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 achieved its best financial year ever in 2018

**Outstanding operational performance**
- Sales increased 8% in L.C. to DKK 18.1bn vs. initial guidance range DKK 17.2-18.0bn
- Key product sales grew 18% to DKK 10.5bn
- EBIT increased 20% to DKK 5.3 billion vs. initial guidance range DKK 4.8-5.2bn
- EBIT margin improved from 25.6% to 29.3%
- Net cash improved from DKK 3.4 billion to DKK 6.6 billion

**Early and maturing pipeline**
- New in phase II: Foliglurax, Lu AF11167
- New in phase I: Lu AF76432, LU AF28996, Lu AF82422
- Lu AF35700 failed to show separation vs. active comparator

**2018 dividend**
- Proposed dividend of DKK 12.00 per share, equal to a payout ratio of 61%
## 2019 guidance, dividend policy and revised strategic objectives

| 2019 guidance | ✓ Lundbeck expects 2019 revenue to reach DKK 16.1–16.7 billion  
|              | ✓ EBIT expected to reach DKK 4.2–4.6 billion |
| Revised dividend policy | ✓ Dividend policy revised to 30-60% of net profit from 2019 |
| Expand and Invest to Grow | ✓ The *Expand and Invest to Grow* strategy envisions expanded operating space in brain diseases, access external innovation through product license or acquisition as well as through strategic partnership while maintaining focus on profitability |
FY 2018: Solid growth in both top and bottom line

- **Revenue**: Up 8% in L.C. (5% reported) to DKK 18.1 billion
- Growth driven by key products and especially Brintellix/ Trintellix and Rexulti
- **Other revenue**: Up 64% to DKK 662 million
- **Effects from hedging**: Gain of DKK 242 million
- **EBIT margin**: 29.3% vs 25.6% in 2017
Lundbeck’s five key products* added DKK 1.6 billion in sales in 2018

Key products*: Up 23% in L.C. (18% reported) to DKK 10,471 million representing 59% of revenue#

Brintellix/Trintellix: Up 31% to DKK 2,182 million

Rexulti: Up 38% to DKK 1,723 million

Abilify Maintena: Up 20% to DKK 1,595 million

Northera: Up 10% to DKK 1,806 million

Key product growth in L.C. (FY - DKKm)

- Brintellix/Trintellix: +37%
- Rexulti: +44%
- Abilify Maintena: +23%
- Northera: +15%
- Onfi: +12%

Sales by product (FY 2018)

- Abilify Maintena: 9%
- Brintellix/Trintellix: 12%
- Northera: 10%
- Rexulti: 18%
- Onfi: 10%
- Rest: 41%

#) Excludes effects from hedging
*) Abilify Maintena, Brintellix/Trintellix, Northera, Onfi and Rexulti
Revenue growth in all regions; Europe has returned to dynamic growth

- **Strong improvement in both growth and profitability in Europe**
- **North America** impacted by generic erosion and divestment of Canadian oncology unit in 2017
- **International Markets** show solid growth driven by China, Australia and South East Asia
- Largest markets are the U.S., Canada, China, France, Italy, Japan and Spain

### Reported growth (FY 2018)

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue (DKKm)</th>
<th>Δ%</th>
<th>Δ% (L.C.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>10,743</td>
<td>+1%</td>
<td>+6%</td>
</tr>
<tr>
<td>Int. Markets</td>
<td>3,500</td>
<td>+3%</td>
<td>+10%</td>
</tr>
<tr>
<td>Europe</td>
<td>2,970</td>
<td>+6%</td>
<td>+6%</td>
</tr>
</tbody>
</table>

### Sales by region (FY 2018)

- North America: 17%
- International Markets: 20%
- Europe: 63%
Brintellix/Trintellix continues consistent strong momentum driven by North America and Europe

- Grew 37% in L.C. to DKK 2,182 million in 2018
- Grew 39% in L.C. to DKK 639 million in Q4 2018
- Two first-in-class U.S. FDA label updates:
  I. Positive effect on processing speed, an aspect of cognitive function
  II. Improvement over escitalopram in treatment-emergent sexual dysfunction in patients with MDD
- Launched in China and NDA in Japan submitted for the treatment of MDD
Rexulti shows significant growth driven by demand; roll-out in new markets continues

- Grew 44% in L.C. to DKK 1,723 million in 2018
- Grew 52% in L.C. to DKK 519 million in Q4 2018
- Launched in Australia, Canada, Saudi Arabia, Switzerland and the U.S.
- Positive headline results from PoC study in PTSD
- Additional LCM activity progressing
Abilify Maintena continues its solid growth

- Grew 23% in L.C. to DKK 1,595 million in 2018
- Grew 23% in L.C. to DKK 415 million in Q4 2018
- Largest markets are the U.S., Australia, Canada, France and Spain which are also the main drivers of growth
- Abilify Maintena is Lundbeck’s best selling product in Europe

![Abilify Maintena Sales Chart](image)

### Ability Maintena sales (FY - DKKm)
- Sales increased by 20% from 2017 to 2018.

![Abilify Maintena Sales Chart](image)

### Ability Maintena sales (Quarterly - DKKm)
- Sales in Q4 2018 increased by 24% compared to Q4 2017.
- Lundbeck’s share of revenue distribution across regions:
  - North America
  - Int. Markets
  - Europe

Lundbeck’s share of revenue
Northera shows solid growth following normalization of patient backlog

- Grew 15% in L.C. to DKK 1,806 million in 2018
- Grew 13% in L.C. to DKK 524 million in Q4 2018
- Northera impacted by temporary backlog of patients in process (in Q3 2018), seasonality and high out of pocket costs for some patients
Onfi negatively impacted by introductions of generic clobazam

- Grew 12% in L.C. to DKK 3,165 million in 2018
- Declined 40% in L.C. to DKK 496 million in Q4 2018
- Numerous generic tablets and oral suspensions launched from October 2018
- Aggressive generic pricing
Promising early-stage pipeline with efforts under way to ensure depth in all phases of development

<table>
<thead>
<tr>
<th>Project</th>
<th>Indication</th>
<th>Phase I</th>
<th>Phase II (PoC)</th>
<th>Phase III (pivotal)</th>
<th>Exp. filing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brexpiprazole</td>
<td>Bipolar mania</td>
<td></td>
<td></td>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Brexpiprazole</td>
<td>Agitation in Alzheimer's disease</td>
<td></td>
<td></td>
<td></td>
<td>~2021</td>
</tr>
<tr>
<td>Brexpiprazole</td>
<td>PTSD</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>Foliglurax (MGLUR4 PAM)</td>
<td>Parkinson's</td>
<td></td>
<td></td>
<td></td>
<td>~2025</td>
</tr>
<tr>
<td>Lu AF11167 (PDE 10 inhibitor)</td>
<td>Schizophrenia</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>Abilify Maintena 2-mth</td>
<td>Schizophrenia</td>
<td></td>
<td></td>
<td></td>
<td>~2020</td>
</tr>
<tr>
<td>Lu AF76432 (PDE 1 inhibitor)</td>
<td>Schizophrenia (CIAS)</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>Lu AF20513 (active immunotherapy)</td>
<td>Alzheimer’s disease</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>Lu AF82422 (alpha-synuclein mAb)</td>
<td>Parkinson’s disease</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>Lu AF28996 (D₁/D₂ agonist)</td>
<td>Parkinson’s disease</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>Lu AF35700</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
<td>Project under review</td>
</tr>
</tbody>
</table>
Positive phase II headline results for the combination treatment of brexpiprazole and sertraline for treatment of PTSD

- Combination of brexpiprazole and sertraline demonstrated improvement in symptoms of PTSD versus placebo (p<0.01) on the primary endpoint (CAPS-5 total score)
- The efficacy supported by multiple secondary endpoints
- The overall safety and tolerability of brexpiprazole were good (and comparable to previous data)
- End-of-phase-II meeting with FDA during 2019

Post-Traumatic Stress Disorder (PTSD)

- ~8.6m U.S. adults affected
- ~80% undiagnosed
- Growing economic and social burden of care
- Inadequate response with approved SSRIs
- Polypharmacy the norm

1) http://www.cohenveteransbioscience.org/post-traumatic-stress/


*) NCT03033069
#) Clinician-Administered PTSD Scale for DSM-5 (CAPS-5)
Lu AF11167: Addresses negative symptoms of schizophrenia that trouble patients most

- Negative symptoms most bothersome symptom for patients with schizophrenia
- Primary cause for inability to live independently, hold jobs, establish personal relationships, and manage everyday social situations
- Widely recognized as important features of schizophrenia associated with changes in emotions and behaviours
- Difficult to treat; currently available antipsychotics are not considered effective

Prevalence (major countries)

- 4.7m - Prevalence of schizophrenia (G7)
- 3.5m - Treatment prevalence (75%)
- 1.7m - Clinical stable outpatients (50%)
- 0.8m - Negative symptoms (40%)

- Phosphodiesterase 10A inhibitor (PDE10Ai)
- Potential novel MoA for the treatment of negative symptoms in patients with schizophrenia
- Potentially maintaining control of positive symptoms
- Phase II started in December 2018*

Monotherapy

- Two fixed-flexible doses + placebo (BID)
- ~250 patients
- Primary endpoint: Change from baseline to Week 12 in BNSS total score

Source: Decision Resource; Schizophrenia | Landscape & Forecast 2018

*) NCT03793712

BNSS: Brief Negative Symptoms Scale
Lundbeck delivered best ever financial results for 2018

- **Gross margin**: Increases from 77.5% to 80.9%
- **SG&A ratio**: Down from 37.6% to 33.3%
- **R&D ratio**: Up from 15.7% to 18.1%
- **Tax rate**: Positively impacted by U.S. tax reform
- **EPS**: Up 48% to DKK 19.66

<table>
<thead>
<tr>
<th>DKKm</th>
<th>FY 2018</th>
<th>Δ% y/y</th>
<th>Q4 2018</th>
<th>Δ% y/y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>18,117</td>
<td>5%</td>
<td>4,196</td>
<td>(4%)</td>
</tr>
<tr>
<td><em>Gross margin</em></td>
<td>80.9%</td>
<td>+3.4pp</td>
<td>79.7%</td>
<td>+1.7pp</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>9,316</td>
<td>1%</td>
<td>2,619</td>
<td>5%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>6,039</td>
<td>(7%)</td>
<td>1,631</td>
<td>(5%)</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>3,277</td>
<td>21%</td>
<td>988</td>
<td>27%</td>
</tr>
<tr>
<td>Other operating items, net</td>
<td>(44)</td>
<td>-</td>
<td>121</td>
<td>-</td>
</tr>
<tr>
<td>EBIT</td>
<td>5,301</td>
<td>20%</td>
<td>848</td>
<td>(9%)</td>
</tr>
<tr>
<td><em>EBIT-margin</em></td>
<td>29.3%</td>
<td>+3.7pp</td>
<td>20.2%</td>
<td>(1.0pp)</td>
</tr>
<tr>
<td>Core EBIT</td>
<td>6,158</td>
<td>20%</td>
<td>931</td>
<td>(20%)</td>
</tr>
<tr>
<td><em>Tax rate</em></td>
<td>26.1%</td>
<td>-</td>
<td>21.4%</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>19.66</td>
<td>48%</td>
<td>3.29</td>
<td>18%</td>
</tr>
</tbody>
</table>
Strong cash flow generation

- **Cash flow from operating activities:** Grew 48% to DKK 5,981 million in 2018
- **Investments:** Include acquisition of Prexton in March 2018 (EUR 100m) and EU approval milestone on Rxulti (USD 50m)
- **Net cash flow:** Improved from DKK (20) million in 2017 to DKK 1,467 million in 2018

![Operating cash flow (Quarterly - DKKm)](chart1)
![Net cash flow (Quarterly - DKKm)](chart2)
**Strong financial position provides flexibility to pursue further growth**

- **Net cash:** Up DKK 2,958 million (+80%) to DKK 6,635 million in 2018
- **Net debt/EBITDA:** -1.0x in 2018 vs. -0.7x in 2017
- 2019 cash flow will be negatively impacted by:
  - Lower EBITDA
  - High dividend payout
  - Payment of DOJ settlement
- Net cash expected to reach DKK ~7.5 billion (USD ~1.2bn) in 2019

*) 2018 dividend subject to approval by the AGM
Lundbeck’s financial guidance for 2019

- Continued growth for strategic brands
- Significant negative impact from generic erosion
- Effects from hedging is a loss of DKK 150-200 million
- Net financial items of DKK ±50 million expected in 2019
- Unchanged currencies from end-January 2019

**2019 financial guidance**

<table>
<thead>
<tr>
<th></th>
<th>2018 (DKKm)</th>
<th>2019e (DKKbn)</th>
<th>~Δ% (y/y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>18,117</td>
<td>16.1-16.7</td>
<td>-11 – -8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>5,301</td>
<td>4.2-4.6</td>
<td>-21 – -13%</td>
</tr>
<tr>
<td>Implied EBIT margin</td>
<td>29.3%</td>
<td>~25-29%</td>
<td>-</td>
</tr>
<tr>
<td>Tax rate</td>
<td>26.1%</td>
<td>26-28%</td>
<td>-</td>
</tr>
</tbody>
</table>

**Dividend payout**

- Dividend increased to DKK 12.00 from DKK 8.00 per share*
- Revised dividend policy: Pay-out ratio of 30-60% from 2019

*) Subject to approval by the AGM
**Stellar execution on 2016 corporate strategy to restore profitability**

### Long-term targets set in February 2016

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT margin</td>
<td>29.3%</td>
<td>25%</td>
</tr>
<tr>
<td>ROIC</td>
<td>48.6%</td>
<td>25%</td>
</tr>
<tr>
<td>Cash to earnings</td>
<td>117.6</td>
<td>&gt;90%</td>
</tr>
</tbody>
</table>

### Operating profit

- **2015:** DKK -0.2bn*
- **2018:** DKK 5.3bn

### Net cash

- **2015:** DKK -2.2bn
- **2018:** DKK 6.6bn

*) Adjusted for restructuring charges and reclassifications
Continued strong growth of strategic brands does not offset LOE headwinds – we introduce *Expand and Invest to Grow*

**Purpose:** "Tirelessly dedicated to restoring brain health…so every person can be their best"
We will maximize growth opportunities in our current business and maintain a disciplined approach to cost.

- We will maximize the performance of existing brands.
- Expanding our global footprint.
- Launching new indications and improved formulations.
- We will enhance organizational agility and collaboration.
- We will continue to maintain high profitability, but allow flexibility to invest in growing the top-line and profits.

EBIT margin ambition \( \geq 25\% \)
We will leverage our deep neuroscience expertise and address brain diseases more broadly.

Our strong heritage and extensive neuroscience experience provide us with a competitive advantage and enable us to expand our focus to help people living with a broader range of brain diseases.

The redefined operating space focuses on diseases with:

- Clear unmet needs
- Attractive commercial potential
- Strategic fit with our capabilities
Expanding product portfolio and R&D pipeline across all phases through both internal discovery and access to external innovation

We will rebuild our pipeline across all clinical phases by:

- Accelerating business development efforts to access external innovation
- Selectively refine and progress the most promising internal projects
- Target underlying disease biology
- Leverage technologies to advance innovation
Our strong track record in successful collaborations makes us an attractive partner for third parties.

<table>
<thead>
<tr>
<th>Strategic R&amp;D collaborations</th>
<th>Supportive technologies</th>
<th>Access to assets</th>
<th>Commercial partnerships</th>
<th>Successful acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>23andMe</td>
<td>GE Healthcare</td>
<td>Otsuka</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEREAU Technologies</td>
<td>Ubiquigent</td>
<td>Vanderbilt</td>
<td>OVATION Pharmaceuticals</td>
<td></td>
</tr>
<tr>
<td>Circuit Therapeutics</td>
<td>IBM Watson</td>
<td>Takeda</td>
<td>Chelsea Therapeutics</td>
<td></td>
</tr>
<tr>
<td>Brigham Health</td>
<td>Piramal</td>
<td>ImmunoBrain</td>
<td>MERCK</td>
<td>PREXTON Therapeutics</td>
</tr>
<tr>
<td>Brigham and Women's Hospital</td>
<td>Numerate</td>
<td>Checkpoint</td>
<td>CMS</td>
<td></td>
</tr>
<tr>
<td>Brigham Research Institute</td>
<td></td>
<td></td>
<td>MERZ</td>
<td></td>
</tr>
<tr>
<td>University of Glasgow</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Selected deliverables for 2019

- Start PoC study on Lu AF11167 in schizophrenia ✓
- Commence the launch of Rxulti/Rexulti in Europe ✓
- Pivotal data for Rexulti in bipolar mania
- Headline results (PoC) for foliglurax in Parkinson’s
- Obtain approval of Trintellix in Japan
- Achieve FIH in 1-2 R&D projects
- Execute on *Expand and Invest to Grow*
Lundbeck continues its mission to restore brain health, leveraging a strong platform and heritage to grow

- Strong financial foundation
- Highly profitable with strong cash generation, no debt
- Solid growth across key products
- Global footprint with growth in all regions of the world
- Long-standing reputation with patient communities and physicians
- Deep scientific heritage and capabilities in CNS
- Promising early-stage pipeline
- Demonstrated track record of partnering relationships
Thank you!