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Lundbeck in brief

SPECIALIZED IN BRAIN HEALTH
➢ ~70 years of expertise in CNS
➢ Among the first to develop and market antipsychotics

70 yrs

REVENUE (FY2018)
➢ ~60% generated in North America
➢ China 2nd largest market

~$2.8bn

GLOBAL PRESENCE
➢ Headquartered in Denmark
➢ Operating in 50+ countries

50+

HISTORY
Lundbeck was founded by Hans Lundbeck in 1915 in Copenhagen

1915

OWNERSHIP
Largest shareholder is the Lundbeck Foundation, which annually grants DKK 400-500 million to research

70%

EMPLOYEES

~5,500
9M 2019 highlights: Continued strong performance of strategic brands and executing on our *Expand and Invest to Grow* strategy

**Strategic Brands**
- +29%
- +24% in local currencies
- Strategic brands constitute 53% of revenue

**International Markets**
- +8%
- Strategic brands grew 38% and constitute 18% of revenue
- Strong demand in general

**Europe**
- +7%
- Strategic brands grew 27% and constitute 51% of revenue
- Strong demand in general

**Pipeline expansion**
- Eptinuzumab (LCM)
- Phase III: Brexpiprazole PTSD
- Phase II: Brexpiprazole BPD
- Three projects enter phase I

**Solid cash position**
- **Net cash**
  - Net cash 9M.19: DKK 4,024m
  - Net debt FY2019e: DKK ~7bn following closure of Alder transaction

**Expand and Invest to Grow**
- **Acquisition of Alder**
  - Transaction completed on 22 Oct.
  - Eptinezumab submitted in the U.S.
  - PDUFA action date: 21 Feb. 2020
Lundbeck’s four strategic brands* added DKK 1.5 billion in sales in 9M 2019 compared to 9M 2018

**Strategic brands***: Up 29% (24% in L.C.) to DKK 6,706 million representing 53% of revenue

**Brintellix/Trintellix**: Up 31% to DKK 2,023 million

**Rexulti/Rxulti**: Up 35% to DKK 1,620 million

**Northera**: Up 25% to DKK 1,606 million

**Abilify Maintena**: Up 23% to DKK 1,457 million

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*Abilify Maintena, Brintellix/Trintellix, Northera and Rexulti/Rxulti

# Excluding effects from hedging
Brintellix/Trintellix continues its significant growth momentum

- Grew 31% (28% in L.C.) to DKK 2,023 million in 9M 2019
- Continued solid traction in volume share gains
- >2.5%: Finland, France, Italy, Norway, South Korea, Spain, Switzerland
- In the U.S., volume is up 22% y/y in Q3 2019
- Trintellix approved in Japan in September

1) Symphony Health (cf. Bloomberg)
Rexulti shows significant growth driven by demand - roll-out in new markets continues

- Grew 35% (27% in L.C.) to DKK 1,620 million in 9M 2019
- In the U.S., volume is up 22% y/y in Q3¹)
- Launched in North America, selected European markets and Australia, Chile, Mexico and Saudi Arabia
- Phase III programme in PTSD²) commenced in October 2019
- Phase II study in BPD³) commenced in October 2019

¹) Symphony Health (cf. Bloomberg)
²) Borderline Personality Disorder
³) Post-Traumatic Stress Disorder

*) Lundbeck’s share of revenue
Abilify Maintena continues its robust growth

- Grew 23% (21% in L.C.) to DKK 1,457 million in 9M 2019
- Abilify Maintena is Lundbeck’s best selling product in Europe
- LAI market continues double-digit growth to USD 3.8bn (9M)
- Abilify Maintena’s share of the LAI market is 17% compared to 16% in FY2018\(^1\)
- Findings from PRELAPSE trial\(^2\) to be presented at ACNP in December

\(^1\) Reported net sales of atypical LAIs
\(^2\) NCT02360319

\(^*) Lundbeck’s share of revenue
Northera shows solid growth in sales and demand

- Grew 25% (18% in L.C.) to DKK 1,606 million in 9M 2019

- Volume is up 18%\(^1\) compared to Q3 2018

- Northera impacted by normal quarterly fluctuations driven by e.g. seasonality and pharmacies’ buying pattern

- Lundbeck only promotes Northera in the U.S.

\(^1\) Symphony Health (cf. Bloomberg)
North America – strategic brands up 28% in 9M 2019

- Declined 14% (19% in L.C.) to DKK 6,937 million in 9M 2019
- Total sales impacted by generic introductions of clobazam in October 2018
- Excluding Onfi, sales up 13% in 9M 2019
- Strategic brands# grew 28% to DKK 4,912 million and constituted 71% of revenue in 9M 2019

North America revenue
(9M - DKKm)

North America – strategic brands
(Quarterly – DKKm)

*) Abilify Maintena, Northera, Rexulti and Trintellix
International Markets - strategic brands up 38% in 9M 2019

- Grew 8% (8% in. L.C.) to DKK 3,022 million in 9M 2019
- Strategic brands# grew by 38% to DKK 549 million and constituted 18% of sales in 9M 2019
- Rexulti increases from DKK 11 million to DKK 28 million
- Cipralex/Lexapro down 3% to DKK 1,283 million
- Main markets are Brazil, China, Japan and South Korea constituting ~50% of sales in the region

#) Abilify Maintena, Rexulti and Brintellix/Trintellix
Europe – strategic brands up 27% in 9M 2019

- Grew 7% (6% in L.C.) to DKK 2,417 million in 9M 2019
- Strategic brands* grew 27% to DKK 1,245 million and constituted 51% of sales in 9M 2019
- Continued strong performance for both Abilify Maintena and Brintellix
- Largest markets are France, Italy and Spain constituting ~45% of sales in the region

*) Abilify Maintena, Rexulti/Rexulti and Brintellix
**Expand and Invest to Grow** has significantly strengthened the pipeline

<table>
<thead>
<tr>
<th>Project</th>
<th>Indication/label expansion</th>
<th>Phase I</th>
<th>Phase II (PoC)</th>
<th>Phase III</th>
<th>Filing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eptinezumab (anti-CGRP mAb)</td>
<td>Migraine prevention</td>
<td></td>
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</tr>
<tr>
<td>Eptinezumab (anti-CGRP mAb)</td>
<td>“Treat and Prevent”, migraine</td>
<td></td>
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</tr>
<tr>
<td>Brexipiprazole</td>
<td>Agitation in Alzheimer’s disease</td>
<td></td>
<td></td>
<td>~2021</td>
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<tr>
<td>Brexipiprazole</td>
<td>PTSD</td>
<td></td>
<td></td>
<td>≥2023</td>
<td></td>
</tr>
<tr>
<td>Brexipiprazole</td>
<td>Borderline Personality Disorder</td>
<td></td>
<td></td>
<td>≥2025</td>
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<tr>
<td>Foliglurax (mGluR4 PAM)</td>
<td>Parkinson’s disease</td>
<td></td>
<td></td>
<td>~2025</td>
<td></td>
</tr>
<tr>
<td>Lu AF11167 (PDE 10 inhibitor)</td>
<td>Schizophrenia</td>
<td></td>
<td></td>
<td>≥2025</td>
<td></td>
</tr>
<tr>
<td>Lu AG06466 (MGLLi)</td>
<td>Tourette Syndrome</td>
<td></td>
<td></td>
<td>≥2025</td>
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</tr>
<tr>
<td>Abilify Maintena 2-mth</td>
<td>Schizophrenia</td>
<td></td>
<td></td>
<td>~2021</td>
<td></td>
</tr>
<tr>
<td>Lu AF82422 (alpha-synuclein mAb)</td>
<td>Parkinson’s disease</td>
<td></td>
<td></td>
<td>≥2025</td>
<td></td>
</tr>
<tr>
<td>Lu AF28996 (D₁/D₂ agonist)</td>
<td>Parkinson’s disease</td>
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<td>≥2025</td>
<td></td>
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<tr>
<td>Lu AG06466 (MGLLi)</td>
<td>Neuropathic pain</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Lu AF88434 (PDE1b inhibitor)</td>
<td>Alzheimer’s, schizophrenia (CIAS)</td>
<td></td>
<td></td>
<td>≥2025</td>
<td></td>
</tr>
<tr>
<td>Lu AG09222 (PACAP mAb)</td>
<td>Migraine</td>
<td></td>
<td></td>
<td>≥2025</td>
<td></td>
</tr>
<tr>
<td>Lu AF87908 (TACAP mAb)</td>
<td>Alzheimer’s</td>
<td></td>
<td></td>
<td>&gt;2025</td>
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</tr>
</tbody>
</table>

Lundbeck continues to execute on its *Expand and Invest to Grow* strategy through the acquisition of Alder BioPharmaceuticals

- Maintaining the former Alder site in Bothell, just outside of Seattle, Washington in the U.S.
- Integration progressing rapidly
- Main focus on biopharmaceutical product development and supply
- Financing and closing complete

**Eptinezumab**

- U.S. PDUFA action date: 21 Feb. 2020
- Planned fillings: Canada (Q1.20), EU (by end-2020)
- Preparing the path for China, Japan and emerging markets

**Market Access**

- Initiating phase IIIb study to facilitate EU market access
- Building insights and relationships to prepare global markets

**Expanding eptinezumab**

- Drive *Treat & Prevent* study
- Define and pursue future indications
Eptinezumab has the potential to transform the treatment paradigm for migraine prevention

- Eptinezumab will serve a large underserved patient population in a seriously debilitating disease
- Eptinezumab provides a differentiated clinical profile
  - Rapid onset of prevention by Day 1 driven by IV formulation and 100% bioavailability
  - Strong response rate data from two phase III studies
  - Good tolerability profile similar to placebo
  - Quarterly 30-minute administration: Potentially increased compliance for improved outcome
  - Alternative for patients uncomfortable with self injection

**POWERFUL**
≥50%, ≥75% and 100% reductions in migraine days

**FAST**
Onset of prevention
Day One post-infusion

**SUSTAINED**
for 3 months following a single administration and sustained or further increased with subsequent infusions

Eptinezumab will serve a large underserved patient population in a seriously debilitating disease
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Eptinezumab has the potential to transform the treatment paradigm for migraine prevention
Two large pivotal studies including ~2,000 patients demonstrated sustained efficacy and good tolerability

**PROMISE 1 in Episodic Migraine Patients**  
(N=888; baseline ~9 migraine days/month)
- Met primary and key secondary endpoints
- Good tolerability profile at all dosage levels

**PROMISE 2 in Chronic Migraine Patients**  
(N=1,072; baseline ~16 migraine days/month)
- Met primary and all key secondary endpoints
- Good tolerability profile at both dosage levels

**POWERFUL**
- ≥50%, ≥75% and 100% reductions in migraine days

**FAST**
- Onset of prevention Day One post-infusion

**SUSTAINED**
- for 3 months following a single administration and sustained or further increased with subsequent infusions
Significant reduction in monthly migraine days (MMDs) with eptinezumab at both 100mg and 300 mg

Eptinezumab has shown high response rates, especially in adult patients experiencing frequent, chronic migraine

🌟 ~60% of patients had ≥50% reduction in migraine days
🌟 ~40% of patients had ≥75% reduction in migraine days
🌟 Patients that experienced no migraines for at least half of the study period (≥3 mth):
   - 100mg: 14.0%
   - 300mg: 19.1%
   - Placebo: 4.9%

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**PROMISE-1**
(Change from baseline in MMDs)

- Infusion 1 (Months 1-3): Eptinezumab 100mg -3.9, Eptinezumab 300mg -4.3, Placebo -4.4
- Infusion 2 (Months 4-6): Eptinezumab 100mg -4.2, Eptinezumab 300mg -4.8, Placebo -5.1

**PROMISE-2**
(Change from baseline in MMDs)

- Infusion 1 (Months 1-3): Eptinezumab 100mg -7.7, Eptinezumab 300mg -8.2, Placebo -8.2
- Infusion 2 (Months 4-6): Eptinezumab 100mg -5.6, Eptinezumab 300mg -6.2, Placebo -6.2

*p=0.0182; †p=0.0001; ‡p<0.0001 vs placebo. Months 4–6 were not included in the prespecified statistical algorithms.
Eptinezumab demonstrated rapid onset from Day 1

**Key secondary endpoint:** Percentage reduction on Day 1

**PROMISE 1:**
- Eptinezumab 100mg: 52.3%
- Eptinezumab 300mg: 54.9%
- Placebo: 24.5%

**PROMISE 2:**
- Eptinezumab 100mg: 50.3%
- Eptinezumab 300mg: 51.6%
- Placebo: 27.1%

*\(p=0.0159\) vs placebo, unadjusted; \(\dagger p=0.0312\) vs placebo, unadjusted; \(\ddagger p<0.0001\) vs placebo.

Eptinezumab treatment well-tolerated across doses as compared to placebo

Safety and tolerability were evaluated in the PROMISE 1 and PROMISE 2 trials

In pooled data assessment across the two trials, nasopharyngitis (swelling of the nasal passages and the back of the throat) was the only AE occurring at an incidence of 2.0% or greater than placebo

Other AEs included upper respiratory infection, nausea and urinary tract infection, arthralgia (joint pain), dizziness, anxiety and fatigue, which all occurred at a similar incidence to placebo (less than 2% difference vs. placebo) in the pooled data set

Adverse reaction occurring with an incidence of $\geq 2\%$ for either dose of eptinezumab and $\geq 2\%$ greater than placebo for PROMISE 1 and PROMISE 2

<table>
<thead>
<tr>
<th>Adverse reactions</th>
<th>Eptinezumab 100 mg every 3 months N=579</th>
<th>Eptinezumab 300 mg every 3 months N=574</th>
<th>Placebo every 3 months N=588</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nasopharyngitis</td>
<td>6%</td>
<td>8%</td>
<td>6%</td>
</tr>
</tbody>
</table>


Eptinezumab – Powerful, Fast and Sustained action

Eptinezumab promise

- Rapid onset of prevention by Day 1 driven by IV formulation and 100% bioavailability, addressing unmet medical need
- Strong response rate data from two phase III studies
- Good tolerability profile similar to placebo at all dosages
- Only prevention treatment available as an IV formulation
  - Quarterly administration: Potentially increased compliance for improved outcome
- Alternative for patients uncomfortable with self injection
- ~70% of ~2,000 target headache specialists/neurologists have capabilities to provide in-office IV therapies
Eptinezumab – Exciting upcoming newsflow with interesting LCM potential

**Regulatory:**
★ U.S. PDUFA action date: 21 February 2020
★ Expected submission in Canada (Q1 2020), EU (by end 2020), followed by submissions for approval in other regions around the world

**Ongoing studies:**
★ RELIEF study started in November 2019 (n = ~450)

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**There are several life cycle management opportunities**

<table>
<thead>
<tr>
<th>Indication</th>
</tr>
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<tbody>
<tr>
<td>RELIEF study - &quot;Treat &amp; Prevent&quot; (NCT04152083) Assessing the efficacy of eptinezumab for acute migraine, defined as an active intercurrent migraine occurring in those patients who are candidates for preventive therapy. Subjects will be randomized to receive a single dose of eptinezumab or placebo in a 1:1 ratio. The total study duration will be approximately 4 to 12 weeks, including up to an 8-week screening period, with clinic visits occurring on Screening, Day 0 (dosing day), and Week 4.</td>
</tr>
</tbody>
</table>

**Other potential indications**
- Medication overuse headache
- Cluster headache
- Post-concussion headache
- Other pain syndroms
Migraine is one of the most debilitating diseases globally

Most disabling disease for people under 50 years - the most productive years of people’s lives¹

Attack usually last 4-72 hours²

Symptoms include extreme pain, nausea, vomiting, extreme sensitivities to light and sound, gastrointestinal issues

~18m individuals are candidates for prevention – less than 50% are treated³

Significant unmet medical needs remain with existing preventive treatments, including speed of onset

Chronic migraine often leads to depression, anxiety, and sleep disturbances²

Migraine profoundly affects patients’ lives

93% say migraine affects their ability to work\(^1\)

86% say migraine affects their ability to maintain relationships with children\(^1\)

89% say migraine affects their ability to maintain relationships with a partner\(^1\)

Only 4/10 are satisfied with their current migraine treatment\(^1\)

Patients value efficacy and onset of efficacy regardless of the mode of administration

87% rate **effectiveness** as important in determining whether they accept treatment (highest-rated)\(^2\)

79% rate **fast acting** as an important treatment feature when considering migraine prevention\(^2\)

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2) Alder proprietary patient market research, 2017 (N=250).
Migraine prevention represents a large and under served market

Migraine is divided into two major categories, episodic and chronic depending on the frequency of headaches

- **Episodic**: 1-14 migraine days per month
- **Frequent episodic**: >14 migraine days per month
- **Chronic**: >14 migraine days per month

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**Addressable population (major countries)**

- ~134m – Migraine prevalence
- ~41m – diagnosed patients (30%)
- ~18m – Eligible for prevention (43%)
- ~9m – Currently on prophylactic treatment

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1) Decision Resource, DRG 2018 Migraine Market report. Covers G7+China
Both studies in brexpiprazole pivotal programme in PTSD commenced

Post-traumatic Stress Disorder (PTSD)

- ~8.6m U.S. adults affected, but ~80% estimated to be undiagnosed
- Growing economic and social burden of care
- Inadequate response with approved SSRIs - polypharmacy the norm

Study objective

To evaluate the efficacy, safety, and tolerability of 12-week brexpiprazole + sertraline combination treatment in adult subjects with PTSD (n = ~600)

Two studies in the pivotal programme (phase III):

- Brexpiprazole (fixed dose (2, 3mg) and flexible dose up to 3mg) in combination with sertraline
- **Primary endpoint:** Clinician-Administered PTSD Scale for DSM-5 (CAPS-5) total score
- U.S. dedicated study

1) Clinicaltrials.gov ID: NCT04124614. The second study not listed yet
Brexpiprazole PoC study in borderline personality disorder commenced

Borderline Personality Disorder (BPD)

- Pharmacotherapy focuses on key symptoms (aggression, irritability, depressed mood, behavioural dyscontrol and affective dysregulation, anxiety, psychoticism and hostility)
- Substantial unmet medical need - no drugs approved for BPD
- 1.5-2 million potential patients in the U.S.

**PoC study (phase II):**

- Brexpiprazole (flexible dose 2-3mg) and placebo
- **Primary endpoint:** Zanarini Rating Scale for Borderline Personality Disorder (ZAN-BPD) total score (Week 12)
- **Secondary endpoints:** Clinical Global Impression - Severity of Illness (CGI-S); Patient’s Global Impression of Severity (PGI-S); Patient’s Global Impression of Change (PGI-C) Scale; Clinical Global Impression - Improvement (CGI-I) Scale
- Headline results due in 2021 - Fast Track designation granted October 2019

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1) Clinicaltrials.gov ID: NCT04100096
Third study in brexpiprazole pivotal programme in agitation Alzheimer's progresses as planned

**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

**Study objective**

To compare the efficacy of 2 doses of brexpiprazole with placebo in subjects with agitation associated with dementia of the Alzheimer's type (n = ~225)

**Third study out of three in the pivotal programme (phase III):**

- Brexpiprazole (fixed dose 2mg and 3mg) and placebo
- **Primary endpoint:** Cohen-Mansfield Agitation Inventory (CMAI) total score (Week 12)
- **Secondary endpoint:** Clinical Global Impression Severity of Illness (CGI-S) score
- Headline results due early 2021 - Fast Track designation granted February 2016

1) Clinicaltrials.gov ID: NCT03548584
Abide - adding new drug discovery platform with potential to deliver first-in-class compounds across multiple CNS indications

The transaction:
- Upfront payment: USD 250 million
- Financed through existing financial reserves
- Acquisition reached final approval on 29 May 2019
- Future milestones: Up to USD 150 million in R&D¹ and sales milestones²

Serine hydrolase (S-H) Enzyme Superfamily
- One of the largest and most diverse enzyme classes in humans
- Profoundly influence multiple biological processes in health and disease
- Mood, pain, perception, movement, inflammation
- Selective inhibitors can restore physiological balance in dysregulated signalling pathways
- Multiple blockbuster drug classes from this family
- DPP-4 inhibitors; AChE inhibitors; Thrombin inhibitors; Xa inhibitors

¹ Triggered when stat-sig. results in a phase II clinical trial in the Tourette’s indication or first patient enrolled in a phase III trial in Tourette’s using the lead compound.
² First commercial launch and when revenue reach certain thresholds
Lundbeck La Jolla Research Center now established

★ Transition of Abide to pure discovery site is completed
★ Lu AG06466 currently in phase IIa progressing as planned
★ Headline results due 2020
★ Strong progress of the early portfolio
★ FIH for next project expected in 2020
First Target: Endocannabinoid modulation through MGLL inhibition - A compelling therapeutic target for a wide range of CNS diseases

- Monoacylglycerol lipase inhibitors (MGLLi) regulate endocannabinoid tone, which regulates neurotransmitter balance
- MGLLi selectively activate CB1 by elevating 2-AG levels only in active circuits – contrast with global, maximal, and sustained activation by exocannabinoids
- Lead molecule Lu AG06466 is a potent, selective first-in-class MGLLi in clinical development in two indications
- Two additional endocannabinoid modulators advancing to the clinic through 2020

MGLL inhibition

Increased 2-AG regulates neuronal excitability and inflammatory processes

- Restore Homeostatic Balance
  - Stress response
  - Anxiety
  - Reward processing
  - Pain processing
  - Motor function

Multiple future potential indications in psychiatry and neurology

Potential to use biomarkers to enrich patient populations

Increased stress sensitivity

MDD
BPD
PTSD
GAD

TS

MDD
BPD
PTSD
GAD

Increased stress sensitivity

MDD
BPD
PTSD
GAD

Increased stress sensitivity
Lu AG06466: First-In-Class drug with broad potential in CNS

- Lu AG06466 modulates the endocannabinoid system preferentially in areas where neuronal circuits are excessively activated
- Initial trials ongoing in Tourette’s and neuropathic pain
- Phase Ib trial in adult TS patients demonstrated significant effects across multiple endpoints of tic reduction
- 200,000 patients in U.S. with severe disease

Exploratory phase IIa trial ongoing (NCT03625453)

- Initiated in October 2018
- 48 adult patients with Tourette’s
- Part 1: 8 weeks with daily administration; Patients who choose to enter Part 2: additional 4 weeks with daily administration
- Change from baseline in Total Tic Score of the Yale Global Tic Severity Scale (YGTSS-TTS)
- Headline results due in 2020

Lu AG06466: First-in-Class drug with broad potential in CNS

- Initial indication: Movement disorders, Neuropsychiatric disorders
- Tourette’s
- OCD
- Agitation
- Parkinson’s
- Tardive dyskinesia
- Huntington’s
- ADHD

1) NIH - National Institute of Neurological Disorders and Stroke
Foliglurax – an interesting new pipeline asset currently in PoC testing in Parkinson’s patients

- 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
  - Two active arms + placebo (BID)
  - ~165 patients (Europe)
  - Change in awake OFF time based on subject diary entries

Levodopa-induced dyskinesia

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

1) NCT03162874

Modified based on: Jankovic, Mov. Disorder 2005,
PD-LID: Parkinson’s Disease – Levodopa-Induced Dyskinesia
2) Datamonitor
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
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 Parkinson’s

First single-ascending-dose study to evaluate safety and tolerability of Lu AF82422 in healthy volunteers and Parkinson’s patients

Intervention aimed for delay in disease progression in PD or other synucleinopathies

Pathogenesis of Parkinson’s (PD)

- Cellular aging
- Lewy body formation
- Genetic mutations
- Decreased chaperone activity
- Increased dopamine oxidation
- Mitochondrial dysfunction
- Oxidative stress
- Defective processing of alpha-syn
- Neuronal death

Ongoing phase I study:

- Healthy non-Japanese and Japanese subjects and in patients with Parkinson’s
- ~45 participants
- Primary endpoint: Number of patients with incidence of Treatment-Emergent Adverse Events (safety and tolerability) from dosing to Day 84
- Study initiated in July 2018

Modified based on Javed et al. CNS & Neurological Disorders - Drug Targets, 2016, Vol. 15, No. 10

1) NCT03611569
Lu AF28996: A potentially highly efficacious oral treatment for Parkinson’s patients experiencing motor fluctuations

- Lu AF28996 is highly potent agonist at the D₁- and D₂-type dopamine receptors
- D₁/D₂-type agonists are known to be highly efficacious even in the later stages of Parkinson’s, but the currently available agonist (apomorphine) cannot be delivered by oral route
- Parkinson’s disease (moderate to advanced) as adjunct to L-DOPA (or monotherapy pending data)

Ongoing phase I study¹:
- Single- and sequential-ascending-dose of Lu AF28996 to healthy young men
- ~20 participants
- Open-label study investigating the safety, tolerability and pharmacokinetic profile of Lu AF28996
- Study initiated in May 2018

¹) NCT03565094
Lu AG06466 in phase Ib study in neuropathic pain

MGLLii have shown to reduce pain in preclinical models of inflammatory, post-surgical, and neuropathic pain

Significant scientific evidence supports the use of exocannabinoids for the treatment of pain, including controlled clinical studies in patients with NP

MGLLii may offer significant therapeutic benefits over exocannabinoids, with potential for increased efficacy and a better safety profile

Neuropathic pain (NP)

† NP results from damage to the nervous system in the brain or spinal cord or in the peripheral nerves
† NP is a common and debilitating condition that may occur in 10% of Americans
† Current approved treatments for NP include gabapentinoids and antidepressants
† Beyond the lack of effective medications, many patients chronically use opioid drugs
† There is a pressing need for efficacious non-opioid therapies for NP

Ongoing phase I study¹:

† Designed to identify a titration regimen of Lu AG06466
† ~38 adult patients with peripheral neuropathic pain
† The efficacy of Lu AG06466 in treating neuropathic pain will be assessed by the change from baseline in pain intensity scores using numerical rating scale (NRS-11)
† Study initiated in Q4 2017

¹) NCT03447756. This study will enrol patients with peripheral neuropathic pain due to one of the four following diagnostic groups: post-herpetic neuralgia, diabetic peripheral neuropathy, small fiber neuropathy or post-traumatic neuropathic pain

Neuropathic pain (NP)

Outcomes:

- Efficacy: Change from baseline in pain intensity scores using numerical rating scale (NRS-11)
- Safety: Adverse events, changes in laboratory parameters

Study Design:

- Randomized, double-blind, placebo-controlled, parallel-group trial
- Eligible patients with neuropathic pain
- Titration regimen
- Study duration: 12 weeks

Inclusion Criteria:

- 18-75 years of age
- Diagnosed with neuropathic pain
- Able to orally administer study drug

Exclusion Criteria:

- Active or recent (within 6 months) cancer
- Known drug or alcohol abuse
- Contraindications to study drug

This study aims to evaluate the safety and efficacy of Lu AG06466 in the treatment of neuropathic pain, with the potential for increased efficacy and a better safety profile compared to current treatments.
Three new projects enter first-in-humans testing

Lu AF88434

- Lu AF88434 is a potent and selective phosphodiesterase PDE1b inhibitor (PDE1b-i)
- SAD study investigating the safety, tolerability, PK/PD properties of Lu AF88434
- N = ~66 participants
- PDE1 is highly expressed in brain regions involved in cognitive processing
- Potential cognitive enhancer – e.g. in schizophrenia and Alzheimer’s (AD)

1) Clinicaltrials.gov ID: NCT04082325

Lu AF87908

- Lu AF87908 is a humanized IgG1 Tau mAb
- SAD study in healthy subjects and AD patients
- N = ~100 participants
- Delay disease progression in AD or other tauopathies

2) NCT04149860
Immunoglobulin G1 (Ig) is types of antibodies (Ab)

Lu AG09222

- Lu AG09222 mAb inhibits pituitary adenylate cyclase-activating polypeptide (PACAP)
- N = ~100 participants
- PACAP is an important signalling molecule in the pathophysiology of migraine

1) Clinicaltrials.gov ID: NCT04082325
2) NCT04149860
Immunoglobulin G1 (Ig) is types of antibodies (Ab)
Potential to build a migraine franchise in the future with ALD1910 early-stage PACAP² inhibitor mAb

A differentiated approach to migraine prevention

- Highly potent and selective humanized PACAP binding antibody
- Preclinical data¹ indicate that PACAP² and CGRP³ have differentiated pharmacology with respect to migraine-associated symptoms
- Potential for mono-therapy in non-CGRP induced migraine or combination therapy with eptinezumab


¹) Loomis et al: Pharmacologic characterization of ALD1910, a potent humanized monoclonal antibody against the pituitary adenylate cyclase-activating peptide, JPET Fast Forward
²) Pituitary adenylate cyclase-activating peptide
³) Calcitonin gene-related peptide
Finance
Alder represents a compelling opportunity to deliver long term sustainable growth

Alder-related items impacting the 2019 guidance

- **Transaction costs:** Approximately DKK 200 million
- **Integration and retention costs:** DKK 400-500 million*
- **Lundbeck’s share of Alder’s net burn:** DKK 325-400 million
- Core EBIT only impacted by Alder’s operational costs

- Launch of eptinezumab will strengthen Lundbeck’s growth profile for years to come
- Short term earnings dilution from investments in LCM and launch activities
- U.S. sales force of around 100 people being established
- Several LCM activities being evaluated
- Patent protection until mid-2030’s
- Lundbeck’s balance sheet remains solid post transaction
Strong financial performance

- Strong growth for strategic brands of 29%
- Onfi decline of 69% in line with expectations
- Disciplined cost spend as OPEX up only 2.5%
- Financial performance leads to raised guidance

<table>
<thead>
<tr>
<th>DKKm</th>
<th>9M 2019</th>
<th>Δ% y/y</th>
<th>Q3 2019</th>
<th>Δ% y/y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12,615</td>
<td>(9%)</td>
<td>4,135</td>
<td>(11%)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>80.7%</td>
<td>-0.6pp</td>
<td>80.7%</td>
<td>-</td>
</tr>
<tr>
<td>Gross margin (core)</td>
<td>85.7%</td>
<td>-</td>
<td>85.9%</td>
<td>+0.9pp</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>6,862</td>
<td>2%</td>
<td>2,327</td>
<td>2%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>4,636</td>
<td>5%</td>
<td>1,598</td>
<td>8%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>2,226</td>
<td>(3%)</td>
<td>729</td>
<td>(11%)</td>
</tr>
<tr>
<td>Other operating items, net</td>
<td>-</td>
<td>-1)</td>
<td>-</td>
<td>-1)</td>
</tr>
<tr>
<td>EBIT</td>
<td>3,317</td>
<td>(26%)</td>
<td>1,012</td>
<td>(30%)</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>26.3%</td>
<td>-5.7pp</td>
<td>24.5%</td>
<td>-6.8pp</td>
</tr>
<tr>
<td>Core EBIT margin</td>
<td>31.8%</td>
<td>-5.7pp</td>
<td>31.0%</td>
<td>-4.6pp</td>
</tr>
<tr>
<td>Core EBIT</td>
<td>4,010</td>
<td>(23%)</td>
<td>1,281</td>
<td>(22%)</td>
</tr>
<tr>
<td>Tax rate</td>
<td>27%</td>
<td>-</td>
<td>27%</td>
<td>-</td>
</tr>
<tr>
<td>EPS</td>
<td>12.27</td>
<td>(25%)</td>
<td>3.78</td>
<td>(29%)</td>
</tr>
</tbody>
</table>

1) An expense of DKK 165 million in 9M 2018 and an expense of DKK 0 million in Q3 2018
Lundbeck’s financial guidance for 2019 raised

Continued strong growth for strategic brands

Expected negative impact from generic erosion

Effects from hedging is a loss of around DKK 300 million

OPEX from Alder and Abide# is included in guidance range

Net financial items of DKK -100 - 0 million expected in 2019

Unchanged currencies from mid-October 2019

### 2019 financial guidance

<table>
<thead>
<tr>
<th></th>
<th>2018 (DKKm)</th>
<th>Previous 2019e (DKKbn)</th>
<th>Revised 2019e (DKKbn)</th>
<th>−△% (y/y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>18,117</td>
<td>16.3 – 16.7</td>
<td>16.7 – 16.9</td>
<td>-8% – -7%</td>
</tr>
<tr>
<td>Core EBIT</td>
<td>6,158</td>
<td>4.6 – 5.0</td>
<td>4.8 – 5.1</td>
<td>-22% – -17%</td>
</tr>
<tr>
<td>Implied core EBIT margin</td>
<td>34.0%</td>
<td>~28% – 31%</td>
<td>~28 – 31%</td>
<td>-</td>
</tr>
<tr>
<td>EBIT</td>
<td>5,301</td>
<td>3.2 – 3.6</td>
<td>3.4 – 3.7</td>
<td>-36% – -30%</td>
</tr>
<tr>
<td>Implied EBIT margin</td>
<td>29.3%</td>
<td>~19% – 22%</td>
<td>~20% – 22%</td>
<td>-</td>
</tr>
<tr>
<td>Tax rate</td>
<td>26.1%</td>
<td>26% – 28%</td>
<td>26% – 28%</td>
<td>-</td>
</tr>
</tbody>
</table>

#) Now Lundbeck La Jolla Research Center
Solid financial position provides flexibility

- **Net cash flow:** Down DKK 1,326 million to DKK -632 million
- **FY 2019 cash flow** will be negatively impacted by:
  - Lower EBITDA
  - Acquisition of Abide and Alder
  - Dividend payout for 2018
  - Payment of DoJ settlement
- **Net debt:** Expected to reach DKK ~7 billion (USD ~1bn) by end-2019

### Net cash flow (Quarterly - DKKm)

- Q3.17
- Q3.18
- Q3.19
Europe and International Markets have returned to strong dynamic growth

☆ Strong improvement in both growth and profitability in Europe

☆ International Markets shows solid growth driven by Australia, Japan, Korea and South East Asia

☆ North America impacted by generic erosion, mainly Onfi

☆ Largest markets are the U.S., China, Canada, Spain, Italy, France and Japan constituting >70% of sales#

Regional growth (9M 2019 - DKKm)

Sales by region# (9M 2019)

-1500 -1000 -500 0 500

North America
International Markets
Europe

20% 56% 24%

North America
International Markets
Europe

#) Excluding Other revenue and effects from hedging
9M 2019: Continued strong growth from strategic brands and negative impact from generic erosion on mature products as expected

- **Revenue**: Down 9% (9% in L.C.) to DKK 12.6 billion
- **Performance driven by strategic brands mitigating effect from generics**
- **Other revenue**: Down 7% to DKK 433 million
- **Effects from hedging**: Loss of DKK 194 million
- **Core EBIT margin**: 31.8% vs. 37.5% in 9M 2018 following generic erosion of Onfi
Cash flow impacted by acquisition of Abide, DoJ payment and higher dividend pay-out

- **Cash flow from operating activities:** Declined 52% and reached DKK 2,215 million in 9M 2019 following negative impact from working capital.
- **Working capital:** Payment of DoJ settlement and quarterly fluctuations in short-term liabilities.
- **Financing activities:** Dividend pay-out increased from DKK 1.6 billion to DKK 2.4 billion.
- **Net cash outflow:** DKK 632 million vs. an inflow of DKK 694 million last year.

### Operating cash flow (Quarterly - DKKm)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>1.200</td>
<td>1.600</td>
<td>2.000</td>
</tr>
<tr>
<td>Q2</td>
<td>1.600</td>
<td>1.200</td>
<td>0</td>
</tr>
<tr>
<td>Q3</td>
<td>0</td>
<td>400</td>
<td>800</td>
</tr>
<tr>
<td>Q4</td>
<td>400</td>
<td>800</td>
<td>1,200</td>
</tr>
</tbody>
</table>

### Net cash flow (Quarterly - DKKm)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3.17</td>
<td>-1,600</td>
<td>-1,200</td>
<td>-800</td>
</tr>
<tr>
<td>Q3.18</td>
<td>-1,200</td>
<td>-800</td>
<td>0</td>
</tr>
<tr>
<td>Q3.19</td>
<td>-800</td>
<td>0</td>
<td>400</td>
</tr>
</tbody>
</table>
Core gross margin improved in Q3 2019 despite LOE on Onfi

- **Cost of Sales (core):** Down 10% to DKK 1,798 million in 9M 2019
- **Gross margin (core):** Unchanged from 9M 2018
- **Operational expenses (core OPEX):** Increased 2% to DKK 6,807 million in 9M 2019
Balance sheet is strong with limited debt and strong operating cash flow

- **Cash & cash equivalents:** Declines following the acquisition of Abide, increased dividend pay-out and payment of DoJ settlement
- **Working capital:** Declines DKK 1.1bn as short term payables decline (eg. DoJ payment)
- **Interest-bearing debt:** Higher due to recognition of lease liabilities cf. IFRS 16
- **Acquisition of Alder BioPharmaceuticals** will increase leverage
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 (delayed to H1 2020)
- Continue LCM activities on brexpiprazole ✔️
- 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

- Solid financial foundation
- Highly profitable with strong cash generation
- 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

Expand and Invest to Grow

- Maximize existing brands
- Expand operating space
- Rebuild pipeline
- Maintain focus on profitability
- We will enhance organizational agility and collaboration
Thank you!
Total molecule sales (gross) - USDm

- **Abilify Maintena**: US approval (Feb. 2013); EU approval (Nov. 2013)
- **Brintellix/Trintellix**: US approval (Oct. 2013); EU approval (Dec. 2013); Japan approval (Sep. 2019)
- **Rexulti**: US approval (Jul. 2015); EU approval (Jul. 2018); Japan approval (Jan. 2018 – NOT Lundbeck territory)

Source: IMS
Lundbeck’s strategic brands deliver strong double-digit revenue growth
Solid volume growth in the U.S. for all strategic brands

Source: Symphony Health (ref Bloomberg)
Onfi impacted negatively by introductions of generic clobazam

- Declined 69% (70% in L.C.) to DKK 840 million in 9M 2019
- Numerous generic tablets and oral suspensions launched from October 2018
- Aggressive generic pricing
- Generic versions have taken ~80% of volume since October 2018

Source: Symphony Health (cf. Bloomberg)
### 9M 2019 and FY 2018 - Product distribution of revenue

<table>
<thead>
<tr>
<th>DKKm</th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>9M 2019</th>
<th>9M 2018</th>
<th>Growth</th>
<th>Growth in local currencies</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abilify Maintena</td>
<td>1,595</td>
<td>1,333</td>
<td>1,457</td>
<td>1,180</td>
<td>23%</td>
<td>21%</td>
<td>12%</td>
</tr>
<tr>
<td>Brintellix/Trintellix</td>
<td>2,182</td>
<td>1,663</td>
<td>2,023</td>
<td>1,543</td>
<td>31%</td>
<td>28%</td>
<td>16%</td>
</tr>
<tr>
<td>Cipralex/Lexapro</td>
<td>2,257</td>
<td>2,392</td>
<td>1,809</td>
<td>1,894</td>
<td>(4%)</td>
<td>(5%)</td>
<td>14%</td>
</tr>
<tr>
<td>Northera</td>
<td>1,806</td>
<td>1,644</td>
<td>1,606</td>
<td>1,282</td>
<td>25%</td>
<td>18%</td>
<td>13%</td>
</tr>
<tr>
<td>Onfi</td>
<td>3,165</td>
<td>3,022</td>
<td>840</td>
<td>2,669</td>
<td>(69%)</td>
<td>(70%)</td>
<td>7%</td>
</tr>
<tr>
<td>Rexulti/Rxulti</td>
<td>1,723</td>
<td>1,247</td>
<td>1,620</td>
<td>1,204</td>
<td>35%</td>
<td>27%</td>
<td>13%</td>
</tr>
<tr>
<td>Sabril</td>
<td>1,342</td>
<td>1,509</td>
<td>643</td>
<td>983</td>
<td>(35%)</td>
<td>(39%)</td>
<td>5%</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>3,143</td>
<td>4,074</td>
<td>2,378</td>
<td>2,392</td>
<td>(1%)</td>
<td>(2%)</td>
<td>19%</td>
</tr>
<tr>
<td>Other revenue</td>
<td>662</td>
<td>402</td>
<td>433</td>
<td>466</td>
<td>(7%)</td>
<td>(7%)</td>
<td>3%</td>
</tr>
<tr>
<td>Effects from hedging</td>
<td>242</td>
<td>(52)</td>
<td>(194)</td>
<td>308</td>
<td>-</td>
<td>-</td>
<td>(2%)</td>
</tr>
<tr>
<td>Total revenue</td>
<td>18,117</td>
<td>17,234</td>
<td>12,615</td>
<td>13,921</td>
<td>(9%)</td>
<td>(9%)</td>
<td>100%</td>
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</table>
## Geographic distribution of revenue - 1

<table>
<thead>
<tr>
<th>Drug</th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>9M 2019</th>
<th>9M 2018</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>695</td>
<td>591</td>
<td>618</td>
<td>499</td>
<td>24%</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>Trintellix</td>
<td>1,239</td>
<td>974</td>
<td>1,103</td>
<td>853</td>
<td>29%</td>
<td>22%</td>
<td>16%</td>
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<tr>
<td>Northera</td>
<td>1,806</td>
<td>1,644</td>
<td>1,606</td>
<td>1,282</td>
<td>25%</td>
<td>18%</td>
<td>23%</td>
</tr>
<tr>
<td>Onfi</td>
<td>3,165</td>
<td>3,022</td>
<td>840</td>
<td>2,669</td>
<td>(69%)</td>
<td>(70%)</td>
<td>12%</td>
</tr>
<tr>
<td>Rexulti</td>
<td>1,702</td>
<td>1,245</td>
<td>1,585</td>
<td>1,193</td>
<td>33%</td>
<td>25%</td>
<td>23%</td>
</tr>
<tr>
<td>Sabril</td>
<td>1,342</td>
<td>1,509</td>
<td>643</td>
<td>983</td>
<td>(35%)</td>
<td>(39%)</td>
<td>9%</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>794</td>
<td>1,688</td>
<td>542</td>
<td>593</td>
<td>(8%)</td>
<td>(13%)</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>10,743</td>
<td>10,673</td>
<td>6,937</td>
<td>8,072</td>
<td>(14%)</td>
<td>(19%)</td>
<td>100%</td>
</tr>
</tbody>
</table>
9M 2019 and FY 2018 - Geographic distribution of revenue - 2

<table>
<thead>
<tr>
<th>DKKm</th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>9M 2019</th>
<th>9M 2018</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>770</td>
<td>637</td>
<td>715</td>
<td>587</td>
<td>22%</td>
<td>21%</td>
<td>30%</td>
</tr>
<tr>
<td>Brintellix</td>
<td>547</td>
<td>376</td>
<td>523</td>
<td>396</td>
<td>32%</td>
<td>31%</td>
<td>22%</td>
</tr>
<tr>
<td>Cipralex</td>
<td>572</td>
<td>643</td>
<td>422</td>
<td>467</td>
<td>(10%)</td>
<td>(10%)</td>
<td>17%</td>
</tr>
<tr>
<td>Rexulti/Rxulti</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>1,081</td>
<td>1,149</td>
<td>750</td>
<td>819</td>
<td>(8%)</td>
<td>(9%)</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>2,970</td>
<td>2,805</td>
<td>2,417</td>
<td>2,269</td>
<td>7%</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>130</td>
<td>105</td>
<td>124</td>
<td>94</td>
<td>32%</td>
<td>34%</td>
<td>4%</td>
</tr>
<tr>
<td>Brintellix</td>
<td>396</td>
<td>313</td>
<td>397</td>
<td>294</td>
<td>35%</td>
<td>39%</td>
<td>13%</td>
</tr>
<tr>
<td>Cipralex/Lexapro</td>
<td>1,552</td>
<td>1,582</td>
<td>1,283</td>
<td>1,324</td>
<td>(3%)</td>
<td>(4%)</td>
<td>42%</td>
</tr>
<tr>
<td>Rexulti</td>
<td>21</td>
<td>2</td>
<td>28</td>
<td>11</td>
<td>162%</td>
<td>160%</td>
<td>1%</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>1,401</td>
<td>1,404</td>
<td>1,190</td>
<td>1,083</td>
<td>10%</td>
<td>9%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>3,500</td>
<td>3,406</td>
<td>3,022</td>
<td>2,806</td>
<td>8%</td>
<td>8%</td>
<td>100%</td>
</tr>
</tbody>
</table>
# 9M 2019 and FY 2018 - Cash generation

<table>
<thead>
<tr>
<th>DKKm</th>
<th>9M 2019</th>
<th>9M 2018</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>2,215</td>
<td>4,575</td>
<td>5,981</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(398)</td>
<td>(2,298)</td>
<td>(2,907)</td>
</tr>
<tr>
<td><strong>Cash flows from operating and investing activities (free cash flow)</strong></td>
<td>1,817</td>
<td>2,277</td>
<td>3,074</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(2,449)</td>
<td>(1,583)</td>
<td>(1,607)</td>
</tr>
<tr>
<td><strong>Net cash flow for the period</strong></td>
<td>(632)</td>
<td>694</td>
<td>1,467</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>9M 2019</th>
<th>9M 2018</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, bank balances and securities, end of period</td>
<td>4,512</td>
<td>5,356</td>
<td>6,635</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>(488)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash/(net debt)</strong></td>
<td>4,024</td>
<td>5,356</td>
<td>6,635</td>
</tr>
</tbody>
</table>
### 9M 2019 and FY 2018 - Balance sheet and dividend

<table>
<thead>
<tr>
<th>DKKm</th>
<th>30.09.2019</th>
<th>31.12.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>9,962</td>
<td>8,023</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>3,706</td>
<td>3,339</td>
</tr>
<tr>
<td>Current assets</td>
<td>9,803</td>
<td>11,649</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>23,471</td>
<td>23,011</td>
</tr>
<tr>
<td>Equity</td>
<td>14,367</td>
<td>14,251</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,878</td>
<td>1,184</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>7,226</td>
<td>7,576</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td>23,471</td>
<td>23,011</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>2,975</td>
<td>3,605</td>
</tr>
<tr>
<td>Securities</td>
<td>1,537</td>
<td>3,030</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>(488)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Interest-bearing debt, cash, bank balances and securities, net, end of period</strong></td>
<td>4,024</td>
<td>6,635</td>
</tr>
</tbody>
</table>

#### Dividend (DKK)

- **Dividend payout of DKK 12.00 per share for 2018, corresponding to a payout ratio of 61%**
- A total of DKK 2.4 billion and a yield of 4.2%*
- **Dividend policy: Payout ratio of 30-60% from 2019**

*Based on the share price of DKK 285.40
## Costs – Full year figures

<table>
<thead>
<tr>
<th>DKKm</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2018 (∆ %)</th>
<th>2017 (∆ %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>18,117</td>
<td>17,234</td>
<td>15,634</td>
<td>14,594</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>3,456</td>
<td>3,881</td>
<td>4,082</td>
<td>5,395</td>
<td>(11%)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Sales &amp; Distribution costs</td>
<td>5,277</td>
<td>5,649</td>
<td>5,488</td>
<td>6,706</td>
<td>(7%)</td>
<td>3%</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>762</td>
<td>833</td>
<td>805</td>
<td>1,160</td>
<td>(9%)</td>
<td>3%</td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>3,277</td>
<td>2,705</td>
<td>2,967</td>
<td>8,149</td>
<td>21%</td>
<td>(9%)</td>
</tr>
<tr>
<td>Total costs</td>
<td>12,772</td>
<td>13,068</td>
<td>13,342</td>
<td>21,410</td>
<td>(2%)</td>
<td>(2%)</td>
</tr>
<tr>
<td>EBIT</td>
<td>5,301</td>
<td>4,408</td>
<td>2,292</td>
<td>(6,816)</td>
<td>20%</td>
<td>92%</td>
</tr>
<tr>
<td>Core EBIT</td>
<td>6,158</td>
<td>5,115</td>
<td>3,477</td>
<td>847</td>
<td>20%</td>
<td>47%</td>
</tr>
</tbody>
</table>

|                         | 19%    | 23%    | 26%    | 37%    | -          | -          |
| Cost of sales          |        |        |        |        |            |            |
| Sales & Distribution costs | 29%    | 33%    | 35%    | 46%    | -          | -          |
| Administrative expenses | 4%     | 5%     | 5%     | 8%     | -          | -          |
| R&D costs              | 18%    | 16%    | 19%    | 56%    | -          | -          |
| EBIT margin            | 29%    | 26%    | 15%    | (47%)  | -          | -          |

Included are 1) Restructuring costs and impairment of product rights of around DKK 7bn. 2) Includes Other operating items, net
Financial terms and territory structure of the Otsuka alliance entered in November 2011

Milestone payments

<table>
<thead>
<tr>
<th>Milestone Type</th>
<th>Payment to:</th>
<th>Ability Maintena</th>
<th>Rexulti</th>
<th>Selincro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development milestones/upfront</td>
<td>USD 200m</td>
<td>USD 600m&lt;sup&gt;2&lt;/sup&gt;</td>
<td>EUR 105m*</td>
<td></td>
</tr>
<tr>
<td>Approval milestones</td>
<td>USD 275m&lt;sup&gt;1&lt;/sup&gt;</td>
<td>USD 300m&lt;sup&gt;2&lt;/sup&gt;</td>
<td>undisclosed</td>
<td></td>
</tr>
<tr>
<td>Sales milestones</td>
<td>Up to USD 425m depending on sales development</td>
<td>undisclosed</td>
<td></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>Region</th>
<th>Ability 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
For more information, please contact Investor Relations

- Listed on the Copenhagen Stock Exchange since 18 June 1999
- Deutsche Bank sponsored ADR programme listed on NASDAQ (U.S. OTC) effective from 18 May 2012
- For additional company information, please visit Lundbeck at: www.lundbeck.com

Number of shares: 199,136,725
Treasury shares: 366,019 (0.2%)
Insider holdings: 122,665 (0.06%)
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

Financial calendar
- FY 2019: 6 February 2020
- AGM: 24 March 2020
- Q1 2020: 12 May 2020
- 6M 2020: 13 August 2020
- 9M 2020: 3 November 2020

IR contact
- Palle Holm Olesen
  VP; Head of Investor Relations
  Mobile: +45 3083 2426
  palo@lundbeck.com or polesen3@bloomberg.net

Number of shares
Treasury shares
Insider holdings
Classes of shares
Restrictions
ISIN code
Ticker symbol
ADR programme
ADR symbol
Ratio
Financical calendar
IR contact