of LTI Instruments for the grant year of up to 100% of the fixed annual base salary (at the time of grant) for the CEO and up to 50% of the fixed annual base salary (at the time of grant) for other members of the Executive Management.

The LTI Instruments will be granted free of charge to the Executive Management members and there will, unless specifically decided otherwise by the Board of Directors, be no KPIs or conditions for granting of the LTI Instruments. The vesting period of the LTI Instruments will normally be three (3) years and the LTI Instruments will vest and be exercised free of charge for the Executive Management member.

The specific conditions for vesting will be defined by the Board of Directors and may include company performance KPIs (e.g. EBIT or revenue results), strategic (e.g. pipeline development), individual targets and/or continued employment. Accordingly, the actual number of LTI Instruments vesting is linked to and dependent on the achievement of the specific conditions for vesting and the number of LTI Instruments vesting may thus be reduced or lapse entirely if the vesting conditions are only achieved partially or not achieved at all, respectively.

Consequently, if none of the vesting conditions are fulfilled, then none of the LTI Instruments will vest and the value of the RSU or RCU Program for the Executive Management member will in such case be zero (0).

Subject to any applicable rules and regulation, Lundbeck has for programs granted in 2021 and onwards – in accordance with the Corporate Governance Recommendations – the option to reclaim (claw-back), in whole or in part, variable remuneration from the Executive Management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.

In addition, any non-vested LTI Instruments will, as main rule, lapse in case of termination. However, in certain "good leaver" situations the Board of Directors may decide that non-vested LTI Instruments will not lapse and/or decide to capitalize or otherwise financially compensate the Executive Management member for the loss of future grant and/or loss of non-vested LTI Instruments.

In 2021, Lundbeck decided to continue its revolving RSU and RCU Program. Accordingly, the CEO was granted RCUs with a value of 100% of the Base Salary and other Management were granted RSUs with a value of 50% of the Base Salary.

Expected Structure of the LTIs after the Share Split

Upon completion of the Share Split and the admission to trading and official listing of the A Shares and the B Shares, the Issuer will have an A share class consisting of the A Shares and a B share class consisting of the B Shares, both of which will be admitted to trading and official listing on Nasdaq Copenhagen.

RSU Program

Pursuant to Lundbeck's current RSU Program, the award of one RSU confers on the participant a right to receive one (1) Existing Share at time of vesting, subject to certain vesting conditions being met.

Consequently, it is the expectation of the Issuer that, upon completion of the Share Split, the terms of all active RSU Programs are changed to the effect that each granted, but not yet vested, RSU will confer on the participants, at time of vesting, subject to certain vesting conditions being met, a right to receive one (1) A Share and four (4) B Shares representing an aggregate value corresponding to that of one (1) Existing Share prior to the completion of the Share Split.

It is the expectation of the Issuer, subject to any changes in the design of the LTI program, that each RSU granted after the completion of the Share Split and the admission to trading and official listing of the A Shares and the B Shares will confer a right on the participant to receive, at time of vesting, subject to certain vesting conditions being met, one (1) B Share.

RCU Program

Pursuant to Lundbeck's current RCU Program, the award of one RCU confers on the participant a right to receive payment of a cash amount equal to the value of one (1) Existing Share at time of vesting, subject to certain vesting conditions being met.

Consequently, it is the expectation of the Issuer that, upon completion of the Share Split, the terms of all active RCU Programs are changed to the effect that each granted, but not yet vested, RCU will confer on the participants, at time of vesting, subject to certain vesting conditions being met, a right to receive payment of a cash amount equal to the value of one (1) A Share and four (4) B Shares representing an aggregate value corresponding to that of one (1) Existing Share prior to the completion of the Share Split.

It is the expectation of the Issuer, subject to any changes in the design of the LTI program, that each RCU granted after the completion of the Share Split and the admission to trading and official listing of the A Shares and the B Shares will confer a right on the participant to receive, at time of vesting, subject to certain vesting conditions being met, a cash amount equal to the value of one (1) B Share.

LTPB Programs

In accordance with the expected changes to the RSU and RCU Programs, it is also the expectation of the Issuer that, upon the Share Split, the LTPB Program will be amended with the aim to generally uphold the value and incentive of the LTPB for the recipient unchanged.

Holdings of Existing Shares and LTI awards

Below is an overview of the Board of Directors' and Executive Management's holding of Existing Shares and total number of non-vested LTI Instruments as of 30 April 2022:

Members of the Executive management	Existing Shares	RSUs and RCUs
Deborah Dunsire, President & CEO	11,124	121,736 RCUs
Jacob Tolstrup, EVP & CCO	569	30,182 RSUs
Lars Bang, EVP, Product Development & Supply	61,974	29,713 RSUs
Johan Luthman, EVP, R&D	6,118	30,997 RSUs

Members of the Board of Directors	Existing Shares	RSUs and RCUs
Lars Søren Rasmussen, Chairman	20,000	N/A
Lene Skole-Sørensen, Deputy Chairman	12,254	N/A
Lars Erik Holmqvist	15,000	N/A
Jeremy Max Levin	0	N/A
Jeffrey Berkowitz	0	N/A
Dr. Dorothea Wenzel	0	N/A
Santiago Arroyo	0	N/A

Members of the Board of Directors	Existing Shares	RSUs and RCUs
Hossein Armandi	50	N/A
Dorte Clausen	220	N/A
Lasse Skibsbye	0	N/A
Camilla Gram Andersson	202	N/A

OWNERSHIP STRUCTURE AND SHAREHOLDERS

Ownership structure

Current ownership

On the date of this Listing Document, Lundbeck's share capital consists of one share class and has a nominal value of DKK 995,741,110 divided into 199,148,222 Existing Shares of nominally DKK 5.00 each, which are all issued and fully paid up.

Lundbeckfond Invest A/S (the "**Foundation**"), a company held by Lundbeckfonden, holds 137,351,918 Existing Shares corresponding to approximately 69% of the Company's current share capital and voting rights. Other existing shareholders of Lundbeck together hold 61,796,304 Existing Shares corresponding to 31% of Lundbeck's current share capital and voting rights. No shareholder other that the Foundation has disclosed to hold more than 5% of the Existing Shares. As of 30 April 2022, the Issuer holds 580,280 Existing Shares as treasury shares.

Warrants

Lundbeck has not issued any warrants.

American Depository Receipts

The Company has established a sponsored level one American Depository Receipt ("**ADR**") program. The holders of ADRs are not shareholders in Lundbeck but the holding of one ADR certificate represents an ownership of one underlying Existing Share in Lundbeck, which via a custodian is deposited with Deutsche Bank Trust Company Americas (the "**Depository**"). The ADR holders can be registered in the ADR register with the Depository and exercise rights to vote on shareholder resolutions for the underlying Existing Shares via the Depository. As of 31 March 2022, 158,615 Existing Shares were deposited and represented by the same number of issued ADRs. On 11 May 2022, the Issuer issued a notice to terminate the ADR program and the ADR program will terminate following the required notice period.

Shares outstanding after the Share Split

As part of the Share Split one Existing Share is substituted by one (1) A Share and four (4) B Shares.

Table of shareholders

The following table sets forth the information regarding the Company's ownership structure on the date of this Listing Document and at the Settlement Date upon issuance of A Shares and B Shares and distribution resulting from the Share Split. In case the percentages do not sum to 100% in the following tables, this is due to rounding.

	Date of Listing Document		**Settlement Date**		
Shareholders	Existing Shares	%	No. A Shares	No. B Shares	%
Foundation	137,351,918	68.97	137,351,918	549,407,672	68.97
Other existing shareholders	61,216,024	30.74	61,216,024	244,864,096	30.74
Lundbeck treasury shares	580,280	0.29	580,280	2,321,120	0.29
Total	**199,148,222**	**100**	**199 148 222**	**796,592,888**	**100.00**

Lundbeck's current major shareholders

The Foundation is the only major shareholder of the Lundbeck, as disclosed above in "*Table of shareholders*". Lundbeck has not been notified of any other shareholder holding more than 5% of the Existing Shares or of the votes.

Agreements related to the ownership of the Company

Lundbeck is not aware of any shareholders agreements being entered into regard the Existing Shares.

Lundbeckfonden (the Lundbeck Foundation) has informed Lundbeck about its intention of making an Exchange Offer (through Lundbeckfond Invest) for the A Shares in Lundbeck to be completed following the Admission. The consideration will be one (1) B Share for one (1) A Share. The Exchange Offer will result in the

Lundbeck Foundation holding the same number of Shares before and after the execution of the Exchange Offer (through Lundbeckfond Invest), and if accepted by some Eligible Shareholders, the Lundbeck Foundation will be holding a higher number of voting rights as each A Share carries ten (10) votes and each B Share carries one (1) vote at general meetings, but unchanged economic rights.

RELATED PARTY TRANSACTIONS

The members of the Board of Directors and the Executive Management as well as the Foundation are considered to be related parties to Lundbeck as they exercise significant influence over the Issuer's operations. Related parties also include such persons' relatives as well as undertakings in which such persons have significant interest.

As of the date of this Listing Document, the Foundation owns approximately 69% of the Company's share capital and has representatives on the Board of Directors.

Certain members of the Board of Directors hold positions with companies within the same industry as Lundbeck, and Lundbeck may do business in the ordinary course with companies in which members of the Board of Directors or the Executive Management may hold positions as directors or officers. Otherwise, none of the members of the Board of Directors or the Executive Management have positions in other companies which could result in a conflict of interest vis-à-vis such companies, either because Lundbeck has an equity interest in such company or because Lundbeck and the company concerned have an ongoing business relationship, except as disclosed herein.

Except as set out in "*Remuneration and Benefits*" on remuneration paid to the members of the Board of Directors and Executive Management and dividends paid out to the shareholders of Lundbeck, including the Foundation, as disclosed in "*Dividends and Dividend Policy*", the Company has not undertaken any significant transactions with the Board of Directors, the Executive Management or the Foundation, or with any undertakings outside of the Company's organization in which related parties have interests for the years ended 31 December 2021, 2020 and 2019, nor for the time in 2022 until the date of this Listing Document.

DESCRIPTION OF THE SHARES AND SHARE CAPITAL

The following is a summary of material information relating to Lundbeck's share capital, including a summary of certain provisions of the Articles of Association in effect as of the date hereof. This summary does not purport to be exhaustive and should be read in conjunction with the full text of the Articles of Association, as well as in the context of applicable Danish law. See the Issuer's Articles of Association which are incorporated into this Listing Document by reference as further set out in the section "*Additional Information – Documents incorporated by reference – Articles of Association*".

The Company is a public limited liability company incorporated on 14 October 1950 and is organized under the laws of Denmark under the name H. Lundbeck A/S with its registered office at Ottiliavej 9, 2500 Valby, Denmark.

The Company is registered with the Danish Business Authority under company registration (CVR) no. 56759913.

Registered share capital

As of the date of this Listing Document, the Company's share capital has a nominal value of DKK 995,741,110, divided into 199,148,222 Shares of nominally DKK 5 each or multiples thereof. All Existing Shares are issued and fully paid up.

The Existing Shares are as of the date of this Listing Document not divided into share classes, and all Existing Shares have the same rights and rank *pari passu* in respect of voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the Articles of Associations or eligibility to receive dividend or proceeds in the event of dissolution and liquidation. No Existing Shares carry special rights, restrictions or limitations pursuant to the Articles of Association.

Each Existing Share of the nominal value DKK 5 gives the holder the right to one vote at the Company's general meetings.

The Company has not issued any securities that are convertible, exchangeable nor has warrants attached to them.

Movement in the share capital

The table set forth below presents the development of the Company's share capital from 1 January 2019 to the date of this Listing Document.

Date of approval	Transaction type	Share capital before change (DKK)	Share capital change (DKK)	Share capital after change (DKK)	Price	Number of shares after change
18 February 2019	Capital increase by cash contribution as a result of exercise of employee warrants	995,524,980	18,975 9,180	995,553,135	2,420 2,260	199,110,627
22 May 2019	Capital increase by cash contribution as a result of exercise of employee warrants	995,553,135	130,490	995,683,625	2,260	199,136,725
19 February 2020	Capital increase by cash contribution as a result of exercise of employee warrants	995,683,625	57,485	995,741,110	2,260	199,148,222

Authorizations to increase the share capital

The Board of Directors has, pursuant to the Articles of Association, been granted the following authorizations to increase the Company's share capital:

(i) In accordance with article 4.1 of the Article of Association, the Board of Directors is authorized, for the period until 23 March 2025, to increase, in one or more rounds, the Company's share capital by a nominal amount of up to DKK 100,000,000. The new shares shall be issued at market price and the capital increase shall be implemented without pre-emption rights for the Company's existing shareholders. The Board of Directors may decide to implement the increase of the share capital wholly or partly by way of non-cash contribution, including as consideration for the Company's acquisition of an existing business or other assets. See also "*The Share Split—Authorization*".

(ii) In accordance with article 4.2 of the Article of Association, the Board of Directors is authorized, for the period until 23 March 2025, to increase, in one or more rounds, the Company's share capital by a nominal amount of up to DKK 100,000,000. The capital increase shall be implemented with pre-emption rights for the Company's existing shareholders. The Board of Directors shall determine the subscription price. The Board of Directors may decide to implement the increase of the share capital wholly or partly by way of non-cash contribution, including as consideration for the Company's acquisition of an existing business or other assets.

At the Extraordinary General Meeting, the Board of Directors has, as a consequence of the Share Split, proposed that the Board of Directors' current authorizations to increase the capital of the Issuer as set out in article 4.1 and article 4.2 of the Articles of Association are amended as set out in articles 4.1 to 4.4 of the Draft Articles of Association and below:

(i) In accordance with article 4.1 of the Draft Articles of Association, the Board of Directors is expected to be authorized, for the period until 8 June 2027, to increase, in one or more rounds, the Company's share capital by cash contribution by a nominal amount of up to DKK 99,574,111 with pre-emption rights for the Company's existing shareholders. A capital increase shall be effected by issuance of A Shares and B Shares in the existing nominal ratio between the two share classes or by issuance of B Shares only. In the event of a proportional increase of the A- and B- share capital, all shareholders shall have pre-emption rights to the Shares in the respective share classes in proportion to their shareholding of the share class concerned. In the event of an increase of the B-share capital only, all shareholders shall have pre-emption rights to the new B Shares in proportion to the shareholders' aggregate shareholding.

(ii) In accordance with article 4.2 of the Draft Articles of Association, the Board of Directors is expected to be authorized for the period until 8 June 2027, to increase, in one or more rounds, the Company's share capital by cash contribution by a nominal amount of up to DKK 99,574,111 without pre-emption rights for the Company's existing shareholders. A capital increase shall be effected by issuance of A Shares and B Shares in the existing normal ratio between the two share classes or by issuance of B Shares only. The new Shares shall be issued at market price.

(iii) In accordance with article 4.3 of the Draft Articles of Association, the Board of Directors is expected to be authorized for the period until 8 June 2027, to increase, in one or more rounds, the Company's B-share capital by in-kind contribution, including as consideration for the Company's acquisition of an existing business or other asset, by a nominal amount of up to DKK 99,574,111 without pre-emption rights for the Company's existing shareholders. The new B Shares shall be issued at market price.

The expected authorizations of the Board of Directors under articles 4.1 to 4.3 of the Draft Articles of Association can in the aggregate only be exercised to increase the share capital by a maximum nominal amount of DKK 99,574,111.

Shares issued pursuant to the Board of Directors' authorizations shall be fully paid up, shall be issued in the name of the holder, shall be recorded in the holder's name in the Company's register of shareholders, shall be negotiable instruments and shall, from the time determined by the Board of Directors, but no later than 12 months after the registration of the capital increase, in every respect carry the same rights as the existing Shares. The Board of Directors is authorized to lay down the terms and conditions for capital increases pursuant to the above authorizations. The Board of Directors is also authorized to amend the Articles of Association (and is expected to be authorized to amend the Draft Articles of Association, if and when adopted by the Extraordinary General Meeting) as required in connection with the utilization of the above authorizations.

Authorization to acquire treasury shares

As of the date of this Listing Document, the Board of Directors is authorized in the period until the annual general meeting in 2023 to approve the acquisition of shares (treasury shares), on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company. The consideration paid for such

Shares may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the time of the acquisition. As of 30 April 2022, Lundbeck holds a total of 580,280 Existing Shares as treasury shares.

Authorization to distribute interim dividends

As of the date of this Listing Document, the Board of Directors has not been authorized by the Company's general meeting to distribute interim dividends.

For further details on dividends and the Company's dividend policy, see "*Dividends and Dividend Policy*".

Articles of Association

Objective

Pursuant to article 2 of the Articles of Association, the Company's objective is to carry on business within the fields of research in and manufacture and sale of pharmaceuticals, chemicals and the like, and to undertake, perform and carry on all such other things as the Board of Directors deems incidental, conducive or ancillary to the attainment of such objects.

Provisions concerning members of the Board of Directors and the Executive Management

Reference is made to "*the Board of Directors and Executive Management*".

General meetings and voting rights

The Company's general meetings shall be held in the capital region of Denmark.

The Company's annual general meeting shall be held each year early enough for the audited and adopted annual report to be submitted to and received by the Danish Business Authority and no later than four months after the closing of the financial year. No later than eight weeks before the contemplated date of the annual general meeting, the Company shall publish the date on which it intends to hold the general meeting as well as the date by which requests filed by Shareholders wishing to have specific items included on the agenda must be submitted.

Extraordinary general meetings shall be held at the request of the Board of Directors, when deemed appropriate, or upon request of the Company's external auditor or Shareholders holding a minimum of 5% of the share capital of the Company. The request shall be made in writing to the Board of Directors and contain a list of the issues to be dealt with at the general meeting.

General meetings shall be convened by the Board of Directors with a maximum notice of five weeks and a minimum notice of three weeks. An extraordinary general meeting shall be convened within 14 days after a proper request has been received by the Board of Directors. The notice shall be published on the Company's website.

Furthermore, a notice of the general meeting shall be sent to all Shareholders recorded in the Company's register of shareholders who have requested such notice. If the information contained in the register of shareholders is insufficient or incorrect, the Board of Directors shall not be obliged to rectify the information or to give notice in any other way.

In accordance with Danish law, the notice shall specify the time and place of the general meeting and the agenda containing the business to be transacted at the general meeting. If a proposal to amend the Articles of Association is to be considered at the general meeting, the main contents of the proposal shall be specified in the notice.

The Company's general meetings shall be held in Danish or English as decided by the Board of Directors. Documents prepared in connection with or following a general meeting shall be in English and, if decided by the Board of Directors or required by applicable law, in Danish. Annual reports and interim reports shall be prepared in English.

The right of a Shareholder to attend a general meeting and to vote is determined by the Shares held by the Shareholder on the record date. The record date is one week before the general meeting. The Shares held by each Shareholder are determined on the record date based on the number of Shares held by that Shareholder as registered in the Company's register of shareholders and any notification of ownership received by the Company for the purpose of registration in its register of shareholders, but which have not yet been registered.

At the general meeting, each share of the nominal value of DKK 5.00 shall carry one (1) vote.

Any shareholder who is entitled to attend the general meeting pursuant to the Articles of Association and who wishes to attend the general meeting shall notify the Company no later than three calendar days before the date of the general meeting. A shareholder may, subject to having registered in accordance with the Articles of Association, attend in person or by proxy, and the shareholder or the proxy may attend together with an advisor.

The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable law. A shareholder who is entitled to participate in the general meeting pursuant to the Articles of Association may vote by correspondence in accordance with the provisions of the Danish Companies Act. Such votes by correspondence must be received by the Company no later than the business day before the general meeting. Votes by correspondence cannot be withdrawn.

Resolutions by the general meetings and amendments to the Articles of Association

Resolutions at general meetings shall be passed by a simple majority of votes cast, unless otherwise prescribed under the Danish Companies Act or by the Articles of Association.

Adoption of changes to the Articles of Association, dissolution of the Company, merger or demerger requires that the resolution is adopted by at least two-thirds (2/3) of the votes cast as well as of the share capital represented at the general meeting.

The provisions in the Articles of Association relating to a change of the rights of shareholders or a change to the capital are not more stringent than required by the Danish Companies Act.

Takeover bids

No public takeover offers have been made by any third-party in respect of the Company's Shares during the past or current financial year.

The proposed Draft Articles of Association do not contain provisions that are likely to have the effect of delaying, deferring or preventing a change in control of the Company. Consistent with the Corporate Governance Recommendations, the Board of Directors has adopted a set of guidelines for the handling of takeover bids.

The Shares

Type and class of the A Shares and B Shares (replacing the Existing Shares)

Following the Share Split, the Company will have two classes of shares. Application will be made for the A Shares and for the B Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the ISIN codes for the A Shares and the B Shares, respectively, DK0061804697 and DK0061804770. The first day of official listing of and trading in the A Shares and the B Shares on Nasdaq Copenhagen is expected to be 10 June 2022.

Description of share classes for the future articles of association (following the Share Split)

The A Shares and the B Shares shall be shares of nominally DKK 1.00 per share.

Upon completion of the Share Split, the Issuer's number of issued Shares will be 995,741,110, in the form of 199,148,222 A Shares and 796,592,888 B Shares.

Each A Share of nominally DKK 1.00 shall carry ten (10) votes and each B Share of nominally DKK 1.00 shall carry one (1) vote. Other than the difference in voting rights the A Shares and the B Shares shall have the same rights and rank *pari passu*.

The A Shares and the B Shares are issued as non-certificated shares (dematerialized shares) through VP Securities as negotiable instruments, and no restrictions under Danish law apply to the transferability of the A Shares and the B Shares.

The draft articles of association which are expected to be adopted on the Company's Extraordinary General Meeting expected to be held on 8 June 2022 (the "**Draft Articles of Association**") are incorporated by reference into this Listing Document as further set out in the section "*Additional Information – Documents incorporated by reference – Articles of Association*".

Governing law and jurisdiction

The Shares will be issued in accordance with Danish law. The Listing Document has been prepared in compliance with the standards and requirements of Danish law. Any dispute that may arise as a result of the Share Split is subject to the exclusive jurisdiction of the Danish courts.

Currency

The Shares are denominated in DKK.

Registration of A Shares and B Shares

The A Shares and the B Shares will be registered and delivered in book-entry form through allocation to accounts with VP Securities through a Danish bank or other institution authorized as custodian. Investors that are not residents of Denmark may use a VP Securities member directly or their own bank's correspondent bank as their account holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The Shares are issued in dematerialized form through VP Securities. The name and address of VP Securities is VP Securities A/S, Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark.

The A Shares and the B Shares shall be fully paid up, issued in the name of the holder and recorded in the holder's name, in the Company's register of shareholders through the holder's custodian bank. The Company's register of shareholders is kept by Computershare A/S.

Share Issuing Agent

The Company's share issuing agent will be Danske Bank A/S.

Rights attached to the Shares

Dividend rights

Each Existing Share of DKK 5.00 nominal value and, following the Share Split, each Share of DKK 1.00 nominal value entitles its holder to receive distributed dividends. See "*Dividends and Dividend Policy*" for further information on dividends.

Voting rights

See "*—General Meetings and Voting Rights*".

Pre-emption rights

Under Danish law, the Shareholders generally have pre-emption rights if the general meeting of the Company resolves to increase the share capital by way of cash payment. However, the pre-emption rights of the Shareholders may be derogated by a majority comprising at least two-thirds (2/3) of the votes cast and of the share capital represented at the general meeting if the share capital increase is made at market price or at least 90% of the votes cast as well as at least 90% of the share capital represented at the general meeting if the share capital increase takes place below market price, unless (i) such capital increase below market price is directed at certain but not all Shareholders (in which case all Shareholders must consent); or (ii) such capital increase below market price is directed at the Company's employees (in which case a majority comprising at least two-thirds (2/3) of the votes cast as well as at least two-thirds (2/3) of the share capital represented at the general meeting is required).

The Board of Directors has, at the Extraordinary General Meeting, proposed that the Articles of Association of the Issuer are amended to reflect that if an increase of the capital of the Issuer involves both the A Share class and the B Share class and is effected without pre-emption rights, such increase must be effected on a *pro rata* basis to maintain the relationship between the A Share class and the B Share class. In addition, the Board of Directors has proposed that if an increase of the capital of the Issuer involves both the A Share class and the B Share class and is effected with pre-emption rights for existing shareholders, holders of A Shares shall enjoy a pre-emption right to subscribe for new A Shares, and holders of B Shares shall enjoy a pre-emption right to subscribe for new B Shares. However, if the increase involves only the the B Share class and is effected with pre-emption rights for existing shareholders, then all shareholders enjoy a right to subscribe for the new Shares in proportion to their existing shareholdings. Please refer to the above section "*Description of the Shares and Share*

Capital—Authorizations to increase the share capital" for a full description of the authorizations to increase the share capital that are expected to be granted to the Board of Directors.

The Board of Directors is expected to be authorized to increase the Company's share capital in one or more issues in either the A Share class or the B Share class with or without pre-emption rights to the Shareholders, however, with respect to the Draft Articles of Association's provisions on pre-emption rights within the A Share class and the B Share class as set out above. See "*Description of the Shares and Share Capital—Authorizations to increase the share capital*".

The exercise of pre-emption rights may be restricted for Shareholders resident in certain jurisdictions, including, but not limited to, the United States, Canada, Japan and Australia.

The Company intends to evaluate at the time of any issuance of Shares subject to pre-emption rights or in a rights offering, as the case may be, the cost and potential liabilities associated with complying with any local requirements, as well as the indirect benefits to the Company of enabling the exercise of non-Danish shareholders of their pre-emption rights to Shares or participation in any rights offer, as the case may be, and any other factors considered appropriate at the time, and then to make a decision as to whether to comply with any local requirements. No assurances are given by the Company that local requirements will be complied with or that any registration statement will be filed in the United States so as to enable the exercise of such shareholders' pre-emption rights or participation in any rights offer.

Redemption and conversion provisions

Except as provided for in the Danish Companies Act, see "*The Danish Securities Market—Mandatory redemption of shares*," no shareholder is under an obligation to have his, her or its Shares redeemed in whole or in part by the Company or by any third-party, and none of the Shares carry any redemption or conversion rights or any other special rights.

Dissolution and liquidation

In the event of dissolution and liquidation, the Shareholders are entitled to participate in the distribution of assets, in proportion to their nominal shareholdings, after payment of the Company's creditors.

Negotiability and transferability of the A Shares and B Shares

The Shares will be negotiable instruments. Subject to the restrictions applicable to the B Shares set out in the section "*Selling and Transfer Restrictions*", no restrictions under the Articles of Association or Danish law will apply to the transferability of the Shares.

Disclosure of information

The Board of Directors has adopted a set of internal rules aiming, *inter alia*, at ensuring that the disclosure of information complies with the applicable stock exchange regulations and rules applicable to the Company's securities listed on Nasdaq Copenhagen. All company announcements are published via the Company's news provider, Cision, and can subsequently be accessed from the Company's website. Company announcements comprising regulated information can be accessed via Nasdaq Copenhagen's websites and – depending on the content - the Danish FSA (OAM).

All company announcements will be published in English and, if decided by the Board of Directors, in Danish. The annual report and any interim reports will only be prepared in English.

Investor presentations and telephone conferences are expected to be held following the publication of each interim and annual report to give participants the opportunity to ask questions to the Executive Management. Audio casts of such presentations are expected to subsequently be made available on the Company's website. Investors may also contact the Company's investor relations department to obtain additional information subject to any restrictions under applicable law.

Certain information concerning the Danish securities market

For certain information concerning the Danish securities market, including information on certain provisions of Danish law and Danish securities market regulations regarding disclosure of major shareholdings, short-selling, mandatory tender offers and mandatory redemption of shares, in effect on the date of this Listing Document see "*The Danish Securities Market*".

TAXATION

Danish tax considerations

The following is a summary of certain Danish income tax considerations relating to an investment in the Shares. The Danish tax legislation as well as the tax legislation of investors' member states may have an impact on the income received from the Shares.

The summary is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to an investment in the Shares. The summary is based solely upon the tax laws of Denmark in effect on the date of this Listing Document. Danish tax laws may be subject to change, possibly with retroactive effect.

The summary does not cover investors to whom special tax rules apply and, therefore, may not be relevant, for example, to investors subject to the Danish Pension Yield Tax Act, including pension funds, life insurance companies and individual pension savings, insurance companies, and investors trading in securities, including banks and stockbrokers. Further, the summary only sets out the tax position of the direct owners of the Shares and assumes that the direct investors are the beneficial owners of the Shares and any dividends thereon. Sales are assumed to be sales to a third-party.

Shareholders and potential investors in the Shares are advised to consult their tax advisers regarding the applicable tax consequences of acquiring, holding, and disposing of the Shares based on their particular circumstances. Shareholders and investors who may be affected by the tax laws of other jurisdictions should consult their tax advisers with respect to the tax consequences applicable to the Share Split and their particular circumstances, as such consequences may differ significantly from those described herein.

Taxation of Danish tax resident shareholders

Tax considerations relating to the Share Split

The Danish tax authorities have issued a binding ruling on the taxation of the Danish shareholders as a consequence of the Share Split. As the contemplated changes of the voting rights attached to the Existing Shares will not impact the financial rights attached to the Existing Shares, hereunder the rights to dividends, the distribution of dividends, liquidation proceeds or other proceeds from the company, the Share Split should therefore not trigger any capital gains taxation, dividend taxation, or have any other adverse tax impact at the level of the Danish tax resident shareholders.

The above tax considerations have been confirmed in a binding ruling from the Danish Tax Council obtained for the purpose of clarifying the tax implications of the Share Split. This applies for both individual, corporate shareholders, pension funds and all other types of Danish tax resident shareholders.

The Share Split should not trigger any tax filing obligations for Danish resident holders of Shares.

Sale of shares—individuals

For the calendar year 2022, gains from the sale of shares are taxed as share income at a rate of 27% on the first DKK 57,200 (for cohabiting spouses, a total of DKK 114,400) and at a rate of 42% on share income exceeding such threshold. Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sale price. The purchase price is generally determined using the average method, which means that each share is considered acquired at a price equivalent to the average acquisition price of all the shareholder's shares in the issuing company.

Losses incurred in relation to the sale of shares admitted to trading on a regulated market can only be offset against other share income deriving from shares admitted to trading on a regulated market (i.e. received dividends and capital gains on the sale of shares admitted to trading on a regulated market). Excess losses will be offset against a cohabiting spouse's share income deriving from shares admitted to trading on a regulated market. Any remaining losses after the above deduction can be carried forward indefinitely and offset against future share income deriving from shares admitted to trading on a regulated market.

Losses on shares admitted to trading on a regulated market can only be set off against other share income derived from other shares admitted to trading on a regulated market as outlined above if the Danish Tax Authority

has received certain information concerning the ownership of the shares before expiry of the tax return filing deadline for the income year in which the shares were acquired. This information is normally provided to the Danish Tax Authority by the securities dealer or custodian if the securities dealer or custodian is resident in Denmark.

Individuals investing through an investment savings account (in Danish: "Aktiesparekonto")

Gains and losses on shares owned through an investment savings account (in Danish: "*Aktiesparekonto*") are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the assets in the account at the beginning and end of the tax year adjusted for further deposits on the account and adjusted for withdrawals from the account. Taxation will take place on a mark-to-market principle. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the shares owned through an investment savings account are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the shares at the beginning of the income year and the realization sum. If the shares owned through an investment savings account are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

Any annual gain will be subject to 17 percent taxation, and any loss may be carried forward. In 2022, the account is limited to a deposit of DKK 103,500. Tax is settled by the account institute.

Sale of shares—companies

Tax on the sale of shares by companies is subject to different regimes depending on whether the shares are considered as Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares or Taxable Portfolio Shares defined as follows:

"**Subsidiary Shares**" are generally defined as shares owned by a company shareholder holding at least 10% of the nominal share capital of the issuing company.

"**Group Shares**" are generally defined as shares in a company in which the company shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law.

"**Tax-Exempt Portfolio Shares**" are generally defined as shares not admitted to trading on a regulated market owned by a company shareholder holding less than 10% of the nominal share capital in the issuing company. Tax-Exempt Portfolio Shares are not relevant in respect of this Share Split and will not be described in further detail.

"**Taxable Portfolio Shares**" are shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares, i.e., listed shares in companies in which the shareholder holds less than 10% of the equity.

Gains or losses on disposals of Subsidiary Shares, Group Shares and Tax-Exempt Portfolio Shares are not included in the taxable income of the company shareholder.

Special rules apply with respect to Subsidiary Shares and Group Shares in order to prevent circumvention of the 10% ownership requirement through pooling of shareholdings in a holding company, just as other anti-avoidance rules may apply under Danish law. These rules will not be described in further detail.

Capital gains from the sale of Taxable Portfolio Shares are taxable at the corporate income tax rate of 22% (2022). Losses on such shares are generally deductible. Gains and losses on Taxable Portfolio Shares are, as a general rule, calculated in accordance with the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the value of the Taxable Portfolio Shares at realization. If the Taxable Portfolio Shares have been acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the Shares at the end of the income year.

A change of status from Subsidiary Shares or Group Shares to Taxable Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

Dividends—individuals

For the calendar year 2022, dividends received by individuals are taxed as share income. Share income is taxed at a rate of 27% on the first DKK 57,200 (for cohabiting spouses, a total of DKK 114,400) and at a rate of 42% on share income exceeding such threshold. Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Dividends paid to individuals are generally subject to currently 27% withholding tax rate.

Dividends for individuals investing through an investment savings account (Aktiesparekonto)

Dividends from Shares invested through an investment savings account will be part of the return received and subject to the general tax principles for the account as described above.

Dividends—companies

Dividends received on Taxable Portfolio Shares are subject to the standard corporate tax rate of currently 22% (2022) irrespective of ownership period.

The general withholding tax rate is 27%, however a 22% (2022) tax rate applies to dividends distributed to Danish resident companies. Should the distributing company withhold at the higher rate, the shareholder can claim a refund of the excess tax paid. A claim for repayment must be filed within two months from the date of the decision to distribute the dividend; otherwise the excess tax will be treated as a tax paid on account and credited in the corporate income tax for the year.

Dividends received on Subsidiary Shares and Group Shares are not subject to taxation irrespective of ownership period, subject, however, to certain anti-avoidance rules that will not be described in further detail.

Taxation of shareholders tax resident outside Denmark

U.S. tax considerations relating to the Share Split

The Share Split should qualify as a tax-free recapitalization for U.S. federal income tax purposes. Accordingly, for US federal income tax purposes, a US tax resident investor should not be required to recognize any gain or loss and should have the same tax basis and holding period in the shares received as in the shares exchanged therefor. A US tax resident investor's tax basis would presumably be allocated among the classes of shares received in accordance with their relative fair market values at the time of the Share Split.

All U.S. investors are advised to consult their tax advisers regarding the applicable tax consequences arising from the Share Split, including any tax filing obligations that may be applicable to them.

Swiss tax considerations relating to the Share Split

The Share Split should not imply a change in the holders of Shares overall economic rights as the only changes to the Articles of Association will be a split of the existing share class into two (2) classes with equal economic rights and different voting rights of 10:1 and no change of the economic ownership.

The exchange of Existing Shares into A Shares and B shares will be deemed as equivalent value for value exchanges as well as no property or economic entitlements being transferred. The changes in voting power should not change the status of investors for Swiss shareholders.

The Share Split should not have any adverse tax impact on Swiss resident shareholders as the economic value of the total number of Shares received in the Share Split will remain the same. This applies for both Swiss individuals and corporate shareholders as well as pension funds.

As described above, all Swiss investors are advised to consult their tax advisers regarding the applicable tax consequences arising from the Share Split.

The Share Split should not trigger any tax filing obligations for Swiss resident holders of Shares.

Other tax considerations

Sale of shares—individuals and companies

Denmark does not tax non-resident shareholders on capital gains realized on the sale of shares, irrespective of the ownership period, unless the shares are attributed to a permanent establishment in Denmark, in which case the capital gains are taxed pursuant to the rules applicable to Danish tax residents as described above.

Dividends—individuals

Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27%. A request for a refund of Danish withholding tax may, however, be made by the shareholder in the following situations:

1) Double Taxation Treaty

In the event that the dividend receiving individual is a tax resident of a state having a double taxation treaty with Denmark, the shareholder may claim a refund from Skattestyrelsen (the "**Danish Tax Authority**") of the tax amount exceeding the treaty rate through certain application procedures. Denmark has executed double taxation treaties with approximately 85 countries, including the United States and almost all members of the EU. The double taxation treaties generally provide for a 15% tax rate. The refund is sought by completing an online claim form and filing it with the Danish Tax Authority. The form can be completed and filed from the Danish Tax Authority's website.

When claiming such refund the shareholder must be able to document, *inter alia,* (i) that the shareholder is subject to limited or no tax liability to Denmark, (ii) that a withholding tax on the Danish dividend tax has actually been withheld, (iii) that the shareholder was the beneficial owner of the shares when the dividend distribution was approved and (iv) that the tax withheld exceeds the final tax payable according to an applicable double taxation treaty or the final tax payable according to current Danish law.

The documentation requirements can be found on the website of the Danish Tax Authority. According to these requirements, it will be necessary to provide a tax residence certificate certified by the tax authorities in the jurisdiction of the claimant.

2) Relief under Danish tax law

In addition, if the individual shareholder holds less than 10% of the nominal share capital of the company and the shareholder is a tax resident in a jurisdiction which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends are generally subject to tax at a reduced rate of 15%. If the shareholder is an individual tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate. Thus, the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident of Denmark holds shares, which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax residents described above. See "—*Taxation of Danish tax resident shareholders*".

Dividends for individuals investing through an investment savings account (in Danish: "Aktiesparekonto")

Individuals with tax residency outside Denmark will be subject to 15 percent taxation on any dividend on shares owned through an investment savings account. In 2022, the account is limited to a deposit of DKK 103,500.

For shareholders residing outside Denmark, only dividends paid in respect of shares in Danish companies are included in the 15 percent taxation.

Dividends—companies

Dividends received on Subsidiary Shares are exempt from Danish withholding tax provided the taxation of the dividends is to be waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU as amended by 2015/121/EU) or in accordance with a tax treaty with the jurisdiction in which the company investor is resident.

Dividends received on Group Shares are exempt from Danish withholding tax provided the company investor is a resident of the EU or the EEA and the taxation of dividends should have been waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU as amended by 2015/121/EU) or in accordance with a tax treaty with the country in which the company investor is resident had the shares been Subsidiary Shares.

Denmark applies a withholding tax at the statutory rate of 27% (2022) on all dividend distributions on Portfolio Shares (Taxable as well as Tax Exempt). Holders of Subsidiary Shares and Group Shares can be exempt from withholding by registering their holding percentage with the distributing company. The withholding tax applies irrespective of ownership period. It should be noted that Denmark applies a beneficial owner approach and participation exemption as well as the reductions available under treaties and domestic Danish law (described below) are therefore subject to Danish anti-avoidance rules.

A request for a refund of Danish withholding tax can be made by the shareholder in the following situations:

1) All foreign corporate shareholders

All foreign corporate shareholders can claim a refund from the Danish tax authorities of the tax amount exceeding 22% (2022), subject to applicable anti-avoidance rules.

2) Double Taxation Treaty

In the event that the dividend receiving company is a resident of a state with which Denmark has entered into a double taxation treaty, the shareholder may claim a refund from the Danish Tax Authority of the tax amount exceeding the treaty rate, through certain certification procedures. Denmark has executed double taxation treaties with approximately 85 countries, including the United States and almost all members of the European Union. The double taxation treaties generally provide for a 15% tax rate. The refund is sought by completing an online claim form and filing it with the Danish Tax Authority. The form can be completed and filed from the Danish Tax Authority's website.

When claiming such refund the shareholder must be able to document, *inter alia,* (i) that the shareholder is subject to limited or no tax liability to Denmark, (ii) that a withholding tax on the Danish dividend tax has actually been withheld, (iii) that the shareholder was the beneficial owner of the shares when the dividend distribution was approved and (iv) that the tax withheld exceeds the final tax payable according to an applicable double taxation treaty or the final tax payable according to current Danish law.

The documentation requirements can be found on the website of the Danish Tax Authority. According to these requirements, it will be necessary to provide a tax residence certificate certified by the tax authorities in the jurisdiction of the claimant.

3) Relief under Danish tax law

In addition, if the shareholder holds less than 10% of the nominal share capital of the company and the shareholder is a tax resident in a jurisdiction which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends on portfolio shares (taxable as well as non-taxable) are generally subject to tax at a reduced rate of 15% (2022). If the shareholder is a tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate. Thus, the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident of Denmark holds shares, which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax residents described above, see "— *Taxation of Danish tax resident shareholders*".

Share transfer tax and stamp duties

No Danish share transfer tax or stamp duties are payable on transfer of the shares.

Withholding tax obligations

As issuer of the Shares, the Company is obligated to withhold the taxes described above on all distributions of dividends.

Taxation risk relating to the Share Split

The Share Split may have taxation implications for shareholders

Individual shareholders may, depending on whether they are natural or legal persons, their place of residence, nationality and/or economic activity, be liable for a variety of tax obligations as a result of the Share Split and/or generally as a result of holding shares, whether Existing Shares or A Shares and/or B Shares.

The section "*Taxation*" in this Listing Document may not, and does not purport to, provide a comprehensive overview or in-depth guidance to all tax rules potentially applicable to shareholders. The Share Split may have taxation implications for shareholders that are not outlined or indicated in the Listing Document and Receiving Shareholders are accordingly advised to seek independent advice on their individual tax arrangements. Any unforeseen tax implications or liabilities resulting from the Share Split, the Shares or any other transaction described in this Listing Document may result in significant expenses for Receiving Shareholders and could have a material adverse effect on the economic interest of the Receiving Shareholder and the actual amount of proceeds arising from Receiving Shareholders' disposal of Shares post taxes.

THE SHARE SPLIT

Approval of the Share Split

The Share Split entails that Lundbeck's Existing Shares are converted into two share classes with differentiated voting rights, resulting in the admission to trading and official listing on Nasdaq Copenhagen of a class of A Shares and a class of B Shares. Consequently, as one (1) Existing Share is exchanged with one (1) A Share and four (4) B Shares, no offer of Shares or sale of Shares is made in connection with the issuance of the Listing Document or the Share Split.

Completion of the Share Split is conditional upon the approval hereof by the shareholders of Lundbeck at a general meeting. Accordingly, the Board of Directors has proposed that the Share Split is approved at the Extraordinary General Meeting, which has been convened to be held on 8 June 2022 at Ottiliavej 9, DK-2500 Valby, Copenhagen, Denmark.

Pursuant to the Danish Companies Act, the Share Split must be approved at the Extraordinary General Meeting by a majority of shareholders holding two-thirds (2/3) of the votes cast and holding more than two-thirds (2/3) of the Existing Shares represented at the Extraordinary General Meeting. Upon the proper adoption of the resolution for the Share Split at the Extraordinary General Meeting, the resolution for the Share Split shall be registered with the Danish Business Authority, which is expected to happen on 8 June 2022.

The issuance of the new Shares will be completed following the registration of the resolution with the Danish Business Authority whereupon the A Shares and the B Shares will be issued via Danske Bank A/S in VP Securities, and the A Shares and the B Shares will be delivered to the shareholders against the simultaneous cancellation of the Existing Shares.

Trading and official listing on Nasdaq Copenhagen

Application will be made for the A Shares and the B Shares to be admitted to trading on Nasdaq Copenhagen under the symbol "LUND A" and "LUND B" on Nasdaq Copenhagen. The Admission will be subject to, among other things, Nasdaq Copenhagen's approval of the distribution of the A Shares and of the B Shares representing at least 25% of the share capital and among at least 500 qualified investors in each share class each holding Shares with a value of at least EUR 500.00, and that the Share Split is registered with the Danish Business Authority. Trading on Nasdaq Copenhagen will not commence before all such conditions are met and will be suspended if the Share Split is not completed.

The first day of trading of the Shares on Nasdaq Copenhagen is expected to be 10 June 2022.

Identification

Permanent ISIN for the A Shares: DK0061804697

Nasdaq Copenhagen Symbol for the A Shares: "LUND A"

Permanent ISIN for the B Shares: DK0061804770

Nasdaq Copenhagen Symbol for the B Shares: "LUND B"

Registration and settlement

The A Shares and the B Shares will be registered in book-entry form electronically with VP Securities, Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark. All A Shares and B Shares are registered on accounts with account-holding banks in VP Securities. Shareholders that are not residents of Denmark may use a Danish bank directly or their own bank's Danish correspondent bank as their account-holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

Delivery of the A Shares and B Shares are expected to take place on 14 June 2022, three (3) business days after the Extraordinary General Meeting, in book-entry form to investors' accounts with VP Securities and through the facilities of Euroclear and Clearstream. Registration through the shareholder's account holding bank will take place as soon as practically possible thereafter.

The account-holding bank will normally send a statement to the name and address registered in VP Securities showing the number of B Shares held by the investor unless otherwise agreed between the investor and the relevant account-holding bank. This statement also constitutes evidence of the investor's holding.

Withdrawal of the Share Split

Completion of the Share Split is conditional upon the resolution for the Share Split, as proposed for the Extraordinary General Meeting of the Issuer to be held on 8 June 2022, be approved by shareholders holding two-thirds (2/3) of the votes cast and holding more than two-thirds (2/3) of the Existing Shares represented at the Extraordinary General Meeting.

Upon the proper adoption, the resolution shall be registered with the Danish Business Authority, which the Company consider it to be legally entitled to obtain subject to its proper adoption, and, as such, the Share Split cannot be withdrawn from the time of the proper adoption of the resolution at the Extraordinary General Meeting.

Nasdaq Copenhagen's approval of the Admission on Nasdaq Copenhagen is subject to the adoption and subsequent registration of the A Shares and the B Shares.

Any withdrawal of the Share Split will be announced immediately through Nasdaq Copenhagen.

Investors' withdrawal rights

In the event that the Company is required to publish a supplement to this Listing Document, between the date of publication of this Listing Document and Admission, the Company will do so. Upon the proper adoption of the resolution of the Share Split in the Extraordinary General Meeting, the Share Split will be registered with the Danish Business Authority and the A Shares and the B Shares will be issued. Shareholders and investors do not have withdrawal rights from the time when the resolution has been adopted by the Extraordinary General Meeting. However, the shareholders may oppose the proposal by voting against the proposal at the Extraordinary General Meeting.

Costs of the Share Split

The total expenses in relation to the Admission and Share Split payable by the Company are estimated to be approximately DKK 20 million.

The Company will not charge expenses to shareholders. Shareholders may have to bear customary transaction and handling fees charged by their account-holding banks, if any.

Availability and distribution of Listing Document

A request for copies of the Listing Document may be submitted by persons who satisfy the requirements of the applicable selling restrictions from the Company.

In addition, the Listing Document is available, subject to certain restrictions, on the Company's website (https://www.lundbeck.com/global/investors/the-share/new-share-structure). Information included on the Company's website does not form part of and is not incorporated into this Listing Document, except as set out in "*Additional Information – Documents incorporated by reference*".

The distribution of this Listing Document and the delivery of the A Shares and B Shares in certain jurisdictions is restricted by law. Persons possessing this Listing Document are required by the Company to inform themselves about and to observe any restrictions. This Listing Document does not constitute an offer to sell or a solicitation of an offer to buy or subscribe for any of A Shares or the B Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer in such jurisdiction.

Interests of natural and legal persons involved in the Share Split

As described in "*Board of Directors and Executive Management — Statement on Conflicts of Interest*" and in "*Ownership Structure and Shareholders*", certain members of the Board of Directors and the Executive Management as well as other former and current employees are shareholders, directly or indirectly, in the Company, or hold economic interests therein, and therefore have direct economic interests in the Share Split. Certain members of the Board of Directors also represent the Foundation.

See also "*Remuneration and Benefits—Incentive Programs*". No member of the Board of Directors or Executive Management, directly or indirectly, hold more than 5% of the Company's share capital.

The Company is not aware of any other potential interest of natural or legal persons involved in the Share Split who may have a material interest in the Share Split.

Governing law

The A Shares and the B Shares will be issued in accordance with Danish law.

THE DANISH SECURITIES MARKET

Set forth below is a summary of certain information concerning the Danish securities market including information on certain provisions of Danish law and Danish securities market regulations in effect on the date of this Listing Document. Such summary is qualified in its entirety by reference to the applicable Danish law and securities market regulations.

Nasdaq Copenhagen

Nasdaq Copenhagen is a company incorporated and organized under the laws of Denmark. Trading on Nasdaq Copenhagen is conducted by authorized firms, which include major Danish banks and other securities brokers, as well as certain mortgage credit institutions and the Danish Central Bank.

The trading system for equities trading in Denmark on Nasdaq Copenhagen operates between 9:00 and 16:55 (CET) on weekdays. After the end of the continuous trading there is a pre-closing call between 16:55 to 17:00 (CET). An after trade "post trade" session exists from 17:00 to 17:20 (CET). Before the continuous trading begins, there is a second after trade "pre-open" session from 8:00 to 9:00 (CET) and a morning call session from 8:45 to 9:00 (CET) for the purpose of establishing fair opening prices. After the opening prices have been presented, the continuous trading begins.

Registration process

In connection with the Share Split and share issuance, the Issuer's Shares are registered in book-entry form on accounts maintained in the computer system of VP Securities, which acts as an electronic central record of ownership and as the clearing center for all transactions in Denmark. The address of VP Securities is Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark.

Danish financial institutions, such as banks, are authorized to keep accounts for each specific investor with VP Securities, including for Euroclear and Clearstream. All Danish shares listed on Nasdaq Copenhagen are dematerialized, "non-certificated" and registered in VP Securities. The account is maintained through an account-holding bank.

The account-holding bank has the exclusive right to make transactions and registrations on these accounts on behalf of its customers.

Shares shall be registered in the name of the holder through the account-holding bank.

Nominees

An account may be kept on behalf of one or more owners, meaning that a shareholder may appoint a nominee.

A nominee shareholder is entitled to receive dividends and to exercise all subscription and other financial and administrative rights attached to the shares held in its name with VP Securities. The relationship between the nominee shareholder and the beneficial owner is regulated solely by an agreement between the parties, and the beneficial owner must disclose its identity, if any, if the aforementioned rights are to be exercised directly by the beneficial owner.

The right to appoint a nominee does not eliminate a shareholder's obligation to notify the Company and the Danish FSA of a major shareholding. See "*The Danish Securities Market—Disclosure of major shareholdings*" below.

Settlement process

Settlement in connection with trading on Nasdaq Copenhagen normally takes place on the second business day after effecting a sale or purchase transaction. The account-holding bank sends a statement to the name and address recorded in VP Securities, showing the amount of shares held in that name, which provides the holder with evidence of its rights. Settlement can also take place through the clearing facilities of Euroclear and Clearstream.

Disclosure of major shareholdings

Shareholders in Danish companies with shares admitted to trading and official listing on Nasdaq Copenhagen are, pursuant to Section 38 of the Danish Capital Markets Act, required to give simultaneous notice to the company and the Danish FSA of the shareholding in the company, when the shareholding reaches, exceeds or falls below

thresholds of 5%, 10%, 15%, 20%, 25%, 50% or 90% and limits of one-third (1/3) or two-thirds (2/3) of the voting rights or nominal value of the total share capital.

A shareholder in a company means a natural or legal person who, directly or indirectly, holds: (i) shares in the company on behalf of himself/herself/itself and for his/her/its own account; (ii) shares in the company on behalf of himself/herself/itself, but for the account of another natural or legal person; or (iii) depository receipts, where such holder is considered a shareholder in relation to the underlying shares represented by the depository receipts.

The duty to notify set forth above further applies to natural and legal persons who are entitled to acquire, sell or exercise voting rights which are:

(i) held by a third-party with whom that natural or legal person has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the issuer in question (common duty to inform for all parties to the agreement);

(ii) held by a third-party under an agreement concluded with that natural or legal person providing for the temporary transfer of the voting rights in question in return for consideration;

(iii) attached to shares which are lodged as collateral for that natural or legal person, provided the person controls the voting rights and declares an intention of exercising them;

(iv) attached to shares in which that natural or legal person has a lifelong right of disposal;

(v) held, or may be exercised within the meaning of (i) to (iv), by an undertaking controlled by that person or entity;

(vi) attached to shares deposited with that natural or legal person and which the person can exercise at his own discretion in the absence of specific instructions from the shareholders;

(vii) held by a third-party in its own name on behalf of that person; or

(viii) exercisable by that person through a proxy where that person may exercise the voting rights at his/her/its discretion in the absence of specific instructions of the shareholder.

The duty to notify set forth above also applies to anyone, who directly or indirectly holds: (i) financial instruments that afford the holder either an unconditional right to acquire or the discretion as to his/her/its right to acquire existing shares (for example, share options); and/or (ii) financial instruments based on existing shares and with an economic effect equal to that of the financial instruments mentioned in (i), regardless of them not affording the right to purchase existing shares (for example, cash-settled derivatives linked to the value of the shares in question). Holding these kinds of financial instruments counts towards the thresholds mentioned above and may thus trigger a duty to notify by themselves or when accumulated with a shareholding.

The notification shall be made promptly but no later than four (4) weekdays after the shareholder was aware or should have become aware of the completion of the transaction, and in accordance with the provisions of Danish Executive Order no. 1172 of 31 October 2017 on Major Shareholders. The shareholder is deemed to have become aware of the completion of the transaction two weekdays after the completion of the transaction. The shareholder shall disclose the change in voting rights and shares, including the number of voting rights (and the distribution of voting rights among share classes, if applicable) and shares held directly or indirectly by the shareholder following the transaction. The notification shall further state the transaction date on which the threshold was reached or no longer reached and the identity of the shareholder as well as the identity of any natural or legal person with the right to vote on behalf of the shareholder and in the case of a group structure, the chain of controlled undertakings through which voting rights are effectively held. The information shall be notified to the company and simultaneously submitted electronically to the Danish FSA. Failure to comply with the notification requirements is punishable by fine or suspension of voting rights in instances of gross or repeated non-compliance.

When an obligation to notify rests on more than one natural or legal person the notification may be made through a joint notification. However, use of a joint notification does not exempt the individual shareholders or natural or legal persons from their responsibilities in connection with the obligation to notify or the contents of the notification.

After receipt of the notification, the company shall promptly, but not later than three (3) weekdays thereafter, publish the contents of the notification.

A similar duty, as set forth above, also applies to a company's holding of treasury shares. A Danish company with shares admitted to trading and official listing on Nasdaq Copenhagen is required to promptly, but not later than four (4) weekdays thereafter, publish an announcement specifying the company's, direct or indirect, holding of treasury shares, when the holding reaches, exceeds or falls below the thresholds of 5% or 10% of the voting rights or the nominal value of the share capital. This duty applies regardless of whether the company holds the treasury shares itself or through a person acting in his/her/its own name but on the company's behalf.

Furthermore, the general duty of notification under Section 55 of the Danish Companies Act in respect of notification of significant holdings (similar to the thresholds set out in Section 38 of the Danish Capital Markets Act) applies, including when the limit of 100% of the share capital's voting rights or nominal value of the company is reached or are no longer reached. Section 58 of the Danish Companies Act provides that a company shall publish information related to major shareholdings received pursuant to Section 55 of the Danish Companies Act in an electronic public register of shareholders which is kept by the Danish Business Authority.

Short selling

The Short Selling Regulation (236/2012/EU) includes certain notification requirements in connection with short selling and imposes restrictions on uncovered short selling of shares admitted to trading on a trading venue (including Nasdaq Copenhagen).

When a natural or legal person reaches or falls below a net short position of 0.1% of the issued share capital of a company that has shares admitted to trading on a trading venue, such person shall notify the relevant competent authority, which in Denmark is the Danish FSA. The obligation to notify, moreover, applies in each case where the net short position reaches or falls below each 0.1% threshold above the 0.1% threshold. In addition, when a natural or legal person reaches or falls below a net short position of 0.5% of the issued share capital of a company that has shares admitted to trading on a trading venue and each 0.1% threshold above that, such person shall make a public announcement of its net short position.

A natural or legal person is prohibited from entering into a short sale of shares admitted to trading on a trading venue unless one of the following conditions is satisfied: (i) the natural or legal person has borrowed the share or has made alternative provisions resulting in a similar legal effect; (ii) the natural or legal person has entered into an agreement to borrow the share or has another absolutely enforceable claim under contract or property law to be transferred ownership of a corresponding number of securities of the same class so that settlement can be effected when it is due; or (iii) the natural or legal person has an arrangement with a third-party under which that third-party has confirmed that the share has been located and has taken measures vis-à-vis third parties necessary for the natural or legal person to have a reasonable expectation that settlement can be effected when it is due. Certain exemptions apply to the prohibition, such as in the case of market-makers or in connection with stabilization in accordance with the Commission Delegated Regulation (EU) 2016/1052.

Mandatory tender offers

The Danish Capital Markets Act and the Danish Executive Order no. 636 of 15 May 2020 on Takeover Bids includes rules concerning public offers for the acquisition of shares admitted to trading on a regulated market (including Nasdaq Copenhagen).

If a shareholding is transferred, directly or indirectly, in a company with one or more share classes admitted to trading on a regulated market, to an acquirer or to persons acting in concert with such acquirer, the acquirer and the persons acting in concert with such acquirer, if applicable, shall give all shareholders of the company the option to dispose of their shares on identical terms, if the acquirer, or the persons acting in concert with such acquirer, as a result of the transfer, gains control over the company as a result of the transfer.

Control exists if the acquirer, or persons acting in concert with such acquirer, directly or indirectly, holds at least one-third (1/3) of the voting rights in the company, unless it can be clearly proven in special cases that such ownership does not constitute control. An acquirer, or persons acting in concert with such acquirer, who does not hold at least one-third (1/3) of the voting rights in a company, nevertheless has control when the acquirer has or persons acting in concert with such acquirer have:

(i) the right to control at least one-third (1/3) of the voting rights in the company according to an agreement with other investors; or

(ii) the right to appoint or dismiss a majority of the members of the central governing body of the company.

Voting rights attached to treasury shares shall be included in the calculation of voting rights.

The Danish Capital Markets Act contains specific exemptions from the obligation to submit a mandatory takeover offer, including transfers of shares by inheritance or transfer within the same group and as a result of a creditor's debt enforcement proceedings. Exemptions from the mandatory tender offer rules may be granted under special circumstances by the Danish FSA.

Mandatory redemption of shares

Where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, such shareholder may, pursuant to Section 70 of the Danish Companies Act, decide that the other shareholders have their shares redeemed by that shareholder. In this case, the other shareholders must be asked, by notice given in accordance with the rules governing notices for general meeting, to transfer their shares to the shareholder within four (4) weeks after the request to transfer their shares. In addition, the other shareholders shall by notice published through the Danish Business Authority's IT system be requested to transfer their shares within the same four-week period. Specific requirements apply to the contents of the notices to the other shareholders regarding the redemption. If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act. However, the redemption price will be deemed fair under any circumstances, provided that (i) the redemption takes place in continuation of a voluntary tender offer by which the bidder obtained at least 90% of the share capital carrying voting rights, or (ii) the redemption takes place after a mandatory tender offer. To the extent any minority shareholders have not transferred their shares to the acquiring shareholder before the expiry of the four-week period, the redeeming shareholder shall, as soon as possible thereafter, via VP Securities, as the issuing central securities depository, pay the amount required for redemption to the remaining minority shareholders. Upon payment through VP Securities, the shares of such minority shareholders will have been redeemed and the minority shareholders shall in such case through the Danish Business Authority's IT system be notified that the right to require determination of the redemption price by the independent expert expires at the end of a period, which cannot be less than three (3) months pursuant to Section 72 of the Danish Companies Act. Expenses relating to the determination of the redemption price must be paid by the shareholder requesting such determination. If the valuation is higher than that offered by the redeeming shareholder, the court may order the redeeming shareholder to pay the expenses relating to determination of the redemption price in full or in part.

Furthermore, where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, the other shareholders may require such shareholder to acquire their shares pursuant to Section 73 of the Danish Companies Act. If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act. Expenses relating to the determination of the redemption price must be paid by the shareholder requesting such determination. If the valuation is higher than that offered by the redeeming shareholder, the court may order the redeeming shareholder to pay the expenses relating to determination of the redemption price in full or in part.

Disclosure requirements for companies admitted to trading and official listing on Nasdaq Copenhagen

As a company with its securities admitted to trading on a regulated market, the Company will under Regulation (EU) no. 596/2014 on Market Abuse (the "**Market Abuse Regulation**") and the Nordic Main Market Rulebook be obliged to inform the public and the Danish FSA of inside information, as defined in Article 7 of the Market Abuse Regulation, as soon as possible if such information directly concerns the Company. Inside information must be disclosed as soon as possible unless the Company is in a position to delay such disclosure to the public with reference to Article 17(4) of the Market Abuse Regulation.

In addition, the Company will be obliged to disclose certain other information to the public pursuant to the Danish Capital Markets Act, the Danish Executive Order no. 1173 of 31 October 2017 on Issuers' Duty to Provide Information and the Nordic Main Market Rulebook, regardless of whether this information amounts to inside information.

PLAN OF DISTRIBUTION

The Share Split

Subject to approval at the Extraordinary General Meeting, the A Shares and the B Shares will be distributed to the holders of the Existing Shares. The issuance will be completed following the registration of the resolution with the Danish Business Authority whereupon the Shares will be issued in dematerialized form through VP Securities, against the cancellation of the Existing Shares, expectedly on the following dates:

Extraordinary General Meeting: 8 June 2022

Registration with the Danish Business Authority: 8 June 2022

Share Split Record Date: 13 June 2022

Cancellation of Existing Shares and delivery of A Shares and B Shares: 14 June 2022

No action has been or will be taken in any jurisdiction other than Denmark that would permit the Share Split and delivery of the A Shares or the B Shares, or the possession, circulation or distribution of this Listing Document or any other material relating to the Company or the A Shares or the B Shares, in any jurisdiction where action for that purpose is required. Accordingly, the A Shares and the B Shares may not be offered or sold, directly or indirectly, and neither this Listing Document nor any other material or advertisements in connection with the A Shares and the B Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or regulation.

The Exchange Offer

The Lundbeck Foundation has informed Lundbeck about its intention of making an exchange offer for the A Shares in Lundbeck (through Lundbeckfond Invest) to be completed following the Admission (the "**Exchange Offer**").

The Exchange Offer will provide Eligible Shareholders with the possibility to exchange one (1) A Share, carrying ten (10) votes at the Company's general meetings, against receipt of one (1) B Share, carrying one (1) vote at the Company's general meetings from the Foundation. Thus, the consideration will be one (1) B Share for one (1) A Share. If executed as planned by the Foundation, the Exchange Offer will expectedly be made shortly after the Admission. The acceptance period will end at 23:59 CET on 8 July 2022 unless extended by the Foundation, and the completion and settlement of the Exchange Offer will expectedly be around 11 July 2022. The Exchange Offer is expected to be directed at and made to such shareholders only that legally would be allowed to receive such offer without any requirement for the filing or registration of any document relating to the Exchange Offer or the A Shares or B Shares by the Foundation, the Company or the recipient as will be set out in the Foundation's Exchange Offer documentation (if and when published) (an "**Eligible Shareholder**"), however, the Listing Document may be passported to other EU Member States in accordance with Article 25 of the Prospectus Regulation and to certain other jurisdictions outside the EU in accordance with applicable laws and regulations. For the specific details of the Exchange Offer, when made, please see the Lundbeck Foundation's website (www.lundbeckfonden.com). The information on the Lundbeck Foundation's website does not form part of this Listing Document and is not incorporated by reference into this Listing Document. The Issuer is not responsible for any information contained on the Lundbeck Foundation's website. The Exchange Offer will result in the Lundbeck Foundation holding the same number of Shares before and after the execution of the Exchange Offer (through Lundbeckfond Invest), and if accepted by some Eligible Shareholders, the Lundbeck Foundation will be holding a higher number of voting rights as each A Share carries ten (10) votes and each B Share carries one (1) vote at general meetings, but unchanged economic rights.

No action has been or will be taken in any jurisdiction other than Denmark and certain EU member states to which the Listing Document will be passported in accordance with Article 25 of the Prospectus Regulation and certain other jurisdictions outside the EU to which the Listing Document will be passported in accordance with applicable rules and regulations of such jurisdictions that would permit the possession, circulation or distribution of the Exchange Offer when made in any jurisdiction where action for that purpose is required. Accordingly, the A Shares and the B Shares may not be offered or sold, directly or indirectly, and neither the Exchange Offer nor any other material or advertisements in connection with the A Shares and the B Shares or the Exchange Offer may be extended to, distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or regulation.

If made, the Exchange Offer would require the Eligible Shareholders to consider the pros and cons of the Exchange Offer and in particular any tax implications, which could be adverse for the Eligible Shareholders if the Exchange Offer is accepted

The Issuer is not a party to the Exchange Offer, and, if made, the making, acceptance and proper performance of the Exchange Offer will solely be a matter between the Foundation and the Eligible Shareholders, inclusive of such shareholders accepting the Exchange Offer. The nature of and legal rights and entitlements attached to the A Shares and the B Shares post completion of the Share Split are as described in this Listing Document. The differences between the A Shares and B Shares are the different voting rights attached to the A Shares and B Shares.

Acceptance of an Exchange Offer would from a tax perspective possibly constitute a sale and a purchase in the relevant jurisdiction and could therefore potentially trigger taxation for the shareholder depending on the applicable tax rules.

The section "*Taxation*" in this Listing Document may not, and does not purport to, provide a comprehensive overview or in-depth guidance to all tax rules potentially applicable to shareholders, including to Eligible Shareholders. A sale of A Shares in an Exchange Offer and the Share Split may have different taxation implications for shareholders that are not outlined or indicated in the Listing Document and shareholders are accordingly advised to seek independent advice on their individual tax arrangements regarding the Exchange Offer. Any unforeseen tax implications or liabilities resulting from the Exchange Offer or any other transaction described in this Listing Document may result in significant expenses for shareholders and could have a material adverse effect on the economic interest of the shareholder and the actual amount of proceeds arising from shareholders' disposal of Shares post taxes.

Lock-up arrangements

No lock-up arrangements have been agreed in respect of the A Shares or the B Shares.

Price stabilization and short positions

No stabilization will be made in connection with the Share Split.

Other relationships

No financial advisor has been appointed in connection with the Share Split and the Admission. Accordingly, there are no other relationships to disclose.

SELLING AND TRANSFER RESTRICTIONS

No offer of Shares or sale of Shares is made in connection with the issuance of the Listing Document or the Share Split. The below restrictions are not applicable to the expected Exchange Offer.

United States

The Shares have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States. It is expected that Lundbeck will rely on the exemption from registration pursuant to Section 3(a)9 of the U.S. Securities Act. Section 3(a)(9) of the U.S. Securities Act provides an exemption from registration for any security exchanged by an issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange. When securities are exchanged for other securities of the issuer under Section 3(a)(9) of the U.S. Securities Act, the securities received in essence assume the character of the exchanged securities for purposes of the U.S. Securities Act. This means that the A Shares and the B Shares generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act to the extent the Existing Shares were not "restricted securities" as defined therein, and persons who receive such securities as a result of the Share Split (other than affiliates) would be able to resell them without restriction under the U.S. Securities Act. Under the U.S. securities laws, persons who are affiliates within the meaning of Rule 144(a)(1) under the U.S. Securities Act of Lundbeck as of the date and time at which the Share Split becomes effective, or who become affiliates thereafter, may not resell the A Shares or the B Shares received pursuant to the Share Split without registration under the U.S. Securities Act, except pursuant to an applicable exemption from or in a transaction not subject to the registration requirements of the U.S. Securities Act. Whether a person is an affiliate of a company for such purpose depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders. Receiving Shareholders who believe they may be affiliates for the purposes of the U.S. Securities Act should consult their own legal advisors prior to any resale of A Shares or B Shares received pursuant to the Share Split.

European Economic Area and the United Kingdom

In relation to each of the member states of the European Union ("**EU**") and the three countries of the European Free Trade Association ("**EFTA**"), comprising Iceland, Liechtenstein and Norway, each a "**Relevant State**," no Shares have been offered or will be offered pursuant to the Share Split to the public in that Relevant State prior (or subsequent) to the publication of a Listing Document in relation to the admission to trading and official listing of the A Shares and the B Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any A Shares or B Shares at any time under the following exemptions under the Prospectus Regulation:

a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Issuer for any such offer; or

c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the A Shares or the B Shares shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.

In the United Kingdom, this Listing Document is for distribution only to, and is directed only at, qualified investors (as defined in the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) who: (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA Order; (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FSMA Order; or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**").

In the United Kingdom, this Listing Document is directed only at Relevant Persons and must not be acted on or relied on by anyone who is not a Relevant Person. In the United Kingdom, any investment or investment activity to which this Listing Document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Canada

The A Shares and the B Shares are not being offered and may not be sold to any purchaser in a province or territory of Canada other than the provinces of Alberta, British Columbia, New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Quebec.

The A Shares or the B Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the A Shares or the B Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Listing Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

General

No action has been or will be taken in any country or jurisdiction other than Denmark that would, or is intended to, permit a public Share Split of the Existing Shares or the possession or distribution of this Listing Document or any other Share Split material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Listing Document comes are required by the Company to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver A Shares or B Shares or have in their possession or distribute such Share Split material, in all cases at their own expense. The Company does not accept any legal responsibility for any violation by any person of any such restrictions.

LEGAL MATTERS

Certain legal matters in connection with the Share Split will be passed upon for the Company by Bech-Bruun Law Firm P/S, Danish legal counsel to the Company, and by Fried, Frank, Harris, Shriver & Jacobson (London) LLP, United States legal counsel to the Company.

STATE AUTHORIZED PUBLIC ACCOUNTANTS

The Company's independent auditors

The name and address of H. Lundbeck A/S' independent auditors are as follows:

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Strandvejen 44, DK 2900 Hellerup, Denmark, ("**PwC**").

PwC was elected as auditor at the ordinary general meeting by the shareholders on 23 March 2022 and is a member of FSR – Danish Auditors (in Danish: "*FSR – Danske Revisorer*"), which is Denmark's association for state authorized public accountants. PwC is represented by Lars Baungaard and Torben Jensen State Authorized Public Accountants (mne 23331 and mne 18651), both members of FSR – Danish Auditors (FSR – Danske Revisorer).

The audited Financial Statements of the Lundbeck Group as at and for the years ended 31 December 2021 and 31 December 2020 as well as the Adjusted Supplementary Information to the Financial Statements as at and for the year ended 31 December 2019 as published by Lundbeck on 5 January 2021 have been audited by PwC.

The previous auditors of the Company are Deloitte Statsautoriseret Revisionspartnerselskab, Weidekampsgade 6, DK-2300 Copenhagen S, Denmark ("**Deloitte**"). Deloitte have audited the Financial Statements of the Company as at and for the year ended 31 December 2019.

The reason for substituting Deloitte with PwC as the Issuer's auditor was that the Issuer, on a recurring basis, is required to change its statutory auditor pursuant to Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public interest entities. The Issuer's decision to appoint PwC as its statutory auditor was based on a tender process conducted during 2019 and headed by the Audit Committee. Based on a thorough evaluation of proposals received during the tender process as well as meetings with the participating audit firms, two candidates were selected, and the Audit Committee decided to recommend that PwC was elected as new auditor. The Audit Committee found that PwC best addressed and fulfilled the selection criteria defined for the tender process and further possessed the qualifications and competencies required to fulfil the role as the Issuer's auditor.

ADDITIONAL INFORMATION

Name, registered office and date of incorporation

H. Lundbeck A/S
Ottiliavej 9
DK-2500 Valby
Denmark
Telephone: +45 3630 1311
Website: www.lundbeck.com

The Company was incorporated in Denmark as a public limited liability company under the laws of Denmark on 14 October 1950.

The registered office of the Company is located in the municipality of Copenhagen at Ottiliavej 9, DK-2500 Valby, Denmark.

The Company also carries on business under the name of Kefalas A/S.

Information on the Company's website does not form part of and is not incorporated by reference into this Listing Document.

Registration

The Company is registered with the Danish Business Authority under registration (CVR) no. 56759913 and its LEI is 5493006R4KC2OI5D3470.

Objective of the Company

According to article 2.1 of the Articles of Association, the Company's objective is to carry on business within the fields of research in and manufacture and sale of pharmaceuticals, chemicals and the like, and to undertake, perform and carry on all such other things as the Board of Directors deems incidental, conducive or ancillary to the attainment of such objects.

General meetings

The general meeting is the ultimate authority in all matters relating to the Company, subject to the limitations in Danish law and the Articles of Association. See "*Description of the Shares and Share Capital—General meetings and voting rights*".

Material Subsidiaries

The following table sets forth Lundbeck's material subsidiaries which are directly or indirectly held by the Issuer, as at the date of this Listing Document:

Entity Name	Country of Organization	Currency	Capital Contribution	Percentage of (Direct or Indirect) Ownership Interest and Voting Rights
Lundbeck LLC	Delaware, United States	USD	$1,000	100%
Lundbeck USA Holding LLC	Delaware, United States	USD	$1,000	100%
Lundbeck Seattle Biopharmaceuticals, Inc.	Delaware, United States	USD	$0.1	100%
Lundbeck Pharmaceuticals LLC	Delaware, United States	USD	$1,000	100%

The Issuer has selected the material subsidiaries on the basis of a financial materiality assessment. In line herewith, material subsidiaries are any subsidiary of the Issuer which has earnings before interest, tax, depreciation and amortization (calculated on the same basis as EBITDA) or gross assets representing ten percent (10%) or more of the consolidated EBITDA or gross assets of the Lundbeck Group (in each case excluding intra-group

items). As of the date of this Listing Document, the Issuer together with the material subsidiaries listed above accounted for more than 90% of the gross assets of the Lundbeck Group.

In addition to these material subsidiaries, the Issuer has additional subsidiaries throughout the world, please see Note 23 "List of subsidiaries" in the 2021 Financial Statements for a list thereof.

Documents incorporated by reference

The consolidated financial statements and the financial statements relating to the Issuer in the Lundbeck Group's consolidated financial statements, including the financial statements of the Issuer (as adjusted by the Adjusted Supplementary Information to the Annual Report 2019 published by the Issuer on 5 January 2021) for the financial years ended 31 December 2021, 2020 and 2019 as well as the Lundbeck Group's interim financial reports for the financial period 1 January 2021 to 31 March 2022 with comparative figures for the financial period 1 January 2021 to 31 March 2021 are incorporated to form part of this Listing Document by reference in accordance with Article 19 of the Prospectus Regulation to the extent further described below. This Listing Document and all documents incorporated by reference are available on the Issuer's website at https://www.lundbeck.com/global/investors/the-share/new-share-structure..

Interim financial statements

For the Lundbeck Group's unaudited consolidated interim report for the financial period 1 January to 31 March 2022 with comparative figures for the financial period 1 January 2021 to 31 March 2021 (the "**2022 Interim Financial Statements**"), the contents under the headline "CONDENSED FINANCIAL STATEMENTS", corresponding to pages 22 to 29 of the Interim Financial Statements, are incorporated by reference into this Listing Document. No other contents of the Interim Financial Statements are incorporated into this Listing Document by reference. The Interim Financial Statements can be accessed through this link.

Annual financial statements

For the Lundbeck Group's audited consolidated annual report for the financial year ended 31 December 2021 (the "**2021 Financial Statements**"), the contents under the headline "*FINANCIAL STATEMENTS*", corresponding to pages 51 to 111 of the 2021 Financial Statements, are incorporated by reference into this Listing Document. No other contents of the 2021 Financial Statements are incorporated into this Listing Document by reference. The 2021 Financial Statements can be accessed through this link.

For the Lundbeck Group's audited consolidated report for the financial year ended 31 December 2020 (the "**2020 Financial Statements**"), the contents under the headline "*FINANCIAL STATEMENTS*", corresponding to pages 43 to 104 of the 2020 Financial Statements, are incorporated by reference into this Listing Document. No other contents of the 2020 Financial Statements are incorporated into this Listing Document by reference. The 2020 Financial Statements can be accessed through this link.

For the Lundbeck Group's audited consolidated report for the financial year ended 31 December 2019 (the "**2019 Annual Report**"), as supplemented by the audited adjusted supplementary information to the 2019 Annual Report as published by the Issuer on 5 January 2021 (the "**Adjusted Supplementary Information to the Annual Report 2019**") (the 2019 Annual Report and the Adjusted Supplementary Information to the Annual Report 2019 together, the "**2019 Financial Statements**"), the contents under the headline "*FINANCIAL STATEMENTS*", corresponding to pages 38 to 103, of the 2019 Annual Report and the contents under the headlines "*Management statement*", "*Condensed consolidated financial statements*", "*Condensed consolidated financial statements of the parent company*" and "*Independent auditor's report on the Adjusted Supplementary Information to the Annual Report 2019*", corresponding to pages 7 to 36, of the Adjusted Supplementary Information to the Annual Report 2019 are incorporated into this Listing Document by reference. The specified contents of the 2019 Annual Report shall, where applicable, be incorporated by reference into this Listing Document as supplemented and/or adjusted by the Adjusted Supplementary Information to the Annual Report 2019. No other contents of the 2019 Financial Statements are incorporated into this Listing Document by reference. The 2019 Annual Report can be accessed through this link. The Adjusted Supplementary Information to the Annual Report 2019 can be accessed through this link.

Articles of association

The Issuer's Articles of Association dated 23 March 2021 are incorporated by reference into this Listing Document in their entirety. The Articles of Association can be accessed through this link.

Moreover, the Issuer's Draft Articles of Association that are expected to be adopted on the Extraordinary General Meeting expected to be held on 8 June 2022, are also incorporated by reference into this Listing Document in their entirety. The Draft Articles of Association can be accessed through this link.

No other information is incorporated by reference

No other information on the Company's website forms part of the Listing Document and such information is not incorporated by reference into this Listing Document, and such information has not been scrutinized or approved by the Danish FSA, unless otherwise specifically stated herein.

Share issuing agent

The Company's share issuing agent is:

Danske Bank A/S
Company reg. no. 61126228
Holmens Kanal 2 – 12
DK-1060 Copenhagen K
Denmark

GLOSSARY

The following explanations are not intended as exhaustive technical definitions and are provided purely for assistance in understanding certain terms as used in this Listing Document.

Industry and business glossary

"**Abilify Maintena**"	a Strategic Brand of Lundbeck for the treatment of schizophrenia and in some countries also for bipolar disorder
"**Abide**"	Abide Therapeutics, Inc., a biopharmaceutical company acquired by the Lundbeck Group in May 2019 and now named Lundbeck La Jolla Research Center Inc.
"**Alder**"	Alder BioPharmaceuticals, Inc., a clinical-stage biopharmaceutical company acquired by the Lundbeck Group in October 2019 and now named Lundbeck Seattle Biopharmaceuticals, Inc.
"**ATC**"	Anatomical Therapeutic Chemical, a classification system aimed to serve as a tool for drug utilization research
"**Azilect**"	a Mature Brand of Lundbeck for the treatment of Parkinson's disease
"**BLA**"	biologics license application (for the FDA)
"**Brintellix/Trintellix**"	a Strategic Brand of Lundbeck for the treatment of MDD
"**CDP**"	the Carbon Disclosure Project
"**CGI-S**"	Clinical Global Impression – Severity of Illness; a rating scale to measure illness severity, treatment response, and the efficacy of treatments
"**Cipralex/Lexapro**"	a Mature Brand of Lundbeck for the treatment of depression and anxiety
"**CMC**"	chemistry, manufacturing and controls
"**CMO**"	contract manufacturing organization
"**CNS**"	central nervous system
"**Deanxit**"	a Mature Brand of Lundbeck for the treatment of depression and anxiety
"**Ebixa**"	a Mature Brand of Lundbeck for the treatment of Alzheimer's disease
"**EFPIA**"	European Federation of Pharmaceutical Industries and Associations
"**EMA**"	European Medicines Agency
"**EMTN Programme**"	Lundbeck's 2,000,000,000 Euro Medium Term Note programme
"**Expand and Invest to Grow**"	Lundbeck's "Expand and Invest to Grow" strategy launched in 2019

"**FDA**"	the United States Food and Drug Administration
"**GxP**"	good practices where the x stands for various fields. For example, GCP are good clinical practices, GLP are good laboratory practices and GMP are good manufacturing practices
"**HCO**"	healthcare organization
"**HCP**"	healthcare professional, healthcare personnel or healthcare provider
"**HSE**"	health, environment and safety
"**HTA**"	health technology assessment
"**IFPMA**"	International Federation of Pharmaceutical Manufacturers and Associations
"**IND**"	investigational new drug
"**IP**"	intellectual property such as trademarks and patents
"**LAI**" and "**aLAIs**"	long-acting injectable product, aLAIs are atypical long-acting injectables
"**La Jolla Research Center**"	Lundbeck's research center located at La Jolla, California, USA
"**MAA**"	marketing authorization application (in the EU)
"**Mature Brands**"	Lundbeck's products that do not in general, but with few exceptions in specific jurisdictions, have patent protection or data exclusivity and are subject to competition from generic drugs in most of the world
"**MDD**"	major depressive disorder
"**NCE**"	new chemical entity
"**NBE**"	new biological entity
"**NDA**"	a new drug application (to the FDA)
"**Northera**"	a brand of Lundbeck for the treatment of symptomatic neurogenic orthostatic hypotension
"**Onfi**"	a Mature Brand of Lundbeck for the treatment of Lennox-Gastaut syndrome
"**Otsuka**"	Otsuka Pharmaceutical Co., Ltd. with whom Lundbeck partners on the Strategic Brands Abilify Maintena and Rexulti/Rxulti and certain other important projects in Lundbeck's Pipeline
"**PD**"	pharmacodynamic; in lay-man's terms 'what a drug does to the body'
"**PhRMA**"	Pharmaceutical Research and Manufacturers of America
"**PO**"	patient organization
"**phase I study**"	a study of a drug with a limited number of study participants that focuses on studying the drug's

	safety and tolerability as well as its PK profile and its PD effects
"**phase IB study**"	a study of a drug with a limited number of study participants with a disease condition that focuses on studying the safety and tolerability of the drug in a targeted patient population
"**phase II study**"	a study of a drug with a larger number of participants with the targeted disease condition that focuses on studying the safety, tolerability and efficacy of the drug for the purpose of validating the scientific hypothesis underpinning the drug program (proof of concept)
"**phase III study**"	also referred to as a pivotal or confirmatory study; phase III studies may be initiated upon the proper and acceptable completion of phase I and phase II studies. Phase III studies are conducted with a large number of participants with the aim of demonstrating whether the compound offers an effective treatment with benefit for a specific population and providing further information on the safety profile on a compound
"**phase IV study**".....	also referred to as a post-marketing study; a study that is performed after the initial marketing approval has been obtained for the purpose of acquiring additional experience of the product from the treatment of patients within the targeted therapeutic indication
"**PK**".....	pharmacokinetic; in lay-man terms 'what the body does to a drug'
"**Pipeline**"	Lundbeck's proprietary and partnered product pipeline
"**PMDA**"	the Japanese Pharmaceuticals and Medical Device Agency
"**PTSD**"	post-traumatic stress disorder
"**RDP**"	regulatory data protection
"**Rexulti/Rxulti**"	a Strategic Brand of Lundbeck for the treatment of adults with schizophrenia (and in the United States pediatric patients aged 13 or older) and – with the exception of certain markets - including the European Union – as adjunctive therapy to antidepressants for the treatment of adults with MDD.
"**Sabril**".....	a Mature Brand of Lundbeck used as adjunctive therapy to treat refractory complex partial seizures in patients aged two years or older who have responded inadequately to alternative treatments and as monotherapy for infantile spasms in patients aged one month to two years
"**SDG**".....	the 17 United Nations Sustainable Development Goals
"**Strategic Brands**"	Lundbeck's main products that are generally still under patent protection or data exclusivity and

	where Lundbeck does not currently face significant competition from generic drugs
"**Takeda**"	Takeda Pharmaceutical Company Limited with whom Lundbeck partners on the Strategic Brand Brintellix/Trintellix
"**Vyepti**".....	a Strategic Brand of Lundbeck the preventive treatment of migraine in adults
"**WHO**".....	World Health Organization
"**Xenazine**"	a Mature Brand of Lundbeck for the treatment of chorea associated with Huntington's disease

Listing Document and Share Split glossary

"**2019 Annual Report**".....	the Lundbeck Group's audited consolidated annual report for the financial year ended 31 December 2019, as and to the extent incorporated into this Listing Document by reference as set out in "*Additional Information – Documents incorporated by reference – Annual financial statements*"
"**2019 Financial Statements**".....	the 2019 Annual Report as supplemented and/or adjusted by the Adjusted Supplementary Information to the Annual Report 2019
"**2020 Financial Statements**".....	the Lundbeck Group's audited consolidated annual report for the financial year ended 31 December 2020, as and to the extent incorporated into this Listing Document by reference as set out in "*Additional Information – Documents incorporated by reference – Annual financial statements*"
"**2021 Financial Statements**".....	the Lundbeck Group's audited consolidated annual report for the financial year ended 31 December 2021, as and to the extent incorporated into this Listing Document by reference as set out in "*Additional Information – Documents incorporated by reference – Annual financial statements*"
"**2022 Interim Financial Statements**".....	the Lundbeck Group's unaudited consolidated interim report for the financial period 1 January to 31 March 2022 with comparative figures for the financial period 1 January 2021 to 31 March 2021, as and to the extent incorporated into this Listing Document by reference as set out in "*Additional Information – Documents incorporated by reference – Interim financial statements*"
"**Adjusted Supplementary Information to the Annual Report 2019**".....	the audited adjusted supplementary information to the 2019 Annual Report as published by the Issuer on 5 January 2021, as and to the extent incorporated into this Listing Document by reference as set out in "*Additional Information –*

	Documents incorporated by reference – Annual financial statements"
"**Admission**"	admission of the A Shares and the B Shares to trading and official listing on Nasdaq Copenhagen
"**ADR**"	American Depository Receipts, prior to the Cut-Off Date representing ownership of one underlying Existing Share
"**APMs**"	alternative performance measures
"**Articles of Association**"	the articles of association of the Company, dated 23 March 2021
"**ASIC**".....	the Australian Securities and Investments Commission
"**Audit Committee**".....	the audit committee of the Board of Directors, described in "*Board Practices—Board practices and committees*"
"**Australian Corporations Act**"	the Australian Corporations Act 2001 (Cth)
"**A Share**"	one share of nominally DKK 1.00 in the Company carrying ten (10) votes and otherwise ranking *pari passu* with the B Shares
"**Base Fee**"	the fixed annual base fee received by the Board of Directors
"**Base Salary**"	individually negotiated fixed annual base salaries for members of the Executive Management
"**Board of Directors**"	the Board of Directors of the Company as registered with the Danish Business Authority at any given date
"**B Share**"	one share of nominally DKK 1.00 in the Company carrying one (1) vote and otherwise ranking pari passu with the A Shares
"**CAD**"	Canadian dollar
"**Carnegie**".....	Carnegie Investment Bank, filial af Carnegie Investment Bank AB (publ), Sverige, CVR no. 35521267, Denmark and the following entities within the Carnegie group: Carnegie Investment Bank AB (publ), Stockholm Carnegie AS, Oslo Carnegie Investment Bank AB, Finland filial Carnegie Investment Bank AB, UK Branch
"**CET**".....	Central European Time

"**Chairman**"	the chairman of the Board of Directors of the Company
"**Clearstream**"	Clearstream Banking, S.A.
"**CNY**"	Chinese yuan
"**Company**", "**Lundbeck**" or "**Issuer**"	H. Lundbeck A/S
"**Corporate Governance Recommendations**"	the Recommendations on Corporate Governance of the Danish Committee on Corporate Governance issued on 2 December 2020
"**Cut-Off Date**"	9 June 2022 at 17:00 CEST
"**Danish Capital Markets Act**"	Consolidated Act no. 2014 of 11 November 2021 on Capital Markets, as amended
"**Danish Central Bank**"	Danmarks Nationalbank
"**Danish Companies Act**	Consolidated Act no. 1952 of 11 October 2021 on limited liability companies, as amended
"**Danish Executive Order on Issuers' Duty to Provide Information**"	Executive Order no. 1173 of 31 October 2017 on issuers' duty to provide information
"**Danish Executive Order on Takeover Bids**"	Executive Order no. 636 of 15 May 2020 on takeover bids
"**Danish Financial Statements Act**"	Consolidated Act no. 838 of 8 August 2019 on annual financial statements, as amended
"**Danish FSA**"	Danish Financial Supervisory Authority
"**Danish Pension Yield Tax Act**"	Consolidated Act no. 1327 of 10 September 2020 on the taxation of pension schemes etc., as amended
"**Danish Tax Authority**"	Skattestyrelsen
"**Depository**"	Deutsche Bank trust Company Americas acting as depository in respect of the ADRs
"**Deputy Chairman**"	the deputy chairman of the Board of Directors of the Company
"**DKK**" or "**Danish kroner**"	Danish kroner, the lawful currency of Denmark
"**Draft Articles of Association**"	A draft of the Issuer's new articles of association that are expected to be adopted on the Extraordinary General Meeting expected to be held on 8 June 2022
"**EEA**"	European Economic Area
"**Eligible Shareholders**"	the shareholders who are expected to be the only shareholders who will be able to accept the Exchange Offer as will be set out in the Foundation's Exchange Offer documentation (if and when published)
"**EU**"	European Union
"**euro**", "**EUR**" or "**€**"	euro, the lawful currency of the participating member states in the Third Stage of the European

	and Monetary Union of the Treaty Establishing the European Community
"**Euroclear**"	Euroclear Bank S.A./N.A., as operator of the Euroclear System
"**Exchange Offer**"	The offer by Lundbeckfond Invest through Carnegie to Eligible Shareholders of Lundbeck to exchange their A Shares in Lundbeck with Lundbeckfond Invest' B Shares in Lundbeck on a one A Share for one B Share basis and expected to be made available in connection with and following the Admission until and including 8 July 2022 unless extended
"**Executive Management**"	the executive management of the Company as registered with the Danish Business Authority
"**Existing Shares**".....	199,148,222 shares of nominally DKK 5.00 each, as issued by Lundbeck prior to the adoption and implementation of the Share Split
"**Extraordinary General Meeting**".....	the extraordinary general meeting of Lundbeck convened to be held on 8 June 2022
"**Foundation**"	Lundbeckfond Invest A/S, company registration no. 21855545, a company 100% held and controlled by Lundbeckfonden, company registration no. 11814913
"**FSMA Order**"	The Financial Services and Markets Act of 2000 (Financial Promotion) Order 2005, as amended
"**GDPR**".....	the E.U. General Data Protection Regulation (Regulation (EU) 2016/679)
"**Group Shares**"	shares in a company in which the company shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law
"**IAS 34**"	International Accounting Standard no. 34 on "Interim Reporting" as adopted by the EU
"**IFRS**".....	International Financial Reporting Standards as adopted by the EU
"**KPI**".....	key performance indicator
"**Listing Document**"	this Listing Document in English prepared for the purpose of admission to trading and official listing of the A Shares and B Share resulting from the Share Split
"**LTIs**"	the Company's long-term incentive programs consisting of a restricted share units program, a restricted cash units program and a long-term performance bonus program
"**Lundbeck Group**".....	H. Lundbeck A/S and its direct and indirect subsidiaries

"**Management Boards**"	the Board of Directors and the Executive Management
"**Market Abuse Regulation**"	Regulation (EU) no. 596/2014 on Market Abuse
"**Nasdaq Copenhagen**"	Nasdaq Copenhagen A/S, CVR no. 19042677
"**Nordic Main Market Rulebook**".....	Nordic Main Market Rulebook for Issuers of Shares on Nasdaq Copenhagen of 1 October 2021
"**Other Benefits**"	fixed remuneration components for the Executive Management such as mobile phone, newspaper, tablets, hereunder also customary benefits (e.g. company car) and insurance & indemnifications (e.g. customary directors' and officers' liability insurance)
"**Other Variable Remuneration**".....	variable remuneration components, hereunder special remuneration arrangements (e.g. sign-on or stay-on fees) and termination and severance payments
"**Order 2005**".....	the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
"**Permits**"	approvals and permits from relevant administrative authorities
"**Prospectus Regulation**"	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended
"**Receiving Shareholders**"	holders of Existing Shares
"**Regulation S**"	Regulation S under the U.S. Securities Act
"**relevant persons**"	persons who: (i) are investment professionals falling within Article 19(5); or (ii) falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc."), of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available
"**Relevant State**"	any Member State of the European Economic Area (other than Denmark) and the United Kingdom
"**Remuneration and Nomination Committee**"	the remuneration and nomination committee of the Board of Directors, described in "*Board Practices—Board practices and committees*"
"**Remuneration Policy**.....	the remuneration policy applicable to the Board of Directors and the Executive Management of the Company approved in accordance with Section 139 of the Danish Companies Act at the annual general meeting held 23 March 2021
"**SA Companies Act**".....	the South African Companies Act, 71 of 2008

"**Scientific Committee**"	the scientific committee of the Board of Directors, described in "*Board Practices—Board practices and committees*"
"**Settlement Date**"	the date of the delivery of the A Shares and the B Shares expected to take place on or around 14 June 2022
"**Shares**"	the issued and outstanding A Shares and B Shares of the Company following the Completion of the Share Split
"**Share Split**"	the share split of Existing Shares of nominally DKK 5.00 into five (5) shares of each DKK 1.00 , providing for each Existing Share one (1) A Share and four (4) B Shares, and conversion of the current share structure of the Company into two share classes
"**Share Split Record Date**"	13 June 2022 at 17:59 CEST
"**Short Selling Regulation**"	Regulation (EU) 236/2012 of 14 March 2012 on short selling, as amended
"**Subsidiary Shares**"	shares owned by a company shareholder holding at least 10% of the nominal share capital of the issuing company
"**STI**"	the Company's Cash-Based Short-Term Incentive Program
"**Tax-Exempt Portfolio Shares**"	shares not admitted to trading on a regulated market owned by a company shareholder holding less than 10% of the nominal share capital in the issuing company
"**Tax Indemnification**"	the Issuer's indemnification of the CEO from certain tax liabilities relating to Denmark/United States double taxation
"**Taxable Portfolio Shares**"	shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares
"**Time & Travel Compensation**"	an additional fee payable to members of the Board of Directors with permanent residence outside of Europe as compensation for time and travel
"**Treaty**"	the income tax treaty between Denmark and the United States
"**USD**"	United States dollar
"**U.S.**" or "**United States**"	United States of America
"**U.S. Securities Act**"	the U.S. Securities Act of 1933, as amended
"**VP Securities**"	VP Securities A/S, CVR no. 21599336

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