Company disclaimer

This presentation contains forward-looking statements that provide our expectations or forecasts of future events such as new product introductions, product approvals and financial performance.

Such forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. This may cause actual results to differ materially from expectations and it may cause any or all of our forward-looking statements here or in other publications to be wrong. Factors that may affect future results include interest rate and currency exchange rate fluctuations, delay or failure of development projects, production problems, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Lundbeck's products, introduction of competing products, Lundbeck's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws and related interpretation thereof, and unexpected growth in costs and expenses.

Lundbeck undertakes no duty to update forward-looking statements.

Certain assumptions made by Lundbeck are required by Danish Securities Law for full disclosure of material corporate information. Some assumptions, including assumptions relating to sales associated with products that are prescribed for unapproved uses, are made taking into account past performances of other similar drugs for similar disease states or past performance of the same drug in other regions where the products are currently marketed. It is important to note that although physicians may, as part of their freedom to practice medicine in the US, prescribe approved drugs for any use they deem appropriate, including unapproved uses, at Lundbeck, promotion of unapproved uses is strictly prohibited.
Lundbeck in brief

**DISEASE AREAS**
- 50m patients: Alzheimer's disease
- 6m patients: Parkinson's disease
- 300m patients: Mood disorder
- 21m patients: Psychotic disorders

**KEY PRODUCTS**
- ~$1.5bn
- Northera
- Abilify Maintena
- Brintellix
- Trintellix
- Onfi
- Rexulti

**GLOBAL PRESENCE**
- We are headquartered in Denmark and present in 55 countries
- ~60% of our revenue is generated in North America

**REVENUE**
- ~$40bn
- ~60%
Our strategy for a FOCUSED LUNDBECK sets the direction for our future success.

Four diseases
Independent drug development and commercialization
Profitable growth
Volume growth in our four focus disease areas

**Antipsychotics**
- CAGR: +3%
- 2012: 17.360
- 2013: 18.006
- 2014: 18.436
- 2015: 19.046
- 2016: 19.735
- LU share: 0.6%

**Antidepressants**
- CAGR: +4%
- 2012: 36.711
- 2013: 38.512
- 2014: 39.750
- 2015: 41.813
- 2016: 43.396
- LU share: 1.1%

**Anti-Alzheimer’s**
- CAGR: +4%
- 2012: 2.875
- 2013: 3.032
- 2014: 3.098
- 2015: 3.202
- 2016: 3.328
- LU share: 3.9%

**Anti-Parkison’s**
- CAGR: +4%
- 2012: 9.544
- 2013: 10.086
- 2014: 10.321
- 2015: 10.627
- 2016: 10.990
- LU share: 0.1%

Source: IMS Health Analytics Link 2016 (Audited sales). Values are in standard units. Lundbeck share represents Lundbeck sales only.
Four focus disease areas that represent a USD ~40bn opportunity

**North America**
- Depressants: $6.2bn
- Psychotics: $11.7bn
- Alzheimer’s: $1.8bn
- Parkinson’s: $1.1bn

**Europe**
- Depressants: $3.1bn
- Psychotics: $3.5bn
- Alzheimer’s: $0.8bn
- Parkinson’s: $1.6bn

**Japan**
- Depressants: $1.1bn
- Psychotics: $1.3bn
- Alzheimer’s: $1.2bn
- Parkinson’s: $0.7bn

**China**
- Depressants: $0.5bn
- Psychotics: $0.6bn
- Alzheimer’s: $0.08bn
- Parkinson’s: $0.1bn

Source: IMS Health Analytics Link 2016 (Audited sales)
Strong financial performance in the first quarter of 2018

- Revenue: +9% (14% in L.C.) to DKK 4.6 billion
- Hedging: contributed DKK 182 million in the quarter
- Key products*: +23% to DKK 2.5 billion representing 55% of revenue
- EBIT: increased 64% to DKK 1.7 billion. EBIT margin significantly improved to 36.1% positively impacted by hedging gains
- EPS: up 103% to DKK 6.03

*) Abilify Maintena, Brilinta/Trintilix, Northera, Oril and Rexulti
Solid revenue growth of 9% to DKK 4.6 billion in Q1 2018 – in local currencies growth reached 14%

- Key products* continue the strong growth momentum
- Sabril and Xenazine are down 29% combined following generic erosion
- Growth in all regions in local currencies
- Both North America and International Markets see increased currency headwind
- Largest markets are the U.S., Canada, China, France and Japan

Revenue distribution**
(product categories)

Key products* (+23%)
Sabril + Xenazine (-29%)
Other mature products (-13%)

Revenue distribution**
(regional split)

Europe (+5%)
Int. Markets (-5%)
North America (+4%)

*) Abilify Maintena, Brintellix/Trintellix, Northera, Onfi and Rexulti
**) Excluding Other revenue and effects from hedging
Key products grew by DKK 467 million or 23% in Q1 2018 – in local currencies growth reached 39% 

- Reached DKK 2.5 billion – up from DKK 2.0 billion in Q1 2017
- **Abilify Maintena** – up 15% to DKK 364 million
- **Brintellix/Trintellix** – up 25% to DKK 467 million
- **Northera** – up 13% to DKK 396 million
- **Onfi** – up 27% to DKK 903 million
- **Rexulti** – up 32% to DKK 369 million

**Key product revenue (DKKm)**

- Q1 2017: 1.000
- Q1 2018: 2.500

**Distribution of key products**

- **Abilify Maintena**: 14%
- **Rexulti**: 15%
- **Brintellix/Trintellix**: 19%
- **Onfi**: 36%
- **Northera**: 16%
North America grew 4% driven by Northera, Onfi and Rexulti – currency headwind had significant negative impact.

- North America grew 4% (19% in L.C.) to DKK 2,598 million in Q1 2018
- Key products# grew 22% and constitute 79% of revenue in Q1 2018
- North America is expected to continue growing in local currencies despite LOE

North America revenue (DKKm)

North America’s contribution*)

*) Ability Maintena, Northera, Onfi, Rexulti and Trintellix

*) Excluding Other revenue and effects from hedging
U.S. neurology products, Northera and Onfi, continue to show solid growth in local currency

**Northera**
- Up 13% (29% in L.C.) to DKK 396 million in Q1 2018
- Northera impacted by seasonal swings in demand
- Expected continued growth

**Onfi**
- Up 27% (46% in L.C.) to DKK 903 million in Q1 2018
- Expected to grow until generic clobazam is introduced
International Markets declined 5% – 5% growth in local currencies

- International Markets declined 5% (up 5% in L.C.) to DKK 941 million in Q1 2018
- Key products# grew by 31% and contributed 15% of sales
- Market exclusivity for Lexapro extended by two years in Japan
- Main markets are China, Japan, Brazil and South Korea
- International Markets is expected to continue growing in 2018 in local currencies

*) Abilify Maintena, Brintellix and Rexulti

*) Excluding Other revenue and effects from hedging
Europe is up 5% in Q1 2018 driven by key products

- Europe grew 5% to DKK 745 million in Q1 2018
- Key products* grew 30% and contribute 41% of sales
- Largest markets are France, Italy and Spain
- Continued strong performance for Brintellix, especially in France, Italy and Spain
- Profitability significantly improved
- Europe is expected to continue growing in 2018

*) Excluding Other revenue and effects from hedging
Mood disorders

- 300 million people worldwide are estimated to live with depression
- Cognitive symptoms (difficulty concentrating, forgetfulness and/or indecisiveness) appears 94% of the time during major depressive episodes
- The WHO lists depression as the leading disability worldwide
- Majority of patients do not respond to initial antidepressant therapy
- Value: USD 13.2 billion (2016)
Brintellix/Trintellix grew 25% to DKK 467 million in Q1 2018 – in local currencies the growth was 38%

- North America grew by 13% (28% in L.C.) to DKK 240 million
- Europe and International Markets grew 41% combined to DKK 227 million
- Largest markets are the U.S., Canada, Spain and Brazil
- Growth mainly driven by France, Saudi Arabia, Spain and the U.S.
- Brintellix continues to gain value share which exceeds 5% in France and Italy
- Trintellix increases value share in Canada and the U.S. to 4.4% and 18.5%, respectively

Source: Symphony Health Solutions/Bloomberg (monthly data ending 3/2018)
Trintellix is the first FDA-approved treatment for MDD to have data on processing speed, an aspect of cognitive function that is impaired in many patients with MDD.

- FDA updates Trintellix label to include data showing improvement in processing speed, an important aspect of cognitive function.
- Comparative studies have not been conducted to demonstrate a therapeutic advantage over other antidepressants on the DSST.
- MDD is a multidimensional disorder consisting not only of mood, but also physical and cognitive symptoms.
- Cognitive symptoms in MDD are highly prevalent and persistent even after treatment.

**Standardized effect size (DSST) relative to placebo (meta-analysis)**

**The prevalence of cognitive symptoms in MDD**

**Acute phase – 94%**
Cognitive problems dominate the course of depression and were present for up to 94% of the time during depressive episode.

**Remission – 44%**
Even patients thought to be in remission, cognitive symptoms were present in depressed patients for an average of 39-44% of the time.


*Conradi HJ et al. Psychol Med 2011; 41: 1165-1174*
Further potential strengthening of Trintellix label

- FDA acceptance of sNDA for Trintellix for Treatment-Emergent Sexual Dysfunction (TESD)
- PDUFA on 21 October 2018
- The prevalence of TESD reach 25-80% (SSRIs) and 40-80% (SNRIs)
- Sexual dysfunction ranked as the most bothersome adverse event (AE), followed by drowsiness, weight gain, and insomnia

### Completed studies in TESD

<table>
<thead>
<tr>
<th>Study #1</th>
<th>Study #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>(NCT01364649)</td>
<td>(NCT02932904)</td>
</tr>
</tbody>
</table>

- **Completed enrollment:**
  - 450 patients included
  - 352 healthy volunteers

- **Intervention:**
  - 10-20mg vortioxetine, 10-20mg escitalopram and placebo
  - 10-20mg vortioxetine, 20mg paroxetine and placebo

- **Treatment duration:**
  - 8 weeks
  - 8 weeks

- **Primary outcome measures:**
  - Change From Baseline in the CSFQ-14 Total Score

---


---

Rexulti grew 32% to DKK 369 million in Q1 2018 – in local currencies the growth was 51%

- Approved in Saudi Arabia in both depression and schizophrenia – launch expected in H2 2018
- Submitted for approval in markets such as Brazil, Europe, and Mexico in 2017
- Rexulti has 10.3% value share (U.S.)
- Third study in AAD to commence by mid-2018
- Pivotal programme in bipolar mania to conclude H1 2019
- PoC study in PTSD to conclude in H1 2019
- Additional LCM activity progressing

**Rexulti sales (DKKm)**

<table>
<thead>
<tr>
<th>Q1.17</th>
<th>Q1.18</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>Europe + Int. Markets</td>
</tr>
</tbody>
</table>

**Total Rx count (U.S. retail)**

Source: Symphony Health Solutions/Bloomberg (monthly data ending 3/2018)

Psychotic disorders

- The WHO estimates that over 21 million people suffer from schizophrenia.
- Schizophrenia is among the most financially costly illnesses in the world.
- The disease is marked by positive symptoms (hallucinations and delusions) and negative symptoms (blunted emotions and social withdrawal).
- Around 30% of patients with schizophrenia have inadequate response to antipsychotics.
- Current therapies are sub-optimal.
- Value: USD 18.8 billion (2016).
Abilify Maintena grew 15% to DKK 364 million in Q1 2018 – in local currencies the growth was 23%

- Europe up 19% to DKK 184 million
- International Markets up 16% (26% in L.C.) to DKK 29 million
- North America up 10% (25% in L.C.) to DKK 151 million
- Growth driven by Canada, France, Spain and the U.S.
- Largest markets are the U.S., Canada, Spain and France
- Market share increasing - >20% volume share (LAI retail) in most markets
- Total LAI market reached USD 1.1 billion (+13%) in Q1 2018

LAI: Long-acting injectable anti-psychotics

*) Based on quarterly reports from Lundbeck, Otsuka, Alkermes (Bloomberg Q4-consensus) and Johnson & Johnson
Brexpiprazole pivotal programme initiated in acute manic episodes associated with Bipolar I disorder

**Expected brexpiprazole profile:**

- Established efficacy and treatment of bipolar I disorder
- Favorable tolerability profile over SoC (e.g., improved metabolic profile, fewer AEs including low frequency of sedating and activating side effects might support improved functioning and ability to work)
- Expected completion by January 2019

**The studies**

<table>
<thead>
<tr>
<th>Study #1 (NCT03259555)</th>
<th>Study #2 (NCT03257865)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated enrollment:</strong> 320 adult patients in each study</td>
<td></td>
</tr>
<tr>
<td><strong>Intervention:</strong> 2-4 mg brexpiprazole and placebo</td>
<td></td>
</tr>
<tr>
<td><strong>Treatment duration:</strong> 21 days</td>
<td></td>
</tr>
<tr>
<td><strong>Primary outcome measures:</strong> change from baseline in YMRS score¹</td>
<td></td>
</tr>
<tr>
<td><strong>Study start:</strong> September 2017</td>
<td></td>
</tr>
<tr>
<td><strong>6-month safety study:</strong> Enrolling completers from Study #1 and #2</td>
<td></td>
</tr>
</tbody>
</table>

¹ Young-Mania Rating Scale (YMRS) Score

**Bipolar disorder**

- More than 6 million affected in the U.S.
- Low rate of diagnosis (45%)
- A disease with high add-on and switch rates indicating need for new treatment options
- Patients in treatment spent 44% of their time being ill over a 9-year period²
- Bipolar disorder represents around one-third of the use of atypical antipsychotics

Brexpiprazole in a Proof-of-Concept study in Post-traumatic Stress Disorder (PTSD)

- 4-arm, 12-week trial using 1-3 mg of brexpiprazole
- Monotherapy or in combination with sertraline
- ~330 patients to be enrolled
- Primary endpoint: Change from baseline in the CAPS-5 total score
- Study started in January 2017 with expected completion by December 2018

**PTSD**

- ~8.6m American adults affected\(^1\), but ~80% is undiagnosed
- Growing economic and social burden to care for people with PTSD
- Inadequate response with FDA approved SSRIs sertraline and paroxetine
- Polypharmacy the norm

**What causes PTSD?**

1. Rape
2. Combat exposure
3. Physical attack
4. Being threatened with a weapon


US Census Bureau. Annual estimates of the resident population by sex and selected age groups for the United States: April 1, 2010 to July 1, 2011 (NC-EST2011-02). 2012

First pivotal study using Lu AF35700 in Treatment Resistant Schizophrenia (TRS) on track

- Unique mode of action. In contrast to current treatment, antipsychotic effect at low D₂ blockade
- Combined D₁/D₂ and 5-HT₆ profile gives good activity combined with a benign tolerability profile
- Very long half-life leads to reduced risk of relapse

**Treatment Resistant Schizophrenia**
- Around 1/3 of schizophrenia patients are treatment resistant
- Only clozapine approved for TRS
- Large unmet medical need

**Clinical programme**
- Three studies in healthy people and one in patients with schizophrenia are concluded¹)
- The first pivotal study (DayBreak1) commenced in March 2016²)
- Other key studies ongoing:
  - Long-term safety study³)
  - Cardiac repolarization⁴)
  - ED or LD TRS (Anew)⁵)

¹) Clinicaltrials.gov identifier: NCT02202226
²) NCT02717195. ³) NCT02892422. ⁴) NCT02901587.
⁵) NCT03230864 (early-in-disease (ED) or late-in-disease (LD) treatment-resistant schizophrenia)
Set-up in first study (*DayBreak1*) in pivotal programme using Lu AF35700 in Treatment Resistant Schizophrenia

- Oral, once daily
- Approximately 1,000 patients
- Expected completion by Q1 2019

**Primary endpoint**
- Change in PANSS total score

**Secondary endpoints**
- Clinical Global Impression Severity scale (CGI-S)
- Personal and Social Performance (PSP) total score

*) NCT02717195
Alzheimer’s disease

- 50 million people worldwide have dementia (Alzheimer’s is the most common cause of dementia contributing 60-70% of cases)
- It is predicted that the number of people affected by dementia will almost double every 20 years
- People with Alzheimer’s live an average of 8 years after their symptoms become noticeable to others
- The total global societal costs of dementia are estimated to be USD 600 billion
- Value: USD 4.5 billion (2016)
Brexpiprazole in pivotal programme in agitation in Alzheimer’s

**Clinical programme**
- Two studies in the pivotal programme finalized
- A third study to commence by mid-2018 following conclusions from a FDA Type C meeting, where…
  - …one study was considered positive and one study was considered supportive by the agency
- Fast Track designation granted February 2016

**Agitation in Alzheimer’s (AAD)**
- >20% of individuals in a community setting and >50% of nursing home residents with dementia have agitation
- 1.5-2m dementia patients in the U.S. with agitation / aggression
- No FDA approved medication

Associated with:
- Increased caregiver burden
- Decreased functioning
- Earlier nursing home placement
Grossberg: “Efficacy and safety of fixed-dose brexpiprazole for the treatment of agitation in Alzheimer’s type dementia” (AAGP2018)

- Brexpiprazole 2 mg/day showed a statistically significant improvement over placebo on the primary efficacy endpoint.
- On the key secondary efficacy endpoint, change from baseline to Week 12 in CGI-S score, numerical improvement was observed for brexpiprazole 2 mg/day from Week 6 and was sustained up to Week 12, although statistical significance was not reached.
- No new safety signals were observed.

**Primary endpoint**

![Graph showing efficacy and safety of fixed-dose brexpiprazole](image)

**Study I (NCT01862640)**

- N = 433 patients (recruited from Europe, Russia, Ukraine and the U.S.)
- Male or female, aged 55-90 years
- 1 mg, 2 mg and placebo
- 12 weeks’ treatment duration
- CMAI¹: 2 mg statistically superior to placebo
- CGI-S²: 2 mg not statistically superior to placebo

1) Primary efficacy endpoint: Cohen-Mansfield Agitation Inventory (CMAI) total score, a 29-item scale to systematically assess the symptoms of agitation
2) Key secondary efficacy endpoint: Clinical Global Impression-Severity of Illness (CGI-S) score, a 7-point scale assessing overall severity of the patient’s agitation

Presented at the 40th Annual Meeting of the American Association for Geriatric Psychiatry (AAGP), Honolulu, Hawaii, 15–18 March 2018

---

27
Cummings: “Efficacy and safety of flexibly-dosed brexpiprazole for the treatment of agitation in Alzheimer’s type dementia” (AAGP2018)

键

Primary efficacy endpoint (CMAI) were numerically favorable for flexibly-dosed brexpiprazole (0.5–2 mg/day) over placebo, but not statistically significant

Brexpiprazole 2 mg/day showed improvement for both the primary and key secondary efficacy endpoints (post-hoc analyses, p≤0.01).

The results suggest that brexpiprazole 2 mg/day may be an effective, safe, and well-tolerated new treatment for agitation in Alzheimer’s dementia

Post-hoc analysis – subgroup of patients titrated to 2mg

Study II (NCT01922258)

N = 270 patients (from 62 sites in Europe and North America)

Male or female, aged 55-90 years

Flexible dose: 0.5-2 mg

12 weeks’ treatment duration

CMAI1): 0.5-2 mg not superior to placebo

CGI-S2): 0.5-2 mg superior to placebo

1) Primary efficacy endpoint: Cohen-Mansfield Agitation Inventory (CMAI) total score, a 29-item scale to systematically assess the symptoms of agitation

2) Key secondary efficacy endpoint: Clinical Global Impression-Severity of Illness (CGI-S) score, a 7-point scale assessing overall severity of the patient’s agitation

Presented at the 40th Annual Meeting of the American Association for Geriatric Psychiatry (AAGP), Honolulu, Hawaii, 15–18 March 2018
Lundbeck is active in the investigation of various novel treatment concepts in Alzheimer’s

- **BACEi**: Reduce formation of Aβ by inhibition of BACE1
- **γ-secretase inhibitors**: Reduce levels of Aβ by increased clearance
- **Lu AF20513**: Prevent spreading of misfolded Tau
- **Lu AF87908**: Reduce levels of Tau protein tangles

*) APP : Amyloid Precursor Protein
Lu AF20513 – an active therapeutic vaccine against β-amyloid

- Lu AF20513 induce specific antibodies against Aβ using AD patients’ own immune system
- Formed antibodies binds to and enhances the clearance of Aβ
- Reduce induction of Tau pathology
- Lu AF20513 has demonstrated to be immunogenic in animal models without activation of Aβ specific T-cells ► low risk of auto-immunogenicity
- Co-developed with Otsuka

AutoVac – unique and proprietary concept

Study design*)

- Open-label, dose escalation study
- 35 patients from centers in Europe
- Patients with mild Alzheimer’s (MMSE 19-26)
- Eight injections of Lu AF20513

Purpose:

- Evaluate safety and tolerability
- Measure Aβ-specific antibody titer

*) NCT02388152
Parkinson’s disease

- Approximately 6 million patients are estimated to be affected by Parkinson’s.
- The prevalence of Parkinson’s in the U.S. will double by the year 2040 (compared to 2010).
- Many Parkinson’s patients also suffer from disease related non-motor symptoms such as:
  - Low blood pressure when standing up; mood disorders; sensory problems; sleep disorders; loss of sense of smell, constipation, cognitive issues.
- Value: USD 4.0 billion (2016)
Lu AF82422 - Potential disease modifying antibody in Parkinson’s

- Lu AF82422 is a human IgG1 mAb that recognizes all major alpha-synuclein forms including aggregated/misfolded forms involved in the pathogenesis of PD
- First-in-human study to commence mid 2018
- First single-ascending-dose study to evaluate safety and tolerability of Lu AF82422 in healthy volunteers and PD patients
- Intervention aimed for delay in disease progression in PD or other synucleinopathies

**Pathogenesis of Parkinson’s (PD)**

- Cellular aging
- Decreased chaperone activity
- Oxidative stress
- Mitochondrial dysfunction
- Increased dopamine oxidation
- Defective processing of alpha-syn.

**Parkinson’s disease**

- Affects ~1 million individuals in the U.S. with ~60,000 new cases/year
- Affects more than ~5 million worldwide
- Currently only symptomatic treatment - no disease modifying treatment available
- Compelling evidence that alpha-synuclein may play a role in progression of PD and other synucleinopathies

Modified based on Javed et al. CNS & Neurological Disorders - Drug Targets, 2016, Vol. 15, No. 10
Foliglurax – an interesting new pipeline asset currently in PoC testing in Parkinson’s patients

Foliglurax (PXT002331)

- Increase activity of a specific glutamatergic target (mGluR4)
- Symptomatic treatment of OFF-time in Parkinson’s and levodopa induced dyskinesia
- Strong IP
- Global rights to foliglurax and full control of asset
- Phase II started in July 2017 and will be concluded H1 2019\(^1\)
- Two active arms + placebo (BID)
- ~165 patients (Europe)
- Change in awake OFF time based on subject diary entries

Motor complications of levodopa

- PD-LID is the most important unmet medical need after disease modification in Parkinson’s\(^2\)
- PD-LID affects ~50% after 5-10 years increasing to ~90% after 10-15 years of L-DOPA therapy
- 170-200,000 patients in the U.S. with PD-LID
- Once established, PD-LID is difficult to treat

Levodopa-induced dyskinesia

- PD-LID: Parkinson’s Disease – Levodopa-Induced Dyskinesia
- 2) Datamonitor

1) NCT03162874

\(^1\) Modified based on: Jankovic, Mov. Disorder 2005,
Financial highlights
Continued cost discipline

- **Total costs** down 8% while growing topline by 9% in Q1 2018
- **EBITDA margin** of 41.2% vs. 30.6% in Q1 2017
- **EBIT margin** also improved significantly
- **COS%**: Expected to show continued improvements
- **S&D%**: Stable or modest additional improvements
- **G&A%**: Stable or modest additional improvements
- **R&D%**: Stable or slightly increasing depending on project execution

![Graphs showing changes in COS, S&D, G&A, and R&D ratios from Q1.16 to Q1.18](image)

![Graph showing changes in Gross & EBIT* margin](image)

*) Data adjusted for gain from divestment of properties in the U.S. and Denmark included in EBIT (recognized in Q1.2017, Q3.2017 and Q1.2018)
Strong growth in earnings with more than a doubling of net profits

- Significant negative impact from FX reducing revenue growth
- Growth for all key products and in all regions in L.C.
- EPS growth of 103%
- Significant EPS improvement driven by
  - Solid revenue growth
  - Strong improvement of profitability
  - Reduced tax rate as the U.S. tax reform has decreased the tax rate from 41% in Q1 2017 to 27%

### Financial results (Quarterly)

<table>
<thead>
<tr>
<th>DKKm</th>
<th>Q1.18</th>
<th>Q1.17</th>
<th>Δ%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,585</td>
<td>4,211</td>
<td>9%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>82.0%</td>
<td>77.1%</td>
<td>-</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,656</td>
<td>1,011</td>
<td>64%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>36.1%</td>
<td>24.0%</td>
<td>-</td>
</tr>
<tr>
<td>Core EBIT</td>
<td>1,818</td>
<td>1,213</td>
<td>50%</td>
</tr>
<tr>
<td>Net profit</td>
<td>1,199</td>
<td>587</td>
<td>104%</td>
</tr>
<tr>
<td>EPS</td>
<td>6.03</td>
<td>2.97</td>
<td>103%</td>
</tr>
</tbody>
</table>

### Revenue (reported vs. L.C.)

<table>
<thead>
<tr>
<th>DKKm</th>
<th>Q1.18</th>
<th>Δ DKK</th>
<th>Δ% L.C.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,585</td>
<td>+374m</td>
<td>+14%</td>
</tr>
<tr>
<td>- Abilify Maintena</td>
<td>364</td>
<td>+48m</td>
<td>+23%</td>
</tr>
<tr>
<td>- Brintellix/Trintellix</td>
<td>467</td>
<td>+93m</td>
<td>+38%</td>
</tr>
<tr>
<td>- Northera</td>
<td>396</td>
<td>+44m</td>
<td>+29%</td>
</tr>
<tr>
<td>- Onfi</td>
<td>903</td>
<td>+193m</td>
<td>+46%</td>
</tr>
<tr>
<td>- Rexulti</td>
<td>369</td>
<td>+89m</td>
<td>+51%</td>
</tr>
<tr>
<td>North America</td>
<td>2,598</td>
<td>+95m</td>
<td>+19%</td>
</tr>
<tr>
<td>Int. Markets</td>
<td>941</td>
<td>-47m</td>
<td>+5%</td>
</tr>
<tr>
<td>Europe</td>
<td>745</td>
<td>+37m</td>
<td>+6%</td>
</tr>
</tbody>
</table>
Strong cash flow generation and improved ROIC

- Cash flows from operating activities increased from DKK 651 million in Q1 2017 to DKK 2,003 million in Q1 2018
- Acquisition of Prexton Therapeutics impacts net cash flow by DKK 745 million
- Dividend payout for 2017 increased to DKK 1.6 billion*)
- ROIC increased from 30.8% in 2017 to 57.6% in Q1 2018

*) In 2017, the dividend payout of DKK 0.5 billion was paid in Q2
Capital allocation

- Dividend increased from DKK 2.45 to DKK 8.00 per share
- Net debt/EBITDA of -1.7x in Q1 2018 vs. -0.8x in Q1 2017
- Net cash expected to reach DKK 5-5.5 billion in 2018

Cash flow priorities

- Strategic cash reserve of DKK 4-6 billion
- Maintain investment grade status (NIBD/EBITDA<2.0x)
- Increasing dividends linked to long-term performance
- Dividend policy: Pay-out ratio of 60-80%
Hedging at Lundbeck

- The main currency risk concerns fluctuations of USD, JPY, CNY and CAD
- Lundbeck hedges a significant part of the risk (at EBIT level) for a period of 12-18 months
- From Q1 2018, gains/losses (net) will be shown as a separate line item in revenue
- Expected hedging gain of DKK 300-400 million in 2018

Source: Bloomberg
2018 financial outlook maintained

- Growth in all three regions in local currencies
- Continued growth for key products to outpace the decline from generic erosion
- Net financial items of DKK ±50 million expected in 2018
- No known one-off income and/or expenses
- Unchanged currencies from end-April 2018

### 2018 financial guidance

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018 guidance</th>
<th>∆% (y/y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>15.6</td>
<td>17.2</td>
<td>17.2-18.0</td>
<td>0-5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>2.3</td>
<td>4.4</td>
<td>4.8-5.2</td>
<td>9-18%</td>
</tr>
</tbody>
</table>

- Tax rate: 43.9% (2016), 38.7% (2017), 26-28% (2018)
Financial targets

Targets within the 2018-2020 period

- EBIT margin: 25%
- ROIC: 25%
- Cash to earnings: >90%

Dividend pay-out: 60-80%
Net debt/EBITDA: <2x

Financial policies

Target achievements

<table>
<thead>
<tr>
<th></th>
<th>Q1.18</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT margin</td>
<td>36.1%</td>
<td>25.6%</td>
<td>14.7%</td>
<td>(46.7%)</td>
</tr>
<tr>
<td>ROIC (annualized)</td>
<td>57.6%</td>
<td>30.8%</td>
<td>13.2%</td>
<td>(45.4%)</td>
</tr>
<tr>
<td>Cash to earnings</td>
<td>101.5%</td>
<td>141.8%</td>
<td>230.3%</td>
<td>N/A</td>
</tr>
<tr>
<td>Dividend Pay-out</td>
<td>-</td>
<td>61%</td>
<td>40%</td>
<td>0%</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>(1.7)</td>
<td>(0.7)</td>
<td>(0.1)</td>
<td>10.7</td>
</tr>
</tbody>
</table>
R&D in Lundbeck

Innovation focused across four key disease areas

- Alzheimer's disease
- Mood disorders
- Parkinson's disease
- Psychotic disorders
Continued progression in our R&D pipeline

- **Trintellix**: U.S. label update to include DSST data and sNDA accepted for TESD
- **Foliglurax**: Acquired in March 2018. Clinical phase II initiated in 2017
- **Brexpiprazole AAD**: Third study (n=300) to commence by mid-2018
- **New projects**:
  - Lu AF76432 FIH planned to start in Q2 2018 (schizophrenia)
  - Lu AF82422 FIH planned to start in Q3 2018 (Parkinson’s)
  - A third project likely to enter clinical testing in 2018
Innovation through partnerships

- In line with strategy, focus has been on early research projects and partnerships that support our own pipeline for the past 2-3 years
- Continue to identify external early-stage innovation from preclinical up to clinical phase II

Selected recent partnerships

<table>
<thead>
<tr>
<th>Strategic R&amp;D collaborations</th>
<th>Supportive technologies</th>
<th>Access to assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>23andMe</td>
<td>GE Healthcare</td>
<td>Vanderbilt U</td>
</tr>
<tr>
<td>Ceraveau Technologies</td>
<td>Circuit Therapeutics</td>
<td>ImmunoBrain</td>
</tr>
<tr>
<td>IBM Watson</td>
<td>Ubiquigent</td>
<td>Confo Therapeutics</td>
</tr>
<tr>
<td>Massachusetts Life Sciences Center</td>
<td>Brigham Health</td>
<td>Prexton Therapeutics</td>
</tr>
<tr>
<td>Brigham Health</td>
<td>Brigham Research Institute</td>
<td>University of Glasgow</td>
</tr>
<tr>
<td>Piramal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Higher degree of transparency in future revenue drivers than Lundbeck has had historically

<table>
<thead>
<tr>
<th>Pipeline</th>
<th>2018</th>
<th>2020</th>
<th>2025</th>
<th>&gt;2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brexpiprazole LAI and Abilify Maintena 2-month</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lu AF35700 (Treatment Resistant Schizophrenia)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foliglurax (Parkinson’s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lu AF20513 (Alzheimer’s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lu AF82422 (Parkinson’s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TauAb (Alzheimer’s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PD-1/PD-L1 and BACEi (Alzheimer’s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Key priorities

★ Sustain sales **momentum** of key products

★ Continue to **focus** on high profitability

★ Deliver on **innovation**

★ High **dividend** pay-outs
## 2016 - CNS market overview

### Market size (2016)

<table>
<thead>
<tr>
<th></th>
<th>Value USDbn</th>
<th>Value Growth</th>
<th>Volume Growth</th>
<th># of patients*</th>
<th>Unmet medical needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pharma</td>
<td>1,005</td>
<td>+5%</td>
<td>+2%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total CNS</td>
<td>149</td>
<td>0%</td>
<td>+2%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Anti-Alzheimer’s (N7D)</td>
<td>4.5</td>
<td>-16%</td>
<td>+4%</td>
<td>&gt;7 million</td>
<td>Disease modifying treatment • Disease slowing agents • Improved symptomatic treatments • Longer lasting symptomatic treatments</td>
</tr>
<tr>
<td>Anti-depressants (N6A)</td>
<td>13.2</td>
<td>-1%</td>
<td>+4%</td>
<td>~40 million</td>
<td>Drugs with higher remission rates • Increased onset of action • Current therapies are relatively well-tolerated but still room for improvement especially on sexual side effects</td>
</tr>
<tr>
<td>Anti-Parkinson’s (N4A)</td>
<td>4.0</td>
<td>0%</td>
<td>+3%</td>
<td>&gt;3 million</td>
<td>Therapies that provide neuroprotection and/or neurorestoration • An optimal trial design for demonstrating neuroprotection and/or neurorestoration • Control of levodopa-induced motor response complications</td>
</tr>
<tr>
<td>Anti-psychotics (N5A)</td>
<td>18.8</td>
<td>-13%</td>
<td>+4%</td>
<td>Approx 1% of global population</td>
<td>Improved treatment of cognitive dysfunction • Improved treatment of negative symptoms • Improved treatment of co-morbid depression and anxiety • Early stage, definitive diagnostics</td>
</tr>
</tbody>
</table>

### Market leaders (2016)

<table>
<thead>
<tr>
<th></th>
<th>Compound</th>
<th>Share value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-Alzheimer’s (N7D)</td>
<td>Memantine</td>
<td>46%</td>
</tr>
<tr>
<td></td>
<td>Donepezil</td>
<td>22%</td>
</tr>
<tr>
<td></td>
<td>Rivastigmine</td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>Galantamine</td>
<td>8%</td>
</tr>
<tr>
<td>Anti-depressants (N6A)</td>
<td>Duloxetine</td>
<td>13%</td>
</tr>
<tr>
<td></td>
<td>Escitalopram</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Bupropion</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>Venlafaxine</td>
<td>9%</td>
</tr>
<tr>
<td>Anti-Parkinson’s (N4A)</td>
<td>Levodopa</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>Rasagiline</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Pramipexole</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Rotigotine</td>
<td>11%</td>
</tr>
<tr>
<td>Anti-psychotics (N5A)</td>
<td>Aripiprazole</td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>Quetiapine</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>Paliperidone</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>Palmitate</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>Lurasidone</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: IMS Health Analytics Link 2016 (Audited sales), Growth, USD % y/y
### Financial terms and territory structure of the Otsuka alliance entered in November 2011

#### Milestone payments

<table>
<thead>
<tr>
<th>Payment to:</th>
<th>Abilify</th>
<th>Maintena</th>
<th>Rexulti</th>
<th>Selincro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development milestones/upfront</td>
<td>USD 200m</td>
<td>USD 600m*</td>
<td>EUR 105m*</td>
<td></td>
</tr>
<tr>
<td>Approval milestones</td>
<td>USD 275m1)</td>
<td>USD 300m2)</td>
<td>undisclosed</td>
<td></td>
</tr>
<tr>
<td>Sales milestones</td>
<td>Up to USD 425m depending on sales development</td>
<td></td>
<td>undisclosed</td>
<td></td>
</tr>
</tbody>
</table>

1) USD 100m upon US approval, USD 75m upon EU approval in schizophrenia, and USD 50m US and EU for a second indication. 2) USD 100m (US) and USD 50m (EU) for each of the two first indications. 3) Development milestones of up to USD 600m after which shared development costs between parties. 4) USD 125m, USD 25m and USD 50m for first indication in the US, EU and Japan respectively. Second indication gives USD 50m, USD 25m and USD 25m, respectively.

#### Lundbeck’s share of revenue and costs

<table>
<thead>
<tr>
<th>Abilify</th>
<th>Maintena</th>
<th>Rexulti</th>
<th>Selincro</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>20%</td>
<td>45%</td>
<td>-</td>
</tr>
<tr>
<td>EU-5, Nordic and Canada</td>
<td>50%</td>
<td>50%</td>
<td>-</td>
</tr>
<tr>
<td>Other Lundbeck territories</td>
<td>65%**</td>
<td>65%**</td>
<td>undisclosed</td>
</tr>
</tbody>
</table>

* Includes sales milestones  
** All regions except Asia, Turkey and Egypt  
*** All regions except Thailand and Vietnam

Selincro for Japan added to the alliance in October 2013
### Q1 2018 and FY 2017 - Product distribution of revenue

<table>
<thead>
<tr>
<th>DKKm</th>
<th>FY 2017</th>
<th>FY 2016</th>
<th>Q1 2018</th>
<th>Q1 2017</th>
<th>Growth</th>
<th>Growth in local currencies</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability Maintena</td>
<td>1,333</td>
<td>1,114</td>
<td>364</td>
<td>316</td>
<td>15%</td>
<td>23%</td>
<td>8%</td>
</tr>
<tr>
<td>Brintellix/Trintellex</td>
<td>1,663</td>
<td>1,105</td>
<td>467</td>
<td>374</td>
<td>25%</td>
<td>38%</td>
<td>10%</td>
</tr>
<tr>
<td>Cipralex/Lexapro</td>
<td>2,392</td>
<td>2,518</td>
<td>665</td>
<td>690</td>
<td>(4%)</td>
<td>5%</td>
<td>14%</td>
</tr>
<tr>
<td>Northera</td>
<td>1,644</td>
<td>1,087</td>
<td>396</td>
<td>352</td>
<td>13%</td>
<td>29%</td>
<td>9%</td>
</tr>
<tr>
<td>Onfi</td>
<td>3,022</td>
<td>2,409</td>
<td>903</td>
<td>710</td>
<td>27%</td>
<td>46%</td>
<td>20%</td>
</tr>
<tr>
<td>Rexulti</td>
<td>1,247</td>
<td>826</td>
<td>369</td>
<td>280</td>
<td>32%</td>
<td>51%</td>
<td>8%</td>
</tr>
<tr>
<td>Sabril</td>
<td>1,509</td>
<td>1,342</td>
<td>341</td>
<td>378</td>
<td>(10%)</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Xenazine</td>
<td>1,046</td>
<td>1,571</td>
<td>112</td>
<td>257</td>
<td>(56%)</td>
<td>(50%)</td>
<td>2%</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>3,028</td>
<td>3,337</td>
<td>667</td>
<td>842</td>
<td>(21%)</td>
<td>(16%)</td>
<td>15%</td>
</tr>
<tr>
<td>Other revenue</td>
<td>402</td>
<td>325</td>
<td>119</td>
<td>74</td>
<td>61%</td>
<td>62%</td>
<td>3%</td>
</tr>
<tr>
<td>Hedging</td>
<td>(52)</td>
<td>-</td>
<td>182</td>
<td>(62)</td>
<td>-</td>
<td>-</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>17,234</td>
<td>15,634</td>
<td>4,585</td>
<td>4,211</td>
<td>9%</td>
<td>14%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*) In 2016 effects from hedging is included in revenue for the individual products.
**Q1 2018 and FY 2017 - Geographic distribution of revenue - 1**

<table>
<thead>
<tr>
<th>DKKm</th>
<th>FY 2017</th>
<th>FY 2016</th>
<th>Q1 2018</th>
<th>Q1 2017</th>
<th>Growth</th>
<th>Growth in local currencies</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NORTH AMERICA:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abilify Maintena</td>
<td>591</td>
<td>526</td>
<td>151</td>
<td>137</td>
<td>10%</td>
<td>25%</td>
<td>6%</td>
</tr>
<tr>
<td>Trintellix</td>
<td>974</td>
<td>706</td>
<td>240</td>
<td>213</td>
<td>13%</td>
<td>28%</td>
<td>9%</td>
</tr>
<tr>
<td>Northera</td>
<td>1,644</td>
<td>1,087</td>
<td>396</td>
<td>352</td>
<td>13%</td>
<td>29%</td>
<td>15%</td>
</tr>
<tr>
<td>Onfi</td>
<td>3,022</td>
<td>2,409</td>
<td>903</td>
<td>710</td>
<td>27%</td>
<td>46%</td>
<td>35%</td>
</tr>
<tr>
<td>Rexulti</td>
<td>1,245</td>
<td>826</td>
<td>366</td>
<td>280</td>
<td>31%</td>
<td>50%</td>
<td>14%</td>
</tr>
<tr>
<td>Sabril</td>
<td>1,509</td>
<td>1,342</td>
<td>341</td>
<td>378</td>
<td>(10%)</td>
<td>3%</td>
<td>13%</td>
</tr>
<tr>
<td>Xenazine</td>
<td>1,016</td>
<td>1,557</td>
<td>107</td>
<td>250</td>
<td>(57%)</td>
<td>(51%)</td>
<td>4%</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>672</td>
<td>669</td>
<td>94</td>
<td>183</td>
<td>(49%)</td>
<td>(39%)</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>10,673</td>
<td>9,122</td>
<td>2,598</td>
<td>2,503</td>
<td>4%</td>
<td>19%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*) In 2016 effects from hedging is included in revenue for the individual products.
### Q1 2018 and FY 2017 - Geographic distribution of revenue - 2

<table>
<thead>
<tr>
<th>DKKm</th>
<th>FY 2017</th>
<th>FY 2016*</th>
<th>Q1 2018</th>
<th>Q1 2017</th>
<th>Growth</th>
<th>Growth in local currencies</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EUROPE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abilify Maintena</td>
<td>637</td>
<td>508</td>
<td>184</td>
<td>154</td>
<td>19%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Brintellix</td>
<td>376</td>
<td>220</td>
<td>122</td>
<td>81</td>
<td>50%</td>
<td>50%</td>
<td>16%</td>
</tr>
<tr>
<td>Cipralex</td>
<td>643</td>
<td>760</td>
<td>163</td>
<td>168</td>
<td>(3%)</td>
<td>(2%)</td>
<td>22%</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>1,149</td>
<td>1,424</td>
<td>276</td>
<td>305</td>
<td>(9%)</td>
<td>(9%)</td>
<td>37%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>2,805</td>
<td>2,912</td>
<td>745</td>
<td>708</td>
<td>5%</td>
<td>6%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>INTERNATIONAL MARKETS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abilify Maintena</td>
<td>105</td>
<td>80</td>
<td>29</td>
<td>25</td>
<td>16%</td>
<td>26%</td>
<td>3%</td>
</tr>
<tr>
<td>Brintellix</td>
<td>313</td>
<td>179</td>
<td>105</td>
<td>80</td>
<td>32%</td>
<td>49%</td>
<td>11%</td>
</tr>
<tr>
<td>Cipralex/Lexapro</td>
<td>1,582</td>
<td>1,571</td>
<td>469</td>
<td>469</td>
<td>-</td>
<td>11%</td>
<td>50%</td>
</tr>
<tr>
<td>Ebixa</td>
<td>469</td>
<td>486</td>
<td>141</td>
<td>176</td>
<td>(20%)</td>
<td>(14%)</td>
<td>15%</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>937</td>
<td>959</td>
<td>197</td>
<td>238</td>
<td>(17%)</td>
<td>(11%)</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>3,406</td>
<td>3,275</td>
<td>941</td>
<td>988</td>
<td>(5%)</td>
<td>5%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*) In 2016 effects from hedging is included in revenue for the individual products.
### Q1 2018 - Cash generation

<table>
<thead>
<tr>
<th>DKKm</th>
<th>Q1 2018</th>
<th>Q1 2017</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>2,003</td>
<td>651</td>
<td>4,045</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(795)</td>
<td>30</td>
<td>(1,830)</td>
</tr>
<tr>
<td><strong>Cash flows from operating and investing activities (free cash flow)</strong></td>
<td>1,208</td>
<td>681</td>
<td>2,215</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(1,588)</td>
<td>(157)</td>
<td>(2,235)</td>
</tr>
<tr>
<td><strong>Net cash flow for the period</strong></td>
<td>(380)</td>
<td>524</td>
<td>(20)</td>
</tr>
<tr>
<td>Cash, bank balances and securities, end of period</td>
<td>3,292</td>
<td>2,745</td>
<td>3,677</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>-</td>
<td>(1,770)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash/(net debt)</strong></td>
<td>3,292</td>
<td>975</td>
<td>3,677</td>
</tr>
</tbody>
</table>
## Q1 2018 - Balance sheet and dividend

<table>
<thead>
<tr>
<th>DKKm</th>
<th>31.03.2018</th>
<th>31.12.2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>7,933</td>
<td>7,565</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>3,260</td>
<td>3,347</td>
</tr>
<tr>
<td>Current assets</td>
<td>8,560</td>
<td>8,844</td>
</tr>
<tr>
<td>Assets</td>
<td>19,753</td>
<td>19,756</td>
</tr>
<tr>
<td>Equity</td>
<td>11,633</td>
<td>12,181</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,125</td>
<td>1,096</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>6,995</td>
<td>6,479</td>
</tr>
<tr>
<td>Equity and liabilities</td>
<td>19,753</td>
<td>19,756</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>1,771</td>
<td>2,155</td>
</tr>
<tr>
<td>Securities</td>
<td>1,521</td>
<td>1,522</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest-bearing debt, cash, bank balances and securities, net end of period</td>
<td>3,292</td>
<td>3,677</td>
</tr>
</tbody>
</table>

### Dividend (DKK)

- Dividend of DKK 8.00 per share for 2017, corresponding to a payout ratio of 61%
- A total of DKK 1.6 million and a yield of 2.5%*
- Dividend policy: Pay-out ratio of 60-80%

*Based on the share price of DKK 315.00
## Costs – Full year figures

<table>
<thead>
<tr>
<th>DKKm</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2017 (∆%)</th>
<th>2016 (∆%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>17,234</td>
<td>15,634</td>
<td>14,594</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>3,881</td>
<td>4,082</td>
<td>5,395</td>
<td>(5%)</td>
<td>(24%)</td>
</tr>
<tr>
<td>Sales &amp; Distribution costs</td>
<td>5,649</td>
<td>5,488</td>
<td>6,706</td>
<td>3%</td>
<td>(18%)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>833</td>
<td>805</td>
<td>1,160</td>
<td>3%</td>
<td>(31%)</td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>2,705</td>
<td>2,967</td>
<td>8,149</td>
<td>(9%)</td>
<td>(64%)</td>
</tr>
<tr>
<td>Total costs</td>
<td>13,068</td>
<td>13,342</td>
<td>21,410</td>
<td>(2%)</td>
<td>(38%)</td>
</tr>
</tbody>
</table>

**EBIT**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2017 (∆%)</th>
<th>2016 (∆%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>4,408(^2)</td>
<td>2,292</td>
<td>(6,816)</td>
<td>92%</td>
<td>-</td>
</tr>
<tr>
<td>Core EBIT</td>
<td>5,115</td>
<td>3,477</td>
<td>847</td>
<td>47%</td>
<td>311%</td>
</tr>
</tbody>
</table>

### Cost structure

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2017 (∆%)</th>
<th>2016 (∆%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>23%</td>
<td>26%</td>
<td>37%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sales &amp; Distribution costs</td>
<td>33%</td>
<td>35%</td>
<td>46%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>5%</td>
<td>5%</td>
<td>8%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>16%</td>
<td>19%</td>
<td>56%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>26%</td>
<td>15%</td>
<td>(47%)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Included are 1) Restructuring costs and impairment of product rights of around DKK 7bn. 2) Includes Other operating income*
For more information, please contact Investor Relations

- Lundbeck’s shares have been listed on the Copenhagen Stock Exchange since 18 June 1999.
- Lundbeck has a Deutsche Bank sponsored ADR programme listed in the U.S. (OTC) effective from 18 May 2012.
- For additional company information, please visit Lundbeck at: www.lundbeck.com

<table>
<thead>
<tr>
<th>Financial calendar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6M 2018</strong></td>
</tr>
<tr>
<td><strong>9M 2018</strong></td>
</tr>
<tr>
<td><strong>FY 2018</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IR contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palle Holm Olesen</td>
</tr>
<tr>
<td>VP; Head of Investor Relations</td>
</tr>
<tr>
<td>Mobile: +45 3083 2426</td>
</tr>
<tr>
<td><a href="mailto:palo@lundbeck.com">palo@lundbeck.com</a> or <a href="mailto:polesen3@bloomberg.net">polesen3@bloomberg.net</a></td>
</tr>
</tbody>
</table>

| Number of shares | 199,047,808 |
| Own shares       | 388,327     |
| Classes of shares| 1           |
| Restrictions     | None        |
| ISIN code        | DK0010287234|
| Ticker symbol    | LUN DC/LUN.CO (Bloomberg/Reuters) |
| ADR programme    | Sponsored level 1 |
| ADR symbol       | HLUYY        |
| Ratio            | 1:1          |
Thank you!

Lundbeck

Starfish