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H1 2016 highlights

Sales: All key products continue the solid momentum
- Revenue increased by 5% to DKK 7.5 billion
- Key products grew 99% to DKK 2.9 billion - represents 39% of revenue

EBIT: Operational efficiencies well on track
- EBIT increased from DKK (4.9) billion in H1 2015 to DKK 952 million this period
- EBIT-margin significantly improved to 12.7%

R&D: Continued progress in the second quarter
- 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
The US - the main driver of sales performance

- In the US, the strong uptake of key products more than mitigates the Xenazine erosion
- International markets show decent growth but is negatively impacted by Venezuela and Azilect handback
- Europe negatively impacted by Azilect handback and timing of market access
Revenue growth contributors

Revenue grew 3% and 5% y/y in Q2 and H1 2016, respectively.

Continued strong growth for all key products.

Sales performance negatively impacted by Azilect handback and Xenazine erosion.
Key product sales of DKK 2,902 million – up 99% in H1 2016

Sales increased 92% in Q2 reaching DKK 1,550 million

Limited FX impact

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

Solid growth momentum set to continue

Revenue split (H1)

USA 81%

Europe 12%

Int. market 7%
**Rexulti sales reached DKK 309 million in H1 2016**

- Sales reached DKK 193 million in Q2
- Strong sales for schizophrenia and major depressive disorder
- Majority of R<sub>x</sub> prescribed for major depression
- ~7.5% branded TR<sub>x</sub> market share and ~9% branded NR<sub>x</sub> market share

**Source:** Bloomberg (week ending 26/8 2016)

**Lundbeck’s share of revenue**
Brintellix/Trintellix sales of DKK 482 million – up 103% in H1 2016

- Sales reached DKK 244 million in Q2 – up 75%
- 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 26/8 2016)
Abilify Maintena sales of DKK 534 million – up 93% in H1 2016

- Sales reached DKK 279 million in Q2 – up 78%
- 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

LAI = Long-Acting Injectable anti-psychotics
Onfi sales of DKK 1,128 million – up 42% in H1 2016

Sales of DKK 584 million in Q2 – up 45%

Continued increased demand driven by increase in mg/Rx and higher volume (TRx)

Source: Bloomberg (week ending 26/8 2016)
Northera sales of DKK 449 million – up 203% in H1 2016

- Launched in September 2014
- Only chronic oral therapy treating root cause of symptomatic nOH
- Well documented safety and efficacy; marketed in Japan since 1989
- Good synergies with exciting neurology franchise
- 80,000-150,000 nOH patients in the US (MSA, PAF, PD only)

Northera sales (DKKm)

- Sales reached DKK 250 million in Q2 – up 136%
- Growth primarily driven by increased milligram (mg) sold...
- …driven by longer treatment period and higher mg/patient

1) Neurogenic Orthostatic Hypotension; 2) MSA=Multiple System Atrophy; PAF=Pure Autonomic Failure; PD=Parkinson’s Disease
## 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,…
- ✤ …and 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, Brexpiprazole</td>
</tr>
<tr>
<td>Mood disorders</td>
<td>Brintellix, ADHD</td>
<td>Brexpiprazole (EU)</td>
<td>Ability Maintena, BP</td>
<td></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>Brexpiprazole (EU)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Our path to category leadership

<table>
<thead>
<tr>
<th>Current products</th>
<th>Pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Depression</strong></td>
<td>Research projects</td>
</tr>
<tr>
<td>Cipralex, Brintellix, Rexulti</td>
<td></td>
</tr>
<tr>
<td><strong>Schizophrenia</strong></td>
<td>Lu AF35700</td>
</tr>
<tr>
<td>Saphris, Abilify, Maintena</td>
<td>Research projects</td>
</tr>
<tr>
<td><strong>Alzheimer’s</strong></td>
<td>Rexulti, Idalopirdine</td>
</tr>
<tr>
<td>Ebixa, Lu AF20513</td>
<td>Research projects</td>
</tr>
<tr>
<td><strong>Parkinson’s</strong></td>
<td>Research projects</td>
</tr>
<tr>
<td>Azilect, Northera</td>
<td>Early clinical projects</td>
</tr>
</tbody>
</table>
Idalopirdine addresses medical need for additional improvements in cognitive function in Alzheimer’s

**Differentiated profile**

- Additive/synergistic effect with donepezil
- Blockade of the 5-HT₆ receptor improves cognition through several pathways: stimulation of acetylcholine and glutamate activity, while reducing GABA activity
- Effect and benign tolerability profile established in phase II ²)
- Potentially first NCE to be approved for Alzheimer’s since 2003

**Clinical phase III programme**

- >2,500 mild-to-moderate Alzheimer’s patients
- Patients in the programme have been recruited
- Clinical study endpoints agreed with FDA and EMA
- Receptor occupancy data supports once-daily dosing and dose-range ¹)

**Phase III data: Q1 2017**

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 in 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, MD5, 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)
# The clinical phase III programme on idalopirdine

<table>
<thead>
<tr>
<th>NCT number</th>
<th>Design</th>
<th>Idalopirdine (mg/day)</th>
<th>Donepezil (mg/day)</th>
<th>Primary Endpoint Scale</th>
<th>No. of patients</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCT01955161 (STARSHINE)</td>
<td>24 weeks Randomized, DB, PBO, parallel-group, fixed-dose adjunctive treatment to donepezil</td>
<td>30 and 60mg (QD)</td>
<td>10</td>
<td>ADAS-cog (#)</td>
<td>~930</td>
<td>(Study start: 10/2013)</td>
</tr>
<tr>
<td>NCT02006641 (STARBEAM)</td>
<td>24 weeks Adj. to donepezil</td>
<td>10 and 30mg (QD)</td>
<td>10</td>
<td>ADAS-cog (#)</td>
<td>~850</td>
<td>(Study start: 02/2014)</td>
</tr>
<tr>
<td>NCT02006654 (STARBRIGHT)</td>
<td>24 weeks AChEIs</td>
<td>60 (or 30mg) (QD)</td>
<td>-</td>
<td>ADAS-cog (#)</td>
<td>~720</td>
<td>(Study start: 03/2014)</td>
</tr>
<tr>
<td>NCT02079246* (STAR Extension)</td>
<td>32 weeks Adj. to donepezil</td>
<td>60 (or 30mg) (QD)</td>
<td>10</td>
<td>AEs Withdrawals</td>
<td>1,770</td>
<td>(Study start: 04/2014)</td>
</tr>
<tr>
<td>NCT01019421 (phase II)</td>
<td>24 weeks Adj. to donepezil</td>
<td>90mg (TID)</td>
<td>10</td>
<td>ADAS-cog</td>
<td>278</td>
<td>(Study start: 12/2009)</td>
</tr>
<tr>
<td>NCT00810667 (phase II)</td>
<td>12 weeks Adj. to risperidone</td>
<td>120mg (BID)</td>
<td>-</td>
<td>PANSS</td>
<td>124</td>
<td>(schizophrenia)</td>
</tr>
</tbody>
</table>

DB: double-blind; PBO: placebo-controlled

*) Patients that conclude STARSHINE or STARBEAM can be included in a long-term open label study - NCT02079246. #) Both Activities of Daily Living Inventory (ADCS-ADL23) total score and Clinical Global Impression of Change (ADCS-CGIC) score included as secondary endpoints
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)
No drugs so far approved for agitation/aggression in Alzheimer’s which remains a high unmet need

The condition

- >20% of individuals in a community setting and >50% of nursing home residents with dementia have agitation
- >1.5 million dementia patients in the US with agitation/aggression
- Agitation in Alzheimer’s is associated with increased caregiver burden, decreased functioning and earlier nursing home placement

The studies

<table>
<thead>
<tr>
<th>Study #1 (12 weeks) (NCT01922258)</th>
<th>Study #2 (12 weeks) (NCT01862640)</th>
</tr>
</thead>
<tbody>
<tr>
<td>~230 patients</td>
<td>~420 patients</td>
</tr>
<tr>
<td>0.5-2mg (flexible dose)</td>
<td>1mg and 2 mg</td>
</tr>
<tr>
<td>Study start: June 2013</td>
<td>Study start : July 2013</td>
</tr>
</tbody>
</table>

Clinical programme

- Target population: Institutionalized or non-institutionalized setting
- Primary outcome: Change in the Cohen-Mansfield Agitation Inventory (CMAI) total score
- Headline conclusions due in H1 2018
Lu AF35700 in Treatment Resistant Schizophrenia (TRS)

**The condition**
- Psychiatrists readily recognize the term ‘Treatment Resistant Schizophrenia’
- TRS is an inability to control symptoms of schizophrenia after a full round of two to three antipsychotics
- Around 1/3 of schizophrenia patients is treatment resistant

**The molecule**
- Unique mode of action. In contrast to current treatment, antipsychotic effect at low $D_2$ blockade
- Combined $D_1/D_2$ and 5-HT$_6$ profile gives good activity combined with a benign tolerability profile
- Very long half-life leads to significantly reduced risk of relapse

**Clinical programme**
- Four clinical studies have been conducted, three studies in healthy people and one in patients with schizophrenia*)
- The first study in the pivotal programme commenced in March 2016

*) Clinicaltrials.gov identifier: NCT02202226
Lu AF35700 study set-up in clinical phase III in Treatment Resistant Schizophrenia (TRS)

- Oral, once daily
- Approximately 1,000 patients
- Expected completion by 2018

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

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

Clinicaltrials.gov ID: NCT02717195
Brintellix – PoC study in adult patients with ADHD

The condition

- ~4% of the US adult population, or ~8 million adults suffer from ADHD
- Adults with ADHD may have:
  - difficulty following directions, remembering information, concentrating, organizing tasks,…
  - …which can cause associated behavioural, emotional, social, vocational, and academic problems

Brintellix in ADHD

- Preclinical data supports the effects of Brintellix on attention and executive function
- Clinical studies in MDD demonstrate positive effects on executive function and other domains of cognitive functions in patients with cognitive symptoms

Study design

- ~225 adult patients (18-55 years)
- Two active arms (10+20mg) and placebo, 12 weeks
- Primary endpoint: AISRS (Adult ADHD Investigator Symptom Rating Scale)
- Study completion by end 2016

1) http://www.webmd.com/add-adhd/guide/adhd-adults#2, 2) NCT02327013
Complete Response Letter for Brintellix/Trintellix sNDA received in March 2016

- FDA recognizes the importance of cognitive dysfunction in MDD and views it as a legitimate target for drug development

- We remain committed to Brintellix/Trintellix as a treatment option for patients with MDD

- In February 2016, FDA Psychopharmacologic Drugs Advisory Committee (PDAC) voted 8 to 2 that Takeda and Lundbeck presented substantial evidence to support a claim of effectiveness for Brintellix in treating certain aspects of cognitive dysfunction in adults with MDD

- Dialogue to address CRL is ongoing
The solid operational performance continues

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

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

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

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

**R&D (DKKm)**
- Q2 2015: 16%
- Q2 2016: 18%
- Increase: +13%
### 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>

### H1 2016 vs. H1 2015

<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>
</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>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>
</tr>
</thead>
<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
Long-term financial targets

- **EBIT margin**: 25%
- **ROIC**: 25%
- **Cash-to-earnings**: >90%
- **Dividend pay-out**: 30-40%
- **Net debt/EBITDA**: <2x

Targets within a 3-5 year period (2018-2020)

Financial policies

**ROIC**: EBIT after tax as a percentage of average invested capital.
**Cash-to-earnings**: Free cash flow as a percentage of net profits
Our strategic objectives...

Four disease areas
We will strive for leadership in the treatment of depression, schizophrenia, Parkinson’s disease and Alzheimer’s disease

Innovation
We will develop innovative treatments that address unmet patient needs

Globalization
We will expand and optimize our global organization

Profitability
We will grow our business with a strong focus on profitability

Organization
We will be a specialized company with strong cross-functional collaboration
Focus - focus - focus

- Depression
- Psychotic disorders
- Parkinson’s disease
- Alzheimer’s disease

- Increased therapeutic focus within CNS
- Organic development and global brands
- Country specific optimization in Europe
- Expand in regions of growth
- Profitability, cash generation and cash reallocation

1) While the Artist Louis Wain was developing a psychotic disorder, his perceptions of reality changed, at first subtly, and then more severely
Our chosen therapeutic categories all have large potentials

High unmet medical needs

<50% has satisfactory treatment outcome

Large market segments

USD ~50bn\(^1\)

- Antipsychotics: USD 23.9bn
- Depression: USD 15.8bn
- Alzheimer’s: USD 6.1bn
- Parkinson’s: USD 4.4bn

Substantial growth opportunities

Lundbeck’s revenue represents ~5% value share

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1) In 2014, IMS Health Analytics Link 2015.
Distribution of sales in the four key strategic areas

Distribution of WW sales according to IMS Health (2014)

- Depression: USD 23.9bn
- Anti-psychotics: USD 6.1bn
- Parkinson’s: USD 4.4bn
- Alzheimer’s: USD 15.8bn

Indicative distribution of Lundbeck’s 2015 revenue

- Depression: DKK 4.5bn
- Schizophrenia: DKK 1bn
- Parkinson’s: DKK 1.9bn
- Alzheimer’s: DKK 2bn
Market sizes of our four core therapeutic areas

**USA**
- Depressants: $6.6bn
- Psychotics: $14.1bn
- Alzheimer’s: $2.9bn
- Parkinson’s: $1bn

**Europe**
- Depressants: $4.1bn
- Psychotics: $4.8bn
- Alzheimer’s: $1.1bn
- Parkinson’s: $2bn

**Japan**
- Depressants: $1.1bn
- Psychotics: $1.5bn
- Alzheimer’s: $1.3bn
- Parkinson’s: $0.7bn

**China**
- Depressants: $0.4bn
- Psychotics: $0.5bn
- Alzheimer’s: $0.06bn
- Parkinson’s: $0.07bn

Source: IMS Health Analytics Link 2015 (Audited sales)
## 2014 - CNS market overview

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Value (USDbn)</td>
<td># of patients*</td>
<td>Compound</td>
</tr>
<tr>
<td></td>
<td>Value Growth</td>
<td>Volume Growth</td>
<td>Share value</td>
</tr>
<tr>
<td></td>
<td>Value Growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total pharma</td>
<td>927</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>+6%</td>
<td>+2%</td>
<td>-</td>
</tr>
<tr>
<td>Total CNS</td>
<td>134</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>+4%</td>
<td>+2%</td>
<td>-</td>
</tr>
<tr>
<td>Anti-Alzheimer’s (N7D)</td>
<td>6.1</td>
<td>&gt;7 million&lt;sup&gt;2&lt;/sup&gt;</td>
<td>1. Memantine 50%</td>
</tr>
<tr>
<td></td>
<td>-4%</td>
<td>+2%</td>
<td>2. Rivastigmine 22%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Donepezil 21%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Galantamine 7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti-depressants (N6A)</td>
<td>15.8</td>
<td>~40 million&lt;sup&gt;2&lt;/sup&gt;</td>
<td>1. Duloxetine 25%</td>
</tr>
<tr>
<td></td>
<td>-13%</td>
<td>+4%</td>
<td>2. Escitalopram 11%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Venlafaxine 8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Bupropion 8%</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti-Parkinson’s (N4A)</td>
<td>4.4</td>
<td>&gt;3 million&lt;sup&gt;2&lt;/sup&gt;</td>
<td>1. Levodopa 20%</td>
</tr>
<tr>
<td></td>
<td>+2%</td>
<td>+1%</td>
<td>2. Pramipexole 16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Rasagiline 15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Stalevo 10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Ropinirole 9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti-psychotics (N5A)</td>
<td>23.9</td>
<td>Approx 1% of global population</td>
<td>1. Aripiprazole 40%</td>
</tr>
<tr>
<td></td>
<td>+9%</td>
<td></td>
<td>2. Quetiapine 14%</td>
</tr>
<tr>
<td></td>
<td>+3%</td>
<td></td>
<td>3. Risperidone 9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Olanzapine 9%</td>
</tr>
</tbody>
</table>

Source: IMS Health Analytics Link 2015 (Audited sales), Growth, USD % y/y
Supply operations
Brintellix (vortioxetine, Lu AA21004)
Brintellix has a distinct pharmacological profile

With Brintellix our vision is to advance the treatment of depression so that patients not only **feel** but **think** and **do** better

- Efficacy in cognitive symptoms of depression
  - 3 studies with objective measures
  - European SmPC update to include clinical data on cognitive dysfunction in patients with depression
- Superior efficacy in patients with inadequate response to SSRIs / SNRIs vs. agomelatine
- Superior sexual dysfunction data vs. escitalopram
- Unique pharmacology supports unique clinical profile
Cognitive symptoms of depression are frequent and affect work productivity

Cognitive symptoms (difficulty concentrating, planning, decision making and forgetfulness) are very prevalent and have a direct impact at the workplace.1) During major depressive episodes

Percentage of patients with MDD experiencing work-related cognitive dysfunction.2)

2. Adelphi Neurosis DSP VIII, 2009
Newer products
Sabril – launched in Q3 2009 and reached DKK 604 million - up 28% in H1 2016

**Infantile spasms (IS):**
- ~2,500 patients/year in the US with IS
- Serious disease with substantial unmet medical need
  - 70-90% suffers from mental retardation, mortality of around 5%

**Refractory complex partial seizures (rCPS):**
- ~1 million patients in the US suffer from CPS
  - 30-36% of patients are refractory
- Poorly controlled by current therapies
- Uncontrolled seizures has ~40x higher risk of inflicting mortality

![Sabril sales (DKKm)](chart)
Otsuka collaborations (Rexulti and idalopirdine)
Financial terms and territory structure of the Otsuka alliance

- Co-development and co-commercialization agreements with Otsuka in November 2011
- Idalopirdine added to the alliance in March 2013
- Selincro for Japan added to the alliance in October 2013

### Milestone payments

<table>
<thead>
<tr>
<th></th>
<th>Ability Maintena</th>
<th>Rexulti</th>
<th>Idalopirdine</th>
<th>Selincro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development milestones/upfront</td>
<td>USD 200m</td>
<td>USD 600m&lt;sup&gt;3)&lt;/sup&gt;</td>
<td>USD 150m</td>
<td>EUR 105m*</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>USD 300m</td>
<td>undisclosed</td>
</tr>
<tr>
<td>Sales milestones</td>
<td>Up to USD 425m depending on sales development</td>
<td>Up to USD 375m depending</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.

### Lundbeck’s share of revenue and costs

<table>
<thead>
<tr>
<th></th>
<th>Ability Maintena</th>
<th>Rexulti</th>
<th>Idalopirdine</th>
<th>Selincro</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>20%</td>
<td>45%</td>
<td>55%</td>
<td>-</td>
</tr>
<tr>
<td>EU-5, Nordic and Canada</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>-</td>
</tr>
<tr>
<td>Other Lundbeck territories</td>
<td>65%**</td>
<td>65%**</td>
<td>~50%***</td>
<td>Un-disclosed</td>
</tr>
</tbody>
</table>

* Includes sales milestones  
** All regions except Asia, Turkey and Egypt  
*** All regions except Thailand and Vietnam
The long-acting injectables (atypicals) in schizophrenia – 2015 vs. 2014

Sales of atypicals in schizophrenia was USD 5.9bn in 2015, of which the LAIs constituted USD 2.4bn.

In volume 18.5% and 9.6% have been converted in EU and the US respectively.

The LAI market grew 13% and 17% y/y in volume and value, respectively.

Abilify Maintena's share increased from 6.7% to 15.6%.

Source: Decision Ressource (data is US and EU5)
LAI = Long-Acting Injectable anti-psychotics
The balance of Rexulti - a real opportunity to differentiate from existing treatments

**ACTIVATING SIDE EFFECTS:**
- Hyper-dopaminergic state
- Akathisia, agitation, anxiety, insomnia
- Aripiprazole – 25% akathisia¹)

**SEDATING SIDE EFFECTS:**
- Hypo-dopaminergic state
- Sedation, somnolence, fatigue, lethargy
- Quetiapine fumarate – 37% somnolence²)

In the US, two antipsychotics are approved for adjunctive therapy in MDD

Mechanism of action: Novel D₂/D₃ receptor partial agonist; 5-HT₁A partial agonist; 5-HT₂A antagonist

¹) Abilify prescribing information. ²) Seroquel XR prescribing information
Through its favourable benefit/risk profile Rexulti offers improved value in depression and schizophrenia

- Rexulti is a **rationally designed** serotonin-dopamine activity modulator (SDAM) \(^1\)

- Rexulti **significantly improves** symptoms of depression and schizophrenia

- Rexulti has low levels of side effects that can impair patients’ **functioning**

- Rexulti has an excellent and **predictable** tolerability and safety profile

---

1) Kenji Maeda et al: “In Vitro Pharmacological Profile of Brexpiprazole, a Novel Serotonin-Dopamine Activity Modulator (APA 2014 Poster)
Through its favourable benefit/risk profile adjunctive Rexulti offers improved value in depression

✦ Early optimization of treatment is critical in case of inadequate response to treatment

✦ Adjunctive Rexulti significantly improves symptoms of depression

✦ Currently available antipsychotics are associated with tolerability concerns

✦ Rexulti has low levels of side effects that can impair patients’ functioning
Through its favourable benefit/risk profile adjunctive Rexulti offers improved value in schizophrenia

- Second-generation antipsychotics have tolerability and safety issues
- Rexulti has efficacy in positive, negative and other functionally-impairing symptoms
- Symptom control without tolerability issues is required to maintain meaningful social interaction
- Rexulti has an excellent and predictable tolerability profile
Why could idalopirdine be a valuable new treatment in Alzheimer’s?

- Through blockade of 5-HT$_6$ receptors idalopirdine has a **different mode of action** compared to existing symptomatic treatments.

- Blocking this particular kind of serotonin receptors (5-HT$_6$ receptors) has beneficial effects on several neurotransmitter systems in the brain.

- Idalopirdine has demonstrated beneficial effects on **cognition** in animal models.

- Idalopirdine has demonstrated beneficial effects on cognition in **AD patients** on stable donepezil treatment.
Lu AF20513 – Anti-Aβ active vaccine concept; getting beyond symptomatic treatment

**Phase I study**
- 35 patients from centres in Europe
- Expected completion: mid-2017
- Patients with mild AD (MMSE 19-26)
- Four injections of Lu AF20513
- Purpose:
  - Evaluate safety and tolerability
  - Measure Aβ-specific antibody titter

**Wanted from study**
- Safe and tolerable:
  - Low level of ARIA-E and ARIA-H
  - No meningo-encephalitis
  - High antibody responder rate
  - Fast antibody response (< 6 months)
  - High affinity Aβ specific antibodies (for CNS clearance)

**Not wanted from study**
- Aβ specific T-cells
- High IgM over IgG ratio
- Very low responder rate

---

1) NCT02388152
2) Amyloid Related Imaging Abnormalities (ARIA): ARIA-E refers to the MR signal alterations thought to represent vasogenic edema (VE) and related extravasated fluid phenomena. ARIA-H refers to the MR signal alterations on attributable to microhemorrhages (mH) and hemosiderosis
Broad-based Alzheimer’s pipeline

★ Idalopirdine demonstrated positive phase II results as add-on to donepezil in moderate Alzheimer’s
★ Phase III commenced in October 2013

★ Rexulti in patients with agitation associated with dementia of the Alzheimer's type
★ Phase III commenced in July 2013

★ Lu AF20513 to be the next generation active vaccination with potential to modify disease progression
★ An active anti-Aβ vaccine candidate
★ Phase I commenced in Q1 2015
Finance & other
Ownership and the Lundbeck Foundation

Commercial foundation established in 1954 by Grete Lundbeck, widow of the founder

The main objective is to

- Maintain and expand the activities of the Lundbeck Group
- Provide financial support for research of the highest quality in biomedical and natural sciences

Ownership and value (2015):

- **Lundbeck** (70%): DKK 32,333m
- **ALK-Abello** (42%/69%): DKK 3,574m
- **Falck** (57%): DKK 3,422m
- **LundbeckFond Invest**: DKK 13,937m
- **Ventures & Emerge**: DKK 2,173m

Free float is 30%

Free float of approximately 60m shares is traded approximately once over annually

Composition of free float ownership (end 2015)

- Danish retail: 11%
- Institutional Danish: 5%
- Institutional, International: 11%
- Other, including non identified: 17%
- Institutional, North America: 55%

Diagram illustrating the composition of free float ownership.
Transformation of Lundbeck on the way

Revenue drivers in H1 2016
- Strong positive momentum for key products
- Strong growth in US franchise
- Negative impact from generic erosion

Operating profit (EBIT)
- Restructuring programme impacts with DKK 7bn in 2015
- Substantial investments in launch programme and late-stage pipeline
- Benefits from restructuring programme already visible
Lundbeck’s EBIT margin vs. long-term target

- Strong improvement in EBIT margin
- Margin benefits are coming faster than expected
- Strong margin improvement sustainable

**Continued margin improvements:**
- Effects from restructuring programme
- Growth in key products with higher margins
- Erosion of low-margin products such as Azilect and Xenazine
## Q2 2016 - Geographic distribution of revenue - 1

<table>
<thead>
<tr>
<th>DKKm</th>
<th>FY 2015</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>Growth</th>
<th>Growth in local currency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USA:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abilify Maintena</td>
<td>324</td>
<td>110</td>
<td>78</td>
<td>43%</td>
<td>47%</td>
</tr>
<tr>
<td>Brintellix/Trintellix</td>
<td>403</td>
<td>124</td>
<td>94</td>
<td>32%</td>
<td>34%</td>
</tr>
<tr>
<td>Northera</td>
<td>475</td>
<td>250</td>
<td>106</td>
<td>136%</td>
<td>143%</td>
</tr>
<tr>
<td>Onfi</td>
<td>1,757</td>
<td>584</td>
<td>403</td>
<td>45%</td>
<td>46%</td>
</tr>
<tr>
<td>Rexulti</td>
<td>117</td>
<td>193</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sabril</td>
<td>985</td>
<td>317</td>
<td>241</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td>Xenazine</td>
<td>2,182</td>
<td>375</td>
<td>612</td>
<td>(39%)</td>
<td>(38%)</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>110</td>
<td>41</td>
<td>13</td>
<td>205%</td>
<td>221%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>6,353</td>
<td>1,994</td>
<td>1,547</td>
<td>29%</td>
<td>30%</td>
</tr>
</tbody>
</table>
**Q2 2016 - Geographic distribution of revenue - 2**

<table>
<thead>
<tr>
<th>DKKm</th>
<th>FY 2015</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>Growth</th>
<th>Growth in local currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EUROPE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abilify Maintena</td>
<td>281</td>
<td>133</td>
<td>63</td>
<td>107%</td>
<td>109%</td>
</tr>
<tr>
<td>Brintellix</td>
<td>105</td>
<td>50</td>
<td>17</td>
<td>189%</td>
<td>181%</td>
</tr>
<tr>
<td>Cipralex</td>
<td>893</td>
<td>181</td>
<td>239</td>
<td>(24%)</td>
<td>(24%)</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>2,617</td>
<td>342</td>
<td>672</td>
<td>(49%)</td>
<td>(48%)</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>3,896</td>
<td>706</td>
<td>991</td>
<td>(29%)</td>
<td>(28%)</td>
</tr>
<tr>
<td><strong>INTERNATIONAL MARKETS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abilify Maintena</td>
<td>64</td>
<td>36</td>
<td>16</td>
<td>134%</td>
<td>148%</td>
</tr>
<tr>
<td>Azilect</td>
<td>175</td>
<td>28</td>
<td>39</td>
<td>(28%)</td>
<td>(22%)</td>
</tr>
<tr>
<td>Brintellix</td>
<td>121</td>
<td>70</td>
<td>29</td>
<td>149%</td>
<td>179%</td>
</tr>
<tr>
<td>Cipralex/Lexapro</td>
<td>1,698</td>
<td>402</td>
<td>432</td>
<td>(7%)</td>
<td>(15%)</td>
</tr>
<tr>
<td>Ebixa</td>
<td>576</td>
<td>120</td>
<td>141</td>
<td>(16%)</td>
<td>(7%)</td>
</tr>
<tr>
<td>Other pharmaceuticals</td>
<td>1,193</td>
<td>281</td>
<td>333</td>
<td>(16%)</td>
<td>(9%)</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>3,827</td>
<td>937</td>
<td>990</td>
<td>(5%)</td>
<td>(4%)</td>
</tr>
</tbody>
</table>
## Q2 2016 - Cash generation

<table>
<thead>
<tr>
<th>DKKm</th>
<th>Q2 2016</th>
<th>Q2 2015</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>435</td>
<td>(1,384)</td>
<td>197</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>(59)</td>
<td>-</td>
<td>(2,842)</td>
</tr>
<tr>
<td><strong>Cash flows from operating and investing activities</strong></td>
<td>376</td>
<td>(1,384)</td>
<td>(2,645)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(326)</td>
<td>21</td>
<td>501</td>
</tr>
<tr>
<td><strong>Net cash flow for the period</strong></td>
<td>50</td>
<td>(1,363)</td>
<td>(2,144)</td>
</tr>
<tr>
<td>Cash and bank balances, end of period</td>
<td>1,436</td>
<td>1,787</td>
<td>1,504</td>
</tr>
<tr>
<td>Securities</td>
<td>17</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>(3,231)</td>
<td>(3,266)</td>
<td>(3,770)</td>
</tr>
<tr>
<td><strong>Interest-bearing debt, cash, bank balances and securities, net end of year</strong></td>
<td>(1,778)</td>
<td>(1,461)</td>
<td>(2,249)</td>
</tr>
</tbody>
</table>
## Q2 2016 - Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>30.06.16</th>
<th>31.12.15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>9,127</td>
<td>9,794</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>3,884</td>
<td>3,871</td>
</tr>
<tr>
<td>Current assets</td>
<td>7,289</td>
<td>7,660</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>20,300</td>
<td>21,325</td>
</tr>
<tr>
<td>Equity</td>
<td>8,862</td>
<td>8,785</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>4,195</td>
<td>4,792</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>7,243</td>
<td>7,748</td>
</tr>
<tr>
<td><strong>Equity &amp; liabilities</strong></td>
<td>20,300</td>
<td>21,325</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>1,436</td>
<td>1,504</td>
</tr>
<tr>
<td>Securities</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Interest-bearing debt</td>
<td>(3,231)</td>
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</tr>
<tr>
<td><strong>Interest-bearing debt, cash, bank balances and securities, net end of year</strong></td>
<td>(1,778)</td>
<td>(2,249)</td>
</tr>
</tbody>
</table>
## Costs - yearly figures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>14,594</td>
<td>13,468</td>
<td>15,258</td>
<td>8%</td>
<td>(12%)</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>5,395</td>
<td>4,160</td>
<td>4,038</td>
<td>30%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Sales and distribution costs</strong></td>
<td>6,706</td>
<td>5,164</td>
<td>4,530</td>
<td>30%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td>1,160</td>
<td>1,134</td>
<td>2,140</td>
<td>2%</td>
<td>(47%)</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>8,149</td>
<td>2,911</td>
<td>2,951</td>
<td>180%</td>
<td>(1%)</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td>21,410</td>
<td>13,369</td>
<td>13,659</td>
<td>60%</td>
<td>(2%)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>(6,816)</td>
<td>99</td>
<td>1,599</td>
<td></td>
<td>(94%)</td>
</tr>
<tr>
<td><strong>Core EBIT</strong></td>
<td>847</td>
<td>1,228</td>
<td>2,282</td>
<td>(31%)</td>
<td>(46%)</td>
</tr>
</tbody>
</table>

**Cost of sales**

- 37%
- 31%
- 26%

**Sales and distribution costs**

- 46%
- 38%
- 31%

**Administrative expenses**

- 8%
- 8%
- 14%

**R&D**

- 56%
- 22%
- 19%

**EBIT-margin**

- (47%)
- 1%
- 10%

---

Included are 1) Restructuring costs of DKK 7bn. 2) writedown of desmoteplase of DKK 309m; 3) writedown of Sycrest of DKK 210m; 4) EU fine of DKK 700m and restructuring charge of DKK 200m.
For more information please contact Investor Relations

Share information

Lundbeck’s shares are listed on the stock exchange in Copenhagen under the symbol "LUN".

Lundbeck has a sponsored Level 1 ADR programme listed in the US (OTC) under the symbol "HLUYY".

For additional company information, please visit Lundbeck at: www.lundbeck.com

Contact information

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Mobile: +45 30 83 24 26
palo@lundbeck.com or polesen3@bloomberg.net
Thank you!