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Q2 2016 highlights

All key products continue the solid momentum

- Revenue increased by 3% to DKK 3.7 billion
- Key products grew 92% to DKK 1,550 million - represents 41% of revenue

Operational efficiencies well on track

- EBIT increased from DKK (4.8) billion in Q2 2015 to DKK 469 million this quarter
- EBIT-margin significantly improved to 12.5%

R&D: Continued progress

- Fast-track designation for idalopirdine and patient recruitment finalised

2016 financial guidance increased

- Lundbeck now expects revenue of DKK 14.6-15.0 billion and EBIT of DKK 1.5-1.7 billion for 2016
Q2 2016 revenue growth contributors

Revenue grew 3% y/y in Q2 2016

Continued strong growth for all key products

Sales performance negatively impacted by Azilect handback and Xenazine erosion
Key product sales of DKK 1,550 million – up 92% in Q2 2016

Sales increased 92% y/y in the second quarter

Limited FX impact

Key products constitute 41% of revenue vs 22% in Q2 2015

Solid growth momentum set to continue
Rexulti net sales reached DKK 193 million in Q2 2016

Strong sales for schizophrenia and major depressive disorder

Majority of Rx prescribed for major depression

~7.5% branded TRRx market share and ~9% branded NRx market share

Source: Bloomberg (week ending 12/8 2016)
Brintellix/Trintellix net sales of DKK 244 million – up 75% in Q2 2016

- Nation-wide DTC campaign commenced in the US
- Value market share ranges from 1-8.5% in countries outside the US
- As expected reimbursement was not granted in Germany

Source: Bloomberg (week ending 12/8 2016)
Abilify Maintena net sales of DKK 279 million – up 78% in Q2 2016

- Sales grew as planned in the US and the EU (local currency basis)
- Met primary endpoint in bipolar disorder phase III trial and plan to submit sNDA in H2 2016
- 10-16% value market share (LAI retail) in most markets

Lundbeck's share of revenue

LAI = Long-Acting Injectable anti-psychotics)
Onfi continues the solid growth momentum

- Sales of DKK 584 million – up 45% in Q2 2016
- Continued increased demand driven by increase in mg/Rx and higher volume (TRx)
Northera sales of DKK 250 million – up 136% in Q2 2016

- Growth primarily driven by increased milligram (mg) sold...
- ...driven by longer treatment period and higher mg/patient
R&D highlights

**Key achievements:**

**Idalopirdine**
- Fast-track designation by FDA
- The three 24-week studies have finalised patient recruitment

**Abilify Maintena**
- Submission for bipolar disorder on track for H2 2016

**Rexulti**
- sNDA filed for labeling update to include maintenance treatment
- The PDUFA date is 23 September 2016

**Brintellix/Trintellix**
- FDA regulatory dialogue ongoing

### Lundbeck’s development pipeline

<table>
<thead>
<tr>
<th>Disease areas</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alzheimer’s disease</td>
<td>Lu AF20513</td>
<td></td>
<td></td>
<td>Idalopirdine, Brexiprazole</td>
</tr>
<tr>
<td>Mood disorders</td>
<td>Brintellix, ADHD</td>
<td></td>
<td>Brexiprazole (EU)</td>
<td>Ability Maintena, BP</td>
</tr>
<tr>
<td>Parkinson’s disease</td>
<td>Lu AE04621</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schizophrenia</td>
<td>Lu AF35700</td>
<td>Brexiprazole (EU)</td>
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</tbody>
</table>
The idalopirdine STARSHINE, STARBEAM and STARBRIGHT studies are now fully recruited

- 933 patients began treatment
- On average, patients were diagnosed with Alzheimer’s 2.1 years prior to enrollment and treated with donepezil for 1.6 years
- Patients had a mean ADAS-cog total score of 26 and an MMSE of 18 at baseline
- Patients had a mean score of 56 on the ADCS-ADL scale
- Headline conclusions on pivotal studies due Q1 2017

Baseline Data from the Ongoing STARSHINE Study
(Poster #7842 presented at AAIC in Toronto, Canada; July 2016)

1) Alireza Atri, MD, PhD, Neli Boneva, MD, PhD, Jeffrey L. Cummings, MD, ScD, Lutz Frölich, MD, Pierre N. Tariot, MD and Kristian Windfeld, PhD: Idalopirdine, a 5-HT6 Antagonist in Phase III Development as Adjunctive Therapy to Cholinesterase Inhibitors in Patients with Mild-Moderate Alzheimer’s Disease: Baseline Data from the Ongoing Starshine Study. 2) Alzheimer’s Disease Consortium Study - Activities of Daily Living Inventory (ADCS-ADL)
Abilify Maintena met primary endpoint in study for the maintenance treatment of bipolar I disorder

- One of the most common causes of relapse in bipolar disorder is poor treatment adherence
- ~50% of patients being partially adherent or non-adherent to their treatment regimens
- Bipolar I disorder affects ~1% of the population in the US

Clinical programme*

- ~730 patients in placebo-controlled phase III 52-week study
- Primary efficacy endpoint of this trial is time to recurrence of any mood episode
- An open-label safety study (ATLAS) is ongoing recruiting ~755 patients
- Expected sNDA on track for H2 2016

*) NCT01567527 (Start: Aug. 2012); NCT01710709 (Start: Nov. 2012)
The solid operational performance continues

<table>
<thead>
<tr>
<th>DKKm</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>Variance</th>
<th>DKK</th>
<th>Local currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,751</td>
<td>3,629</td>
<td>3%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Key products</td>
<td>1,550</td>
<td>806</td>
<td>92%</td>
<td>96%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>469</td>
<td>(4,833)</td>
<td>12.5%</td>
<td>(133.2%)</td>
<td></td>
</tr>
<tr>
<td>EBIT margin</td>
<td>12.5%</td>
<td>(133.2%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>244</td>
<td>(994)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>1.18</td>
<td>(19.84)</td>
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</tbody>
</table>

- Limited currency impact
- Impact from loss of Azilect in Europe and generics mitigated by growth in key products
- EBIT positively impacted by effects from restructuring
- Core EBIT improved from DKK 135 million to DKK 726 million (Q2)…
- …Core EBIT-margin improved from 3.7% to 19.3%

<table>
<thead>
<tr>
<th>DKKm</th>
<th>H1 2016</th>
<th>H1 2015</th>
<th>Variance</th>
<th>DKK</th>
<th>Local currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7,521</td>
<td>7,192</td>
<td>5%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Key products</td>
<td>2,902</td>
<td>1,456</td>
<td>99%</td>
<td>99%</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>952</td>
<td>(4,865)</td>
<td>12.7%</td>
<td>(67.6%)</td>
<td></td>
</tr>
<tr>
<td>EBIT margin</td>
<td>12.7%</td>
<td>(67.6%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>418</td>
<td>(945)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>2.12</td>
<td>(20.26)</td>
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</tr>
</tbody>
</table>
Continued focus on cost

**Cost of sales (DKKm)**
- Q2 2015: 35%
- Q2 2016: 27%
- 18% decrease

**Sales and distribution (DKKm)**
- Q2 2015: 43%
- Q2 2016: 37%
- 12% decrease

**Administration (DKKm)**
- Q2 2015: 7%
- Q2 2016: 5%
- 27% decrease

**R&D (DKKm)**
- Q2 2015: 16%
- (Q2 2015 adjusted for impairment charges)
- Q2 2016: 18%
- 13% increase
Solid improvement in Lundbeck’s cash flow

<table>
<thead>
<tr>
<th>DKKm</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>435</td>
<td>(1,384)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>376</td>
<td>(1,384)</td>
</tr>
<tr>
<td>Net cash flow</td>
<td>50</td>
<td>(1,363)</td>
</tr>
<tr>
<td>Cash</td>
<td>1,436</td>
<td>1,787</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>(1,778)</td>
<td>(1,461)</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>2.2x</td>
<td>6.3x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DKKm</th>
<th>H1 2016</th>
<th>H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>792</td>
<td>(1,766)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>696</td>
<td>(1,802)</td>
</tr>
<tr>
<td>Net cash flow</td>
<td>22</td>
<td>(1,878)</td>
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<tr>
<td>Cash</td>
<td>1,436</td>
<td>1,787</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>(1,778)</td>
<td>(1,461)</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>1.1x</td>
<td>2.7x</td>
</tr>
</tbody>
</table>

**Cash flow drivers:**
- Strong improvement in profitability
- Improved working capital
- Provisions reduced by spend on restructuring
- Net interest-bearing debt expected to be around DKK 1 billion at year-end
### 2016 financial guidance increased

#### Financial guidance 2016

<table>
<thead>
<tr>
<th></th>
<th>Revised 2016 guidance*</th>
<th>Previous 2016 guidance</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>DKK 14.6-15.0bn</td>
<td>DKK 14.2-14.6bn</td>
</tr>
<tr>
<td>Reported EBIT</td>
<td>DKK 1.5-1.7bn</td>
<td>DKK 1.3-1.5bn</td>
</tr>
</tbody>
</table>

#### Revenue and profit drivers

- Continued growth in key products
- Cost savings from restructuring initiatives
- No acquisitions, milestones or up-front payments included in our 2016 targets