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H1 2019 highlights: Strong performance of strategic brands and executing on our *Expand and Invest to Grow* strategy

- **+27%**
  - **Strategic Brands**
    - +22% in local currencies
    - Strategic brands constitute 51% of revenue

- **+4%**
  - **International Markets**
    - +5% in local currencies
    - Strategic brands grew 35% and constitute 18% of revenue

- **+7%**
  - **Europe**
    - +7% in local currencies
    - Strategic brands grew 28% and constitute 50% of revenue

- **Solid cash position**
  - **Net cash**
    - DKK 2,820m (H1.19) vs. DKK 4,588m (H1.18)

- **Expand and Invest to Grow**
  - **Brexiprazole LCM**
    - Phase III: PTSD
    - Phase II: Borderline Personality Disorder (BPD)

- **Patients**
  - Best in class corporate reputation having been ranked #1 in the U.S. by *PatientView* for four consecutive years
Lundbeck’s four strategic brands* added DKK 0.9 billion in sales in H1 2019 compared to H1 2018

**Strategic brands***: Up 27% (22% in L.C.) to DKK 4,289 million representing 50% of revenue#

**Brintellix/Trintellix**: Up 30% to DKK 1,299 million

**Rexulti/Rxulti**: Up 37% to DKK 1,032 million

**Abilify Maintena**: Up 23% to DKK 951 million

**Northera**: Up 19% to DKK 1,007 million

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Strategic brands’ growth (H1 2019 - DKKm)

### Sales by product#

- Brintellix/Trintellix: 11%
- Rexulti/Rxulti: 15%
- Abilify Maintena: 12%
- Northera: 12%
- Rest: 50%

*) Abilify Maintena, Brintellix/Trintellix, Northera and Rexulti/Rxulti
#) Excluding effects from hedging
Brintellix/Trintellix continues consistent strong momentum

- Grew 30% (27% in L.C.) to DKK 1,299 million in H1 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 26% in Q2 2019
- Launch in China progresses as planned
- Approval in Japan expected in Q3
Rexulti shows significant growth driven by demand and roll-out in new markets continues

- Grew 37% (28% in L.C.) to DKK 1,032 million in H1 2019
- In the U.S., volume is up 26% in Q2
- Launched in North America, selected European markets and Australia, Mexico and Saudi Arabia
- Phase III programme in PTSD planned to start in Q4
- Phase II study in BPD planned to commence in Q4

**Rexulti sales**

(QQuarterly - DKKm)

- North America
- Other

**Rexulti sales**

(H1 - DKKm)

BPD: Borderline Personality Disorder

Lundbeck’s share of revenue

Lundbeck’s share of revenue
Abilify Maintena continues its solid growth

- Grew 23% (20% in L.C.) to DKK 951 million in H1 2019
- Largest markets are the U.S., Spain, Canada, Australia and France which in general also are the main drivers of growth
- Abilify Maintena is Lundbeck’s best selling product in Europe
- LAI market continues double-digit growth to USD 2.5bn (H1)
- Abilify Maintena’s share of the LAI market is 17% compared to 16% in FY2018

1) Reported net sales of atypical LAIs
**Northera shows solid growth in sales and demand**

- Grew 19% (11% in L.C.) to DKK 1,007 million in H1 2019
- Volume is up 24%
- In general, Northera sales are impacted by normal quarterly fluctuations driven by seasonality and in specialty pharmacies’ buying pattern

![Chart showing Northera sales and demand growth from Q2.17 to Q2.19](Source: Bloomberg)
North America – strategic brands up 26%

- Declined 14% (19% in L.C.) to DKK 4,562 million in H1 2019
- Impacted by generic introductions of clobazam in October 2018
- Excluding Onfi, sales up close to 12% in H1 2019
- Strategic brands# grew 26% to DKK 3,110 million and constituted 68% of revenue in H1 2019

North America revenue (H1 - DKKm)

North America – strategic brands (Quarterly – DKKm)

*) Abilify Maintena, Northera, Rexulti and Trintellix
International Markets - strategic brands up 35%

- Grew 4% (5% in. L.C.) to DKK 2,004 million in H1 2019
- Strategic brands# grew by 35% to DKK 356 million and constituted 18% of sales in H1 2019
- Rexulti increases from DKK 6 million to DKK 19 million
- Cipralex/Lexapro is down 10% to DKK 851 million
- Main markets are Brazil, China, Japan and South Korea
- Trintellix submitted in Japan

International Markets revenue (H1 - DKKm)

International Markets – strategic brands (DKKm)
Europe – strategic brands up 28%

- Grew 7% (7% in L.C.) to DKK 1,631 million in H1 2019
- Strategic brands# grew 28% to DKK 823 million and constituted 50% of sales in H1 2019
- Continued strong performance for both Abilify Maintena and Brintellix
- Largest markets are France, Italy and Spain

Europe revenue (H1 - DKKm)

Europe – strategic brands (Quarterly – DKKm)

*) Abilify Maintena, Rexulti/Rexulti and Brintellix
Solid profitability despite LOEs

- **Gross margin**: Down from 81.6% to 80.7% (H1)
- **SG&A ratio**: Up from 31.6% to 35.8%
- **R&D ratio**: Up from 15.8% to 17.7%
- **EBIT margin**: Down from 32.4% to 27.2%
- **Reported and core EBIT margin set to improve in the coming years**
- **EPS**: Down 23% from DKK 11.07 to DKK 8.48

<table>
<thead>
<tr>
<th>DKKm</th>
<th>H1 2019</th>
<th>Δ % y/y</th>
<th>Q2 2019</th>
<th>Δ % y/y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>8,480</td>
<td>(9%)</td>
<td>4,246</td>
<td>(10%)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>80.7%</td>
<td>-0.9pp</td>
<td>80.8%</td>
<td>-0.4pp</td>
</tr>
<tr>
<td>Gross margin (core)</td>
<td>85.7%</td>
<td>-0.3pp</td>
<td>85.8%</td>
<td>+0.4pp</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>4,535</td>
<td>3%</td>
<td>2,326</td>
<td>3%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>3,038</td>
<td>4%</td>
<td>1,577</td>
<td>5%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>1,497</td>
<td>2%</td>
<td>749</td>
<td>(2%)</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>2,305</td>
<td>(23%)</td>
<td>1,105</td>
<td>(18%)</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>27.2%</td>
<td>-5.2pp</td>
<td>26.0%</td>
<td>-2.7pp</td>
</tr>
<tr>
<td>Core EBIT margin</td>
<td>32.2%</td>
<td>-6.3pp</td>
<td>31.1%</td>
<td>-6.3pp</td>
</tr>
<tr>
<td>Core EBIT</td>
<td>2,729</td>
<td>(24%)</td>
<td>1,319</td>
<td>(25%)</td>
</tr>
<tr>
<td>Tax rate</td>
<td>27%</td>
<td>-</td>
<td>27%</td>
<td>-</td>
</tr>
<tr>
<td>EPS</td>
<td>8.48</td>
<td>(23%)</td>
<td>3.96</td>
<td>(21%)</td>
</tr>
</tbody>
</table>

1) An expense of DKK 165 million in H1 2018 and an expense of DKK 213 million in Q2 2018
Strong financial position provides flexibility to pursue further growth

- **Net cash flow:** Down DKK 2,280 million to DKK -1,864 million
- **Net debt/EBITDA:** -0.5x based on rolling four quarters
- FY 2019 cash flow will be negatively impacted by:
  - Lower EBITDA
  - High dividend payout
  - Acquisition of Abide
  - Payment of DoJ settlement
- Net cash expected to reach DKK 5-5.5 billion (USD ~0.8bn) in 2019
Lundbeck’s financial guidance for 2019 is maintained

- Continued growth for strategic brands
- Significant negative impact from generic erosion
- Effects from hedging is a loss of DKK 200-250 million
- OPEX from Abide is included in guidance range
- Net financial items of DKK ±50 million expected in 2019
- Unchanged currencies from end-June 2019

2019 financial guidance

<table>
<thead>
<tr>
<th></th>
<th>2018 (DKKm)</th>
<th>2019e (DKKbn)</th>
<th>~Δ% (y/y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>18,117</td>
<td>16.3 – 16.7</td>
<td>-10% – 8%</td>
</tr>
<tr>
<td>Core EBIT</td>
<td>6,158</td>
<td>5.0 – 5.4</td>
<td>-19% – 12%</td>
</tr>
<tr>
<td>Implied core EBIT margin</td>
<td>34.0%</td>
<td>-30% – 33%</td>
<td>-</td>
</tr>
<tr>
<td>EBIT</td>
<td>5,301</td>
<td>4.2 – 4.6</td>
<td>-21% – 13%</td>
</tr>
<tr>
<td>Implied EBIT margin</td>
<td>29.3%</td>
<td>-25% – 28%</td>
<td>-</td>
</tr>
<tr>
<td>Tax rate</td>
<td>26.1%</td>
<td>26% – 28%</td>
<td>-</td>
</tr>
</tbody>
</table>
Lundbeck La Jolla Research Center now established

- Transition to pure discovery site is completed
- ABX-1431 currently in phase IIa progressing as planned
  - Headline results due Q1 2020
- Strong progress of the early portfolio
  - FIH for next project expected in Q1 2020
Brexiprazole to enter a pivotal programme in PTSD during Q4 2019

**PTSD epidemiology**

- >8m – U.S. prevalence (2.5%-3.6%)\(^1,2\)
- ~3m – Severe (36.6%)\(^2\)
- ~1.8m – pharmacological treatment rate (~60%)\(^2\)

**PoC study* showed...**

- Combination of brexiprazole and sertraline demonstrated improvement in symptoms of PTSD versus placebo (p<0.01) on the primary endpoint (CAPS-5 total score\(^3\))
- The efficacy supported by multiple secondary endpoints
- The overall safety and tolerability of brexiprazole were good

**Planned pivotal programme:**

- End-of-phase-II meeting with FDA provide the basis for trial design
- 2-arm flexible dose
  - N=550 adult patients
- 3-arm fixed dose
  - N=700 adult patients
- Primary endpoint: CAPS-5\(^3\)
- Treatment period: 12 weeks
- Expected completion date: 2022

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1) *Nature Reviews Disease Primers*; Vol 1, 2015. 2) *National Institute of Mental Health*  
\(*) NCT03033069  
3) *Clinician-Administered PTSD Scale for DSM-5 (CAPS-5)*
Brexpiprazole to enter PoC study in Borderline Personality Disorder (BPD)

**BPD epidemiology**

- ~5m – U.S. prevalence (1.6%, but likely higher)¹
- ~2.4m – diagnosis rate (45%)
- ~1.7m – pharmacological treatment rate (~70%)²

**Borderline Personality Disorder (BPD)**

- Dysfunctions in the serotoninergic and dopaminergic systems is considered as possible causes for symptoms associated with BPD³
- Pharmacotherapy focuses on key symptoms (aggression, irritability, depressed mood, behavioural dyscontrol and affective dysregulation, anxiety, psychoticism and hostility) which brexpiprazole is hypothesized to address
- No drugs approved for BPD

**Planned PoC study:**

- 2-arm flexible dose
  - N=200 adult patients
  - Primary endpoint: ZAN-BPD⁴
- Secondary endpoint: CGI-S
- Flexible dose of 2-3 mg
- 12 weeks

**Ongoing IIT trial⁵**

- N=80
- 1-2 mg brexpiprazole
- Primary endpoint: ZAN-BPD#
- Expected completion date: April 2020

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² Bridler et al (2015) and Zanarini et al. (2004 and 2013)


⁴ Zanarini Rating Scale for Borderline Personality Disorder (ZAN-BPD)

⁵ NCT03418675. Sponsor: University of Chicago. Otsuka Pharmaceuticals is co-sponsor
Promising early-stage pipeline with efforts under way to ensure depth in all phases of development

<table>
<thead>
<tr>
<th>Project</th>
<th>Indication</th>
<th>Phase I</th>
<th>Phase II (PoC)</th>
<th>Phase III (pivotal)</th>
<th>Exp. filing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brexipiprazole</td>
<td>Agitation in Alzheimer’s disease</td>
<td></td>
<td></td>
<td></td>
<td>~2021</td>
</tr>
<tr>
<td>Brexipiprazole</td>
<td>PTSD</td>
<td></td>
<td></td>
<td></td>
<td>≥2024</td>
</tr>
<tr>
<td>Brexipiprazole</td>
<td>Borderline Personality Disorder</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>Foliglurax (MGLUR4 PAM)</td>
<td>Parkinson’s</td>
<td></td>
<td></td>
<td></td>
<td>~2025</td>
</tr>
<tr>
<td>Lu AF11167 (PDE 10 inhibitor)</td>
<td>Schizophrenia</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>ABX-1431 (MGLLi)</td>
<td>Tourette’s</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>Abilify Maintena 2-mth</td>
<td>Schizophrenia</td>
<td></td>
<td></td>
<td></td>
<td>~2020</td>
</tr>
<tr>
<td>Lu AF82422 (alpha-synuclein mAb)</td>
<td>Parkinson’s disease</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>Lu AF28996 (D1/D2 agonist)</td>
<td>Parkinson’s disease</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
<tr>
<td>ABX-1431 (MGLLi)</td>
<td>Neuropathic pain</td>
<td></td>
<td></td>
<td></td>
<td>≥2025</td>
</tr>
</tbody>
</table>

mGluR4 PAM: Positive Allosteric Modulator of metabotropic glutamate receptor 4.
PDE: Phosphodiesterases.
MGLLi: Monoacylglycerol lipase inhibitor
Selected deliverables

- Start PoC study on Lu AF11167 in schizophrenia ✔
- Commence the launch of Rxulti/Rexulti in Europe ✔
- Abide acquisition – acting in line with strategy ✔
- Pivotal data for Rexulti in bipolar mania ✗
- Continue LCM activities on brexipiprazole ✔
- Obtain approval of Trintellix in Japan (Q3)
- Achieve FIH in 1-2 R&D projects
- Headline results (PoC) for foliglurax in Parkinson’s (turn of the year)
- Continue to execute on *Expand and Invest to Grow*
Lundbeck continues its mission to restore brain health, leveraging a strong platform and heritage to grow

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