Corporate Release
Valby, Denmark, May 11, 2022

Quarterly corporate release for the period January 1 to March 31, 2022

Focus on strategic brands continues to ensure solid operational performance in Q1 2022

HIGHLIGHTS

First quarter of 2022 was strong. In aggregate, strategic brands grew 25% in the first quarter of 2022 reaching DKK 2,668 million or 61% of total revenue. Total revenue reached DKK 4,372 million in the quarter, an increase of 2%, as the quarter was impacted by lower revenue of Northera® following its loss of exclusivity in the first quarter of 2021 while also benefitting from appreciation of main currencies.

EBIT reached DKK 875 million compared to DKK 882 million for the first quarter of 2021. Core EPS reached DKK 4.67 for the first quarter of 2022 compared to a Core EPS of DKK 4.65 in 2021.

Strategic brand performance:

- Revenue of Brintellix®/Trintellix®: DKK 990 million (+23%).
- Revenue of Rexulti®/Rxulti®: DKK 831 million (+24%).
- Revenue of Abilify Maintena®: DKK 677 million (+16%).
- Revenue of Vyepti®: DKK 170 million (+124%).

Market performance:

- Revenue in the United States: DKK 1,918 million (down 1%).
- Revenue in International Markets: DKK 1,456 million (+16%).
- Revenue in Europe: DKK 1,022 million (+11%).

Outlook 2022 maintained

- Revenue expected at DKK 16.7 – 17.3 billion.
- Core EBIT expected at DKK 3.6 – 4.0 billion.
- EBIT expected at DKK 2.2 – 2.6 billion.

In connection with the quarterly corporate release, Lundbeck's President and CEO, Deborah Dunsire said:
"Lundbeck continues to deliver robust financial performance with its strong portfolio of brands. Vyepti is growing as the pandemic impact on face-to-face interactions diminishes. We are delighted with the new data from the VIVRE study comparing Brintellix/Trintellix to desvenlafaxine, further strengthening its profile as a great choice for people facing depression. Our pipeline continues to progress, and we look forward to important clinical data readouts from ongoing studies with Rexulti, Vyepti and our early-stage projects in the coming quarters."

Key figures:

DKK million	Q1 2022	Q1 2021	*Growth*
Core Revenue*	**4,372**	4,273	*2%*
Core EBIT*	**1,184**	1,253	*(6%)*
Core EPS* (DKK)	**4.67**	4.65	-
*Core EBIT margin**	**27.1%**	29.3%	
Reported Revenue	**4,372**	4,273	*2%*
Reported EBIT	**875**	882	*(1%)*
Reported EPS (DKK)	**2.07**	3.13	*(34%)*
Reported EBIT margin	**20.0%**	20.6%	

*For definition of the measures "Core Revenue", "Core EBIT", "Core EBIT margin" and "Core EPS", see note 4 *Core reporting*

The newest product in the portfolio, Vyepti, continues to grow, reaching DKK 170 million for the quarter compared to DKK 76 million in the first quarter of 2021. Following approval in several markets including EU, the global roll-out will increase pace in 2022. Vyepti has also been launched in Australia, Singapore and Switzerland now. All patients are enrolled in the *SUNLIGHT* phase III study within Chronic Migraine and Medication Overuse Headache in Asia, thus ensuring on-track headline results in the second half of 2022.

The last patients have been enrolled in the phase III study of brexpiprazole in patients facing Agitation in Alzheimer's Disease, thus on track for headline results by mid-2022.

The early-stage pipeline is also progressing as planned. The first subject was dosed in Single-Ascending Dose (SAD) phase I study with Lu AG22515 (CD40L inhibitor).

CONTENTS

FINANCIAL HIGHLIGHTS AND KEY FIGURES

	Q1 2022	Q1 2021	FY 2021
Financial highlights (DKK million)			
Core revenue	**4,372**	4,273	16,299
Core profit from operations (core EBIT)	**1,184**	1,253	3,517
Reported revenue	**4,372**	4,273	16,299
Operating profit before depreciation and amortization (EBITDA)	**1,290**	1,352	3,720
Reported profit from operations (EBIT)	**875**	882	2,010
Net financials, expenses	**347**	85	429
Profit before tax	**528**	797	1,581
Tax	**116**	176	263
Profit for the period	**412**	621	1,318
Equity	**18,446**	17,223	18,279
Assets	**35,071**	34,465	34,653
Cash flows from operating and investing activities (free cash flow)	**(1,368)**	24	1,662
Purchase of property, plant and equipment, gross	**56**	61	410
Key figures			
Core EBIT margin (%)	**27.1**	29.3	21.6
EBIT margin (%)	**20.0**	20.6	12.3
Return on equity (%)	**2.2**	3.6	7.5
Return on equity (%) – rolling four quarters	**6.2**	12.6	7.5
Net debt/EBITDA (x) – rolling four quarters	**1.4**	1.0	0.9
Share data			
Number of shares for the calculation of EPS (millions)	**198.7**	198.7	198.7
Number of shares for the calculation of DEPS (millions)	**198.7**	198.7	198.7
Earnings per share, basic (EPS) (DKK)	**2.07**	3.13	6.63
Earnings per share, diluted (DEPS) (DKK)	**2.07**	3.13	6.63
Other			
Number of employees (FTE) – end of period	**5,353**	5,551	5,348

MANAGEMENT REVIEW

Financial guidance and forward-looking statements

Financial guidance

DKK	FY 2021 actual	2022 guidance
Revenue	16,299 million	DKK 16.7 – 17.3 billion
EBITDA	3,720 million	DKK 4.0 – 4.4 billion
Core EBIT	3,517 million	DKK 3.6 – 4.0 billion
Profit from operations (EBIT)	2,010 million	DKK 2.2 – 2.6 billion

Lundbeck's financial guidance for 2022 is maintained and will be driven by the continued growth of Abilify Maintena, Brintellix/Trintellix, Rexulti/Rxulti and the strong growth of Vyepti.

The Russian war against Ukraine has had limited impact on Lundbeck's financial results for the first quarter. Lundbeck has ceased new investments and further accrual to clinical trials as well as diminished promotional activities in Russia. The situation increases uncertainty and Lundbeck continues to monitor any potential impact on an ongoing basis.

Lundbeck has foreign currency risk mainly in USD, CNY and CAD. The financial guidance for 2022 is based on the currencies prevailing by the end of the first quarter. The hedging rates for the main currencies, i.e., USD/DKK (6.36), CNY/DKK (0.98) and CAD/DKK (5.01) and the financial guidance includes an expected hedging loss of approximately DKK 330 million.

Based on the assumptions for product and geographical mix, it is estimated that a 5% change of the USD/DKK exchange rate will impact revenue by around DKK 200 million.

The current positive impact on product revenue from the appreciating currencies is offset by the negative hedging effect.

Lundbeck plans to launch Vyepti in around ten markets during 2022. Therefore, SG&A is expected to increase over the coming quarters.

The proposed A- and B-share structure

Lundbeck still expects that the proposed new share structure with A-shares and B-shares will be put forward by Lundbeck for approval by the shareholders at an extraordinary general meeting (EGM) to be held in the first half of June 2022. The notice for the EGM will be published no less than three weeks prior to the date of the EGM. The share split is expected to take effect two business days after approval at the EGM, without any need for the shareholders to subscribe for the shares. The proposed share split and admission to listing and trading of the two new share classes require publication of a listing document, which will be published prior to the EGM.

Exchange offer by the Lundbeck Foundation

As previously announced, the Lundbeck Foundation has informed Lundbeck, that the Lundbeck Foundation, subject to the Danish Financial Supervisory Authority's approval of the listing document (prospectus), will offer eligible shareholders a 1:1 exchange of their A-shares with the Lundbeck Foundation's B-shares to accommodate shareholders who prefer to hold B-shares. The Lundbeck Foundation has informed Lundbeck that it expects the exchange offer will be made shortly after the new A- and B-shares have been admitted to trading on Nasdaq Copenhagen, which is expected to be two business days after the anticipated adoption of the dual share structure at the EGM. The intended exchange offer will end approximately 20 business days after the admission to trading of the new shares and the offer period will thus be longer than the 14 days mentioned in the Lundbeck Foundation's press release from February 9, 2022.

None of the securities referred to herein have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction in the United States, and may not be offered, pledged, sold, delivered or otherwise transferred, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable other securities laws. There will not be any public offering of any of the securities in the United States.

Termination of U.S. ADR program

In consideration of the intention to split Lundbeck's shares into an A-share and a B-share following the EGM in June 2022, Lundbeck's American Depositary Receipt (ADR) program, currently managed by Deutsche Bank will be terminated following the required notice period. Deutsche Bank will alert the ADR holders directly.

Forward-looking statements

Forward-looking statements are subject to risks, uncertainties, and inaccurate assumptions. This may cause actual results to differ materially from expectations. Various factors may affect future results, including interest rates and exchange rate fluctuations, delay or failure of development projects, production problems, unexpected contract breaches or terminations, governance-mandated or market-driven price decreases for products, introduction of competing products, Lundbeck's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws, and unexpected growth in expenses.

Revenue

Revenue reached DKK 4,372 million in the first quarter of 2022 compared to DKK 4,273 million in the first quarter of 2021. Adjusted for the impact from Northera erosion, revenue grew by 9%. The strategic brands (Abilify Maintena, Brintellix/Trintellix, Rexulti/ Rxulti and Vyepti) grew 25% and reached DKK 2,668 million or 61% of total revenue. Lundbeck's biggest markets for the strategic brands are the U.S., Canada, Spain, Italy and France.

The growth in total sales is primarily a consequence of strong growth of the strategic brands and appreciation of main currencies which to some extent has been countered by generic erosion of Northera from February 2021. Lundbeck's biggest markets are the U.S., China, Canada, Italy, Spain and Japan.

Hedging

Lundbeck hedges a significant part of the currency risk for a period of 12 - 18 months. Hedging had a negative impact of DKK 89 million for the first quarter of 2022, compared to a positive impact of DKK 68 million for the first quarter of 2021.

Revenue - products and regions

DKK million	Q1 2022	Q1 2021	*Growth*	*Growth in local currencies*	Q4 2021
Brintellix/Trintellix	**990**	804	*23%*	*17%*	961
Rexulti	**831**	672	*24%*	*14%*	737
Abilify Maintena	**677**	584	*16%*	*11%*	610
Vyepti	**170**	76	*124%*	*105%*	164
Cipralex/Lexapro	**682**	666	*2%*	*1%*	511
Sabril	**152**	167	*(9%)*	*(16%)*	170
Onfi	**82**	146	*(44%)*	*(49%)*	123
Other pharmaceuticals	**812**	1,009	*(20%)*	*(24%)*	666
Other revenue	**65**	81	*(20%)*	*(21%)*	136
Effects from hedging	**(89)**	68			(25)
Total revenue	**4,372**	**4,273**	***2%***	***(1%)***	**4,053**
United States	**1,918**	1,947	*(1%)*	*(9%)*	1,948
International Markets	**1,456**	1,256	*16%*	*10%*	1,025
Europe	**1,022**	921	*11%*	*12%*	969

Products

Abilify Maintena (aripiprazole once-monthly injection) is approved for the treatment of schizophrenia in the EU and for both schizophrenia and bipolar I disorder in the U.S., Canada and Australia. Sales reached DKK 677 million representing a growth of 16%. The regional distribution of sales was 34%, 18% and 48% in the U.S., International Markets and Europe, respectively. The largest markets are the U.S., Spain, Canada, Australia and Italy.

Brintellix/Trintellix (vortioxetine) is Lundbeck's largest product and is approved for the treatment of major depressive disorder (MDD). Sales grew 23% and reached DKK 990 million. The regional distribution of sales was 35%, 34% and 31% in the U.S., International Markets and Europe, respectively. The largest markets for the product are the U.S., Canada, Spain, China and Brazil.

Rexulti/Rxulti (brexpiprazole) is Lundbeck's second largest product and is approved as an adjunctive therapy for the treatment of adults with MDD and as a treatment for adults with schizophrenia in markets such as the U.S., Canada and Saudi Arabia. In Australia and Europe, the product is approved for schizophrenia. Lundbeck's share of revenue reached DKK 831 million for the quarter representing a growth of 24%. The regional distribution of sales was 93%, 6% and 1% in the U.S., International Markets and Europe, respectively.

Vyepti (eptinezumab) is approved in around 40 markets including the U.S., Australia, Canada and Europe for the preventive treatment of migraine in adults. The product reached sales of DKK 170 million in the first quarter of 2022 mainly following strong demand. Vyepti was launched in April 2020 in the U.S. and it has since been launched in Australia, Kuwait, Singapore, Switzerland and U.A.E. During 2022, Vyepti is expected to be launched in around 10 markets including the first countries in EU.

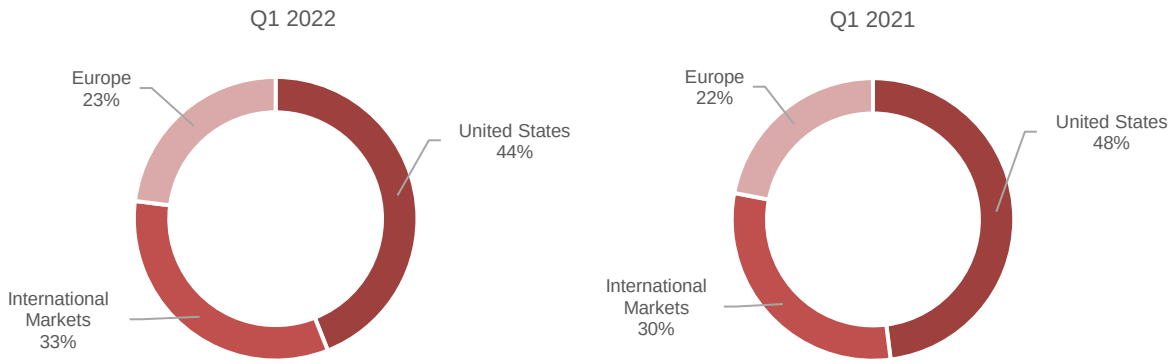
Cipralex®/Lexapro® (escitalopram) is approved for the treatment of MDD. Sales reached DKK 682 million. The regional distribution of sales was 75% and 25% in International Markets and Europe, respectively. The largest markets are Japan, China, Brazil, South Korea and Italy.

Revenue from **Other pharmaceuticals**, which comprise the remainder of Lundbeck's products, reached DKK 812 million compared to DKK 1,009 million in 2021 following lower sales of mature

products such as Northera. Northera lost exclusivity in February 2021 and is now reported together with Other pharmaceuticals. Sales reached DKK 111 million compared to DKK 348 million in 2021. The largest markets for Other pharmaceuticals are China, the U.S., France, South Korea and the UK.

Other revenue, which mainly consists of contract manufacturing, reached DKK 65 million compared to DKK 81 million in 2021. The decline in revenue is due to lower volumes for one of the third-party contracts.

Figure 1 – Revenue per region Q1 2022 vs Q1 2021 (excluding Other revenue and Effects from hedging)



United States

Revenue reached DKK 1,918 million in the first quarter of 2022 compared to DKK 1,947 million in 2021. The strategic brands increased by 24% and reached DKK 1,522 million or 79% of sales. The overall sales growth was significantly impacted by generic erosion of mature neurology products and especially Northera.

Revenue – United States

DKK million	Q1 2022	Q1 2021	*Growth*	*Growth in local currencies*	Q4 2021
Rexulti	**774**	636	*22%*	*12%*	693
Trintellix	**349**	317	*10%*	*1%*	399
Abilify Maintena	**232**	196	*18%*	*10%*	205
Vyepti	**167**	76	*120%*	*101%*	162
Sabril	**152**	167	*(9%)*	*(16%)*	170
Onfi	**82**	146	*(44%)*	*(49%)*	123
Other pharmaceuticals	**162**	409	*(60%)*	*(64%)*	196
Total revenue	**1,918**	**1,947**	***(1%)***	***(9%)***	**1,948**

Products

Abilify Maintena revenue reached DKK 232 million, representing Lundbeck's share of total net sales. Abilify Maintena has a stable volume market share of around 21% by January 2022 (source: IQVIA).

Trintellix sales reached DKK 349 million in revenue for Lundbeck representing a growth of 10%. The volume market share has been stable around 0.8% by January 2022 (source: IQVIA). The value market share of the total anti-depressant market has increased from 24.2% by January 2021 to 25.8% by January 2022 (source: IQVIA).

Lundbeck's share of **Rexulti** revenue reached DKK 774 million following a growth of 22%. Rexulti has a volume market share of 2.2% by January 2022, which is unchanged from January 2021 (source: IQVIA). Patient data suggest that more than 3/4 of prescriptions are for MDD. In December 2021, the U.S. Food and Drug Administration (FDA) approved the supplemental new drug application (sNDA) of Rexulti for the treatment of schizophrenia in pediatric patients 13 to 17 years of age.

Vyepti was approved by the U.S. Food and Drug Administration (FDA) on February 21, 2020, for the preventive treatment of migraine in adults. The product was made available on April 6, 2020 and reached sales of DKK 167 million in the first quarter of 2022 which is in line with expectations.

Sabril® reached DKK 152 million and **Onfi®** revenue reached DKK 82 million as Onfi was impacted by quarterly fluctuations. In Other pharmaceuticals, **Northera** sales reached DKK 111 million for the period following the launch of several generic versions in February 2021.

International Markets

Revenue from International Markets, which now also includes Canada (see note 1 *Accounting policies)* and therefore comprises all Lundbeck's markets outside of Europe and the U.S., reached DKK 1,456 million in the first quarter of 2022. The growth of 16% was driven by Rexulti and Brintellix. The biggest markets are China, Canada, Japan, Brazil and South Korea. China and Canada constitute approximately 40% of regional revenue. The strategic brands increased by 38% and reached DKK 507 million or 35% of sales.

Revenue – International Markets

DKK million	Q1 2022	Q1 2021	*Growth*	*Growth in local currencies*	Q4 2021
Brintellix	**340**	237	*43%*	*34%*	261
Abilify Maintena	**118**	100	*18%*	*12%*	113
Rexulti	**46**	31	*48%*	*42%*	38
Vyepti	**3**	-	-	-	2
Cipralex/Lexapro	**511**	504	*1%*	*(2%)*	346
Other pharmaceuticals	**438**	384	*14%*	*6%*	265
Total revenue	**1,456**	**1,256**	***16%***	***10%***	**1,025**

Products

Abilify Maintena reached DKK 118 million in revenue representing a growth of 18%. Sales are mainly derived from Australia and Canada, where Abilify Maintena shows robust sales performance in spite of pandemic-related restrictions last year. In Australia the volume share has reached 29.5% and in Canada it has reached 32.4% by January 2022 (source: IQVIA). Countries such as Kuwait, Saudi Arabia and United Arab Emirates (U.A.E.) also contributed positively.

Brintellix/Trintellix reached DKK 340 million in revenue or an increase of 43%. Brintellix realized solid growth across several markets including China, Canada, Brazil and Japan, but the growth is also impacted by quarterly fluctuations. Canada, China, Brazil, Japan and South Korea are the largest markets for Brintellix in the region. In Japan, Trintellix is showing a strong momentum and has reached a volume market share of 6.4% by March 2022 (source: IQVIA). Measured by volume market share, it is the highest market share achieved by the product in the main markets at this point of the launch. In China, Brintellix has a volume share of 0.24% (source: IQVIA). Brintellix is not included in the National Reimbursement Drug List (NRDL) in China and is not reimbursed.

Rexulti reached DKK 46 million in sales and grew by 48%. In International Markets, the product has its highest sales in Brazil followed by Canada. In

Australia, Rexulti has maintained a market share of around 2.3% in volume by January 2022 (source: IQVIA). In Brazil, Rexulti has now reached a volume share of 1.8% compared to 0.9% by January 2021 (source: IQVIA) and the majority of product growth in the region has come from Brazil during the quarter.

Vyepti was introduced in U.A.E. and in Kuwait in the second half of 2021. In the beginning of 2022, Vyepti has been launched in Singapore and Australia. Additional launches are planned for 2022.

Cipralex/Lexapro generated revenue of DKK 511 million representing a growth of 1% (down 2% in local currencies). Japan, China, Brazil, South Korea and Hong Kong are the largest markets for Cipralex/Lexapro in the region.

Other pharmaceuticals generated revenue of DKK 438 million. **Azilect** is promoted by Lundbeck in some countries in Asia. Azilect generated revenue of DKK 60 million with some inventory adjustments in China. **Ebixa** generated revenue of DKK 132 million, which is 10% higher compared to 2021.

Europe

Revenue reached DKK 1,022 million in the first quarter of 2022 compared to DKK 921 million in 2021. In general, Europe sees continued robust underlying demand offsetting a continuous negative average price development and continued generic erosion on the mature product portfolio. The strategic brands increased by 18% and reached DKK 639 million or 63% of sales. The largest markets in Europe are Spain, Italy, France, Switzerland and the UK.

Revenue – Europe

DKK million	Q1 2022	Q1 2021	*Growth*	*Growth in local currencies*	Q4 2021
Abilify Maintena	**327**	288	*14%*	*13%*	292
Brintellix	**301**	250	*20%*	*21%*	301
Rexulti/Rxulti	**11**	5	*120%*	*100%*	6
Cipralex	**171**	162	*6%*	*10%*	165
Other pharmaceuticals	**212**	216	*(2%)*	-	205
Total revenue	**1,022**	**921**	***11%***	***12%***	**969**

Products

Abilify Maintena is Lundbeck's largest product in the region. Sales uptake of Abilify Maintena is robust with revenue reaching DKK 327 million, a growth of 14% compared to 2021. In Europe, the penetration of long-acting atypical antipsychotics is generally higher than seen in the U.S. (volume). Driven by increasing demand from patients, sales of Abilify Maintena are growing across Europe and the product has achieved a 25% or more market share (volume) in most markets. In some markets, the volume market share is approaching or has exceeded 30% (source: IQVIA). Abilify Maintena is the second most prescribed long-acting injectable treatment for patients with schizophrenia in many markets. Spain, Italy and France are the largest European markets for Abilify Maintena.

Brintellix revenue grew 20% reaching DKK 301 million. Brintellix is Lundbeck's second largest product in Europe and realized solid growth across many markets. In main countries, Spain, Italy and France, the product has achieved value market shares of 10.9%, 10.1% and 11.4%, respectively by January 2022 (source: IQVIA). The volume shares have been stable around 3.8%, 3.8% and 3.5%, respectively (source: IQVIA). The solid growth in Europe has in some markets been weighted down by the COVID-19 dynamics; however, a strengthened uptake is observed in impacted markets as restrictions are removed.

Rexulti/Rxulti revenue reached DKK 11 million following a growth of 120%. The product was launched in Italy in 2021 where it has a volume share of 0.7% by January 2022 representing a slight

increase from August 2021 (source: IQVIA). Rexulti/Rxulti is in most markets co-promoted with Otsuka Pharmaceuticals.

Vyepti was granted marketing authorization in the European Union (EU) for the prophylactic treatment of migraine in adults who have at least four migraine days per month. The marketing authorization is valid in all EU Member States, Iceland, Norway and Liechtenstein. The formal EU approval means that the milestone for the Contingent Value Rights (CVRs) of USD 2 per share relating to the acquisition of Alder BioPharmaceuticals, Inc. in 2019 was met. The amount payable by Lundbeck to the CVR holders was totaling approximately USD 230 million (DKK ~1.5 billion) and was paid in the quarter. Additionally, Vyepti is now approved and launched in Switzerland. Lundbeck plans to launch in selected markets in the coming months.

Cipralex generated revenue of DKK 171 million. The product has been resilient and sees good growth in some countries but is also positively impacted by quarterly fluctuations in selected markets and stock build-up in selected markets.

Revenue from **Other pharmaceuticals** was DKK 212 million, a decline of 2% compared to 2021, as a result of continued generic erosion of mature products.

Expenses and profits

In the first quarter of 2022, total costs increased by 3% to DKK 3,497 million compared to DKK 3,391 million in 2021.

Adjusted for non-core costs, total costs increased by 6% to DKK 3,188 million mainly as a result of increased activity level post COVID-19 and launch preparation for Vyepti.

Distribution of costs

DKK million	Q1 2022	Q1 2021	*Growth*	Q4 2021
Cost of sales	**845**	946	*(11%)*	1,000
COS-ratio	***19.3%***	*22.1%*		*24.7%*
Sales and distribution costs	**1,435**	1,318	*9%*	1,782
S&D-ratio	***32.8%***	*30.8%*		*44.0%*
Administrative expenses	**236**	210	*12%*	270
G&A-ratio	***5.4%***	*4.9%*		*6.7%*
Research & development costs	**981**	917	*7%*	995
R&D-ratio	***22.4%***	*21.5%*		*24.5%*
Total costs	**3,497**	**3,391**	***3%***	**4,047**

Cost of sales declined by 11% to DKK 845 million in the first quarter of 2022 and the **gross margin** was 80.7% compared to 77.9% in 2021. Cost of sales was positively impacted by the loss of exclusivity on Northera, as the asset was fully depreciated during the first quarter of 2021, and, also by reduced royalty costs. Amortization of product rights was DKK 309 million for the quarter compared to DKK 371 million in 2021 due to Northera being fully amortized during the first quarter of 2021.

Sales and distribution costs were DKK 1,435 million, an increase of 9% compared to 2021 as the activity level is increasing for e.g. Vyepti launch preparation, following the COVID-19-related cost avoidance last year. Additionally, costs were slightly inflated by provisions made in the first quarter of 2022. Sales and distribution costs corresponded to 32.8% of revenue, compared to 30.8% in 2021.

Administrative expenses increased 12% to DKK 236 million, corresponding to 5.4% of total revenue.

SG&A costs were DKK 1,671 million compared to DKK 1,528 million in 2021. The SG&A ratio was 38.2%, compared to 35.8% in 2021 as activities were increased with the lifting of pandemic restrictions.

Research & development costs were DKK 981 million in the quarter with an R&D ratio of 22.4%. Compared to 2021, the R&D costs increased 7%.

Total **operational costs** (OPEX) reached DKK 2,652 million compared to DKK 2,445 million in 2021.

Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses, which are included in the individual expense categories, amounted to DKK 415 million in the first quarter of 2022 compared to DKK 470 million in 2021. Amortization of product rights was DKK 309 million compared to DKK 371 million in 2021.

Depreciation, amortization and impairment losses

DKK million	Q1 2022	Q1 2021	*Growth*	Q4 2021
Cost of sales	368	418	*(12%)*	374
Sales and distribution cost	23	23	-	24
Administrative expenses	4	5	*(20%)*	7
Research & development costs	20	24	*(17%)*	29
Total depreciation, amortization and impairment charges	**415**	**470**	***(12%)***	**434**

Profit from operations (EBIT and core EBIT)

Reported **EBIT** declined by 1% thereby reaching DKK 875 million. The **EBIT margin** reached 20.0% compared to 20.6% in 2021. **Core EBIT** declined by 6% to DKK 1,184 million compared to 2021 and **Core EBIT margin** was 27.1%. This development should be seen in the light of the expected increased activity level following the waning COVID-19 restrictions.

For definitions of the measures “Core Revenue”, “Core EBIT”, “Core EBIT margin” and “Core EPS”, see note 4 *Core reporting*.

Net financials, expenses

Lundbeck generated a net financial expense of DKK 347 million in the first quarter of 2022, compared to a net financial expense of DKK 85 million in 2021.

The expenses are primarily derived from the fair value adjustments on contingent consideration for the European Medicines Agency’s (EMA) approval of Vyepti amounting to DKK 319 million, along with interest costs on the debt portfolio (including interest rate swaps), and banking costs.

Tax

The effective tax rate for the first quarter of 2022 is 22.0%. The tax rate is negatively impacted by the non-deductible CVR payment regarding Vyepti EMA approval but offset by the Danish research & development incentive.

Profit and EPS

Profits reached DKK 412 million for the first quarter of 2022 compared to DKK 621 million in 2021, as a consequence of increased activity level. The reported net profit corresponded to an **EPS** of DKK 2.07 versus an EPS of DKK 3.13 in 2021. **Core EPS** reached DKK 4.67 in the first quarter of 2022, compared to a Core EPS of DKK 4.65 in 2021.

Cash flows

Cash flows from operating activities amounted to an outflow of DKK 205 million in the first quarter of 2022 compared to an inflow DKK 108 million in 2021. The development compared to 2021 primarily relates to the realized financial expense in connection with the payment of the contingent consideration for the EMA approval of Vyepti. The EMA approval of Vyepti triggered a payment to former Alder shareholders of USD 2/share. This resulted in a payment of DKK 1,566 million, consisting of DKK 490 million in operating activities and DKK 1,076 million in investing activities.

Lundbeck's **net cash flows from investing activities** were an outflow of DKK 1,163 million in the first quarter of 2022 compared to an outflow of DKK 84 million in first quarter of 2021. In 2022, the cash flow was driven by payment of contingent consideration related to the EMA approval of Vyepti. The cash flows from financing activities were an inflow of DKK 669 million in the first quarter of 2022 compared to an outflow of DKK 2,303 million in 2021. The cash inflow mainly related to the drawing on the RCF needed for the payment triggered by the EMA approval of Vyepti.

In the first quarter of 2022, **the net cash outflow** reached DKK 699 million compared to an outflow of DKK 2,279 million in 2021 which included repayment of DKK 2.0 billion loan. The net cash flow in 2022 is impacted by the EMA approval of Vyepti and the dividend payout of DKK 397 million which was approved at the Annual General Meeting in March 2022.

Net debt has increased from DKK 4,711 million at the end of first quarter 2021 to DKK 5,003 million the same period in 2022. **Interest bearing debt** was DKK 6,617 million at the end of the first quarter of 2022 compared to DKK 6,372 million at the end of the first quarter of 2021.

Selected cash flow figures

DKK million	Q1 2022	Q1 2021	Q4 2021
Profit from operations (EBIT)	**875**	**882**	**6**
Cash flows from operating activities	(205)	108	424
Cash flows from investing activities	(1,163)	(84)	(319)
Cash flows from operating and investing activities (free cash flow)	**(1,368)**	**24**	**105**
Cash flows from financing activities	669	(2,303)	(341)
Net cash flow for the period	**(699)**	**(2,279)**	**(236)**

Financial position

At 31 March 2022, Lundbeck's **total assets** amounted to DKK 35,071 million compared to DKK 34,653 million at the end of 2021.

At 31 March 2022, Lundbeck's **equity** amounted to DKK 18,446 million, corresponding to an **equity ratio** of 52.6% compared to 52.7% at the end of 2021.

Lundbeck's development portfolio

Lundbeck is developing several new and promising medicines for the treatment of brain diseases.

Pipeline developments are summarized below.

Project	Area	Phase I	Phase II	Phase III	Filing/ Launch
Hormonal / neuropeptide signaling:					
Eptinezumab (anti-CGRP)[1)]	Migraine prevention				*PROMISE 1 & 2*
	Migraine prevention (Asia)[2)]			*SUN-studies*	
	Episodic cluster headache			*ALLEVIATE*	
	Chronic cluster headache			*CHRONICLE*	
Lu AG09222 (anti-PACAP mAb)[3)]	Migraine prevention		*HOPE*		
Circuitry / neuronal biology:					
Brexpiprazole[4)]	Agitation in Alzheimer's disease				
	PTSD				
Aripiprazole 2-months injectable	Schizophrenia/bipolar I disorder			To be submitted mid-2022	
Lu AG06466[5)]	Focal epilepsy, MS spasticity[7)], PTSD				
Lu AF28996 (D_1/D_2 agonist)	Parkinson's disease				
Protein aggregation, folding and clearance:					
Lu AF82422 (anti-α-synuclein mAb)	Multiple system atrophy		*AMULET*		
Lu AF87908 (anti-Tau mAb)	Tauopathies				
Neuroinflammation / neuroimmunology:					
Lu AG22151 (CD40L inhibitor)	Neurology				

1) CGRP: Calcitonin gene-related peptide. 2) Three phase III clinical trials, supporting registration in Asia, including China and Japan: *SUNLIGHT*, *SUNRISE*, and *SUNSET* trials. 3) PACAP: Pituitary adenylate cyclase activating peptide. 4) Acts as a partial agonist at 5-HT_{1A} and dopamine D_2 receptors at similar potency, and an antagonist at 5-HT_{2A} and noradrenaline alpha$_{1B/2C}$ receptors. 5) Pivotal phase I study finalized; In mid-2022, Lundbeck and Otsuka Pharmaceutical are planning to submit the aripiprazole 2-month injectable formulation to the European Medicines Agency (EMA) for marketing authorization application (MAA) review and to submit the NDA for review by the U.S. FDA. 6) Monoacylglycerol lipase inhibitor ("MAGlipase"). 7) Spasticity in participants with Multiple Sclerosis.

Hormonal / neuropeptide signaling:

Eptinezumab - development and regulatory status

Eptinezumab is a monoclonal antibody (mAb) that binds to calcitonin gene-related peptide (CGRP), a neuropeptide believed to play a key role in mediating and initiating migraines, with high specificity and potency. Eptinezumab is administered as a 30-minute intravenous (IV) infusion every three months, providing immediate and complete bioavailability.

In February 2020, Vyepti (eptinezumab-jjmr) was approved by the U.S. Food and Drug Administration (FDA) as the first FDA-approved IV treatment for the treatment of migraine in adults. In January 2022, Lundbeck announced that the European Commission has granted marketing authorization for Vyepti in the European Union (EU) for the prophylactic treatment of migraine in adults who have at least four migraine days per month. The approval follows the positive opinion on November 11, 2021, from the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP). The EU marketing authorization is valid in all EU Member States, Iceland, Norway, and Liechtenstein.

Furthermore, Vyepti has been approved in U.A.E. (December 2020), in Canada (January 2021), in Kuwait (May 2021), in Australia (June 2021), in Singapore (September 2021), in Switzerland (October 2021), in Israel (December 2021), in Great Britain (January 2022), and in Brazil (February 2022).

Eptinezumab has been submitted for regulatory review in 12 additional markets: Argentina, Chile, Columbia, Indonesia, Hong Kong, Mexico, Philippines, Russia, Saudi Arabia, South Africa, Taiwan, and Thailand.

During 2021, Lundbeck initiated three phase III clinical trials, supporting registration in Asia, including China and Japan. The *SUNLIGHT* trial (NCT04772742) evaluates the efficacy of eptinezumab to prevent migraine and headache in patients with the combined diagnosis of chronic migraine and medication overuse headache. Patients are randomly allocated to placebo or eptinezumab

100 mg given by IV infusion (n=182). The total study duration is approximately 36 weeks and includes a Screening Period (28-30 days), a Placebo-controlled Period (12 weeks), an Open-Label Period (12 weeks), and a Safety Follow-up Period (8 weeks).

The *SUNLIGHT* study recently completed recruitment. The *SUNRISE* trial (NCT04921384) evaluates the efficacy of eptinezumab to prevent migraine and headache in patients with chronic migraine. Patients will be randomly allocated to placebo or two treatment groups: eptinezumab 100 mg or 300 mg given by IV infusion (n=513). The total study duration is either approximately 36 weeks, including screening period and safety follow-up; or 24 weeks for patients in Japan that enter a separate open label extension trial, the *SUNSET* trial (NCT05064371). The *SUNSET* study will enroll approximately 100 patients with a total study duration of approximately 68 weeks.

In December 2020, Lundbeck initiated a phase III clinical study investigating the efficacy of eptinezumab in patients with episodic cluster headache (*ALLEVIATE*). The study (NCT04688775) is planned to recruit around 300 patients that will be randomly assigned to receive treatment consisting of two infusions of either eptinezumab or placebo in a cross-over manner. The total duration of the study is 24 weeks, including a safety follow up period of 8 weeks. During 2021, Lundbeck further initiated a 1-year safety and tolerability trial in participants with chronic cluster headache (*CHRONICLE*). The study (NCT05064397) is planned to recruit around 125 patients.

In March 2022, Lundbeck initiated an explorative, randomized, pragmatic open label study to evaluate the comparative effectiveness of eptinezumab against other advanced preventive medications in a real-world community setting in adult participants with episodic or chronic migraine (*EVEC*, NCT05284019). The objectives include exploring the comparative effectiveness on patient reported outcomes. The study is planned to enroll 200 patients.

Lu AG09222 – phase II

Lu AG09222 represents a potential new therapeutic option for the treatment of migraine, which unlike the recently available calcitonin gene-related peptide (CGRP) migraine treatment drug class, targets pituitary adenylate cyclase-activating polypeptide (PACAP). PACAP and its receptors are broadly expressed in the nervous system, including at sites implicated in migraine pathophysiology. In pre-clinical and clinical studies in healthy subjects, Lu AG09222 has shown to bind with high affinity to PACAP, thereby preventing PACAP from activating its receptors.

In 2021, Lundbeck completed a study confirming the target engagement of Lu AG09222 with PACAP (NCT04976309). In this study, the preventive effect of Lu AG09222 on vasodilation induced by PACAP was investigated and confirmed. Subsequently, in November 2021, Lundbeck initiated the *HOPE*-study, a randomized, double-blind, phase II, proof of concept study to assess efficacy, safety, and tolerability of Lu AG09222 as a treatment for the prevention of migraine (NCT05133323). A total of 230 patients, recruited from specialist settings, will be randomly allocated to one of three treatment groups: high/low dose of Lu AG09222 or placebo. In parallel with this, in 2021, Lundbeck initiated a multiple dose safety, pharmacokinetic (PK) and pharmacodynamic (PD) trial in subjects with allergic rhinitis (NCT05126316) to explore effects of Lu AG09222 in patients with elevated, circulating inflammatory biomarkers. The study aims to enroll 36 participants to receive AG09222 high dose, low dose, or placebo.

Circuitry / neuronal biology:

Brexpiprazole – phase III in Alzheimer's agitation

In April 2021, Lundbeck and Otsuka Pharmaceutical announced the decision to continue the recruitment of patients in a third phase III clinical trial of brexpiprazole in the treatment of agitation in patients with dementia of the Alzheimer's type (NCT03548584). The decision to continue the trial is based on the results of an independent interim analysis, supporting to progress the trial to the planned full enrollment of 330 patients.

The study is designed to assess the safety, tolerability and efficacy of brexpiprazole in the treatment of patients with agitation in Alzheimer's dementia. The trial consists of a continuous 12-week double-blind treatment period with a 30-day follow-up. The trial population is planned to include 330 male and female patients, aged 55–90 years, with a diagnosis of probable Alzheimer's disease.

The continuation of the study enables Lundbeck and Otsuka to further explore the efficacy of brexpiprazole to address the high unmet medical need in patients suffering from agitation in Alzheimer's type dementia.

The study completed enrolment of all patients early 2022 and is on track for results readout mid-2022.

The primary outcome in the study is change in the Cohen-Mansfield Agitation Inventory (CMAI) Total score. The key secondary outcome measure is change in the Clinical Global Impression – Severity of Illness (CGI-S) score, as related to symptoms of agitation.

Brexpiprazole – phase III in Post-Traumatic Stress Disorder (PTSD)

PTSD is a psychiatric disorder that can develop as a response to traumatic events, such as interpersonal violence, combat, life-threatening accidents or natural disasters. Core features of PTSD include a variety of symptoms, such as re-experiencing phenomena (i.e., flashbacks and nightmares), avoidance behavior, numbing (i.e., amnesia, anhedonia, withdrawal, negativism) and increased arousal (i.e., insomnia, irritability, poor concentration, hypervigilance). Psychiatric co-morbidities are common, and PTSD sufferers can also present with substance abuse, mood and other anxiety disorders, impulsive and dangerous behavior, and self-harm.

Lundbeck and Otsuka Pharmaceutical reported positive phase II data for the combination treatment of brexpiprazole and sertraline for the treatment of PTSD in November 2018. On basis of these data, Lundbeck and Otsuka Pharmaceutical initiated two pivotal phase III trials (NCT04124614; n=577 and NCT04174170; n=733), investigating the use of brexpiprazole in combination with sertraline in the treatment of PTSD, subsequent to an End of Phase II meeting with the U.S. FDA in May 2019. The execution of those two ongoing studies is challenged by the COVID-19 pandemic, primarily impacting enrollment rates. Therefore, Lundbeck and Otsuka Pharmaceutical have been seeking phase III program advice from the U.S. FDA. At a Type C meeting, the proposal for how to address the slow enrollment rates was discussed with the FDA. Provided FDA accepts the proposal, headline results are expected within the next 12 months.

Aripiprazole – 2-Month Injectable (LAI) formulation

Dosing every second month can add important benefits in terms of convenience for the patients and may increase treatment adherence as well as minimizing risk of missing doses, and it may reduce the potential need for medication monitoring by healthcare professionals, family, and caregivers.

In July 2019, Lundbeck and Otsuka Pharmaceutical initiated a pivotal phase Ib study (NCT04030143) to determine the safety, tolerability, and pharmacokinetics of multiple-dose administrations of aripiprazole to adult participants with schizophrenia or bipolar I disorder. The study was an open-label, multiple-dose, randomized, parallel-arm, multicenter study. In addition to assessment of safety and tolerability, the objective was to establish the similarity of aripiprazole concentrations on the last day of the dosing interval and the exposure in the last dosing interval following the final administration of aripiprazole into the gluteal muscle site. The study showed that the new 2-month formulation, while being safe and tolerable, provided effective plasma concentrations of aripiprazole for two months.

No further clinical studies are expected to be required and as a next step the regulatory agencies in the U.S. and the EU will be approached. Scale-up of manufacturing capacity is progressing at Otsuka Pharmaceuticals with regulatory submission gated on completing build and validation of new manufacturing capacity at Otsuka. The new 2-month formulation is an innovative addition to the LAI franchise and has patent protection until the early part of the next decade.

Lundbeck and Otsuka Pharmaceutical are planning to submit the aripiprazole 2-month injectable formulation to the European Medicines Agency (EMA) for marketing authorization application (MAA) review by mid-2022. In addition, an NDA submission for review by the U.S. FDA is planned for mid-2022.

Lu AG06466 – phase Ib

Lu AG06466 (formerly ABX1431) is an inhibitor of the monoacylglycerol lipase (MAGL) and selective modulator of the endocannabinoid system, and thereby works to reduce excessive neurotransmission and neuroinflammation that are known pathophysiological hallmarks for a range of psychiatric and neurological disorders. A phase Ib study was initiated in September 2020 with the purpose to investigate the effect of Lu AG06466 after multiple doses in patients with PTSD (NCT04597450). Additional phase Ib investigational studies were initiated in multiple sclerosis spasticity in September 2021 (NCT04990219) and in treatment-resistant focal epilepsy in September 2021 (NCT05081518).

Lu AF28996 – phase I

Lu AF28996 is a small molecule with agonistic properties towards D1 and D2 receptors. Continuous D1 and D2 dopamine receptor stimulation may play an important role in motor control of Parkinson's disease patients. A Phase Ib study was initiated in February 2020 with the purpose to investigate the safety and tolerability as well as pharmacokinetics of Lu AF28996 in patients with Parkinson's disease (NCT04291859).

Protein aggregation, folding and clearance:

Lu AF82422 – phase II

Lu AF82422 is a monoclonal antibody (mAb) targeting the pathological form of the protein alpha-synuclein that is believed to play a pivotal role in the development and progression of multiple system atrophy (MSA), Parkinson's disease (PD), and other neurodegenerative diseases, such as synucleinopathies. By targeting pathological alpha-synuclein with an antibody that will inhibit aggregation and potentially clear pathological alpha-synuclein from the brain, the project aims to demonstrate delay of disease progression with a therapeutic effect on disease burden and function. Lu AF82422 has been demonstrated to be well-tolerated in a phase I single-ascending dose study, which was completed in July 2021. A phase II study (*AMULET*) was initiated in November 2021 (NCT05104476). The primary objective of the study is to evaluate the efficacy of Lu AF82422 versus placebo on disease progression in patients with MSA. Orphan drug designation for MSA was granted by EMA in April 2021.

Lu AF87908 – phase I

Lu AF87908 is a monoclonal antibody (mAb) targeting the pathological form of the hyper-phosphorylated tau protein, which is believed to play a pivotal role in the development and progression of Alzheimer's disease and other tau-driven neurodegenerative disorders (primary tauopathies). Lu AF87908 binds to a specific tau epitope (pS396-tau) which is a dominating phosphorylation site in pathological tau. A phase I program on Lu AF87908 was initiated in September 2019 to investigate the safety and tolerability as well as pharmacokinetics of a single dose of Lu AF87908, in healthy subjects and patients with Alzheimer's Disease (NCT04149860). Trial execution has been delayed as accrual of patients has been impacted by COVID-19.

Neuroinflammation / neuroimmunology:

In October 2021, Lundbeck acquired an exclusive license to Lu AG22515 (formerly APB-A1) from AprilBio Co. Ltd in South Korea. Lu AG22515 is a high-affinity human mAb that blocks the CD40L/CD40 pathway through direct neutralization of CD40L, thereby affecting adaptive and innate immune responses. Lu AG22515 holds strong promise in the treatment of a wide range of autoimmune-related CNS disorders and neurological diseases with autoreactive T-cells, B-cells and marked presence of autoantibodies and inflammation. An Investigational New Drug (IND) has been opened in the U.S., and a First in Human study (NCT05136053) testing single ascending doses of Lu AG22515 in healthy volunteers was initiated in March 2022.

Sustainability update

In the first quarter of 2022, the annual Employee Satisfaction Survey (ESS) was carried out. Since 2019 and throughout the pandemic we have had an impressive 94% response rate. Lundbeck continues to be a top-in-class workplace with results well in the top quartile across all parameters compared to benchmark companies. We had a high score of 77 in Satisfaction & Motivation, on a scale from 0-100 with scores over 75 being 'high' and saw improvements in scores on collaboration and the working environment.

Lundbeck has set a 2022 sustainability target within business ethics to improve the score on the ESS question: "*I am confident in raising an ethical or compliance concern*". The score remained high at 86.9 and increased slightly compared to 86.7 last year. We also maintain a high score on inclusion of 84. We continue to address Diversity and Inclusion (D&I) by working via several local and global D&I fora. A digital training program on unconscious bias has been completed in the first quarter by 90% of all employees globally. The remaining employees will complete the training in the second quarter of 2022, due to a staggered launch plan.

Sustainability Key Performance Indicators

Category	Q1 2022	Q1 2021	*Change (%)*
Number of employees (FTE)	**5,353**	5,551	*(3.6%)*
Scope 1 GHGs (Tone CO_2-e)	**5,618**	*6,458*	*(13%)*
Scope 2 GHGs – market based (Tone CO_2-e)	**1,317**	*1,982*	*(34%)*
Scope 1+2 GHGs (Tone CO_2-e)	**6,935**	8,440	*(18%)*
Energy consumption (MWh)	**32,248**	31,712	*1.6%*
Frequency of lost time accidents (Frequency)	**7.6**	7.9	*(3.4%)*
Work-related accidents with absence (Number)	**7**	7	*0%*
Compliance Hotline reports (Number)	**16**	9	*N.A.*
Due Diligence screenings of suppliers and third parties (Number)	**22**	34	*(35%)*

Note: See Lundbeck Sustainability Report 2021 for accounting principles and definitions. 2021 company car emission estimated based on annual emission. Compliance Hotline accounting policy has been updated to include multiple reports involving the same issues and out-of-scope reports to reflect the total number of cases received. Not comparable with Q1 2021.

Scope 1 and 2 emissions have decreased by 18%. This is partly due to the Danish power purchase agreement with renewable electricity supply to the two Danish sites and partly due to a 22% reduction in emissions from company cars. The reduction in emissions from cars can be explained by improved data quality, more efficient cars and a slight increase in the number of electric vehicles with lower CO2e emissions.

Energy consumption in the first quarter has increased by 0.8%, primarily due to cold weather conditions requiring more energy and the running of a new air purification system (Regenerative Thermal Oxidizer) at our site in Lumsås.

In the first quarter of 2022, the number of **work-related accidents** with absence is seven, which gives a frequency on 7.6 (target is 5.0). We do not see any trends in the types of accidents. None of the seven accidents are so-called high-consequence work-related accidents with absence that results in an injury from which the employee is not expected to recover fully to pre-injury health status within six months. Plans on decreasing the number of accidents on all production sites have been agreed, as well as global initiatives, and will be launched during 2022.

Sixteen (16) new **Compliance Hotline** cases were reported. Note that compared to 2021, the accounting policy has been updated to include multiple reports involving the same issues and out-of-scope reports to reflect the total number of cases received. A Due Diligence assessment of 22 potential Third Parties was conducted, which identified five potential cases where one of more issues will be mitigated and monitored if the collaboration agreement is executed.

General corporate matters

Pending legal proceedings and regulatory

Lundbeck is involved in a number of legal proceedings, including patent disputes, the most significant of which are described below. The outcome of these proceedings is not expected to have a material impact on the Group's financial position or cash flows beyond the amount already provided for in the financial statements, or it is too uncertain to make a reliable provision. Such proceedings will, however, develop over time, and new proceedings may occur which could have a material impact on the Group's financial position and/or cash flows.

In June 2013, Lundbeck received the European Commission's decision that agreements concluded with four generic competitors concerning citalopram violated competition law. The decision included fining Lundbeck EUR 93.8 million (approximately DKK 700 million). Lundbeck paid and expensed the fine in the third quarter of 2013. In March 2021 the European Court of Justice rejected Lundbeck's final appeal of the European Commission's decision. So-called "follow-on claims" for reimbursement of alleged losses, resulting from alleged violation of competition law, often arise when decisions and fines issued by the European Commission are upheld by the European Court of Justice. Health authorities in the UK and an umbrella organization of Dutch health insurance companies have taken formal protective steps against Lundbeck with the principal purpose of preventing potential claims from being time-barred under the applicable statutes of limitation. In September 2021, the UK proceedings were transferred from the High Court to the Competition Appeal Tribunal at the request of the parties. Lundbeck expects that the UK health authorities will now pursue their alleged claims. Further, in late October 2021, Lundbeck received a writ of summons from a German health care company claiming compensation for an alleged loss of profit plus interest payments, allegedly resulting from Lundbeck's conclusion of agreements with two of the four generic competitors, which were comprised by the EU Court of Justice ruling. Lundbeck is preparing its defense and it may take several years before a final conclusion is reached by the German courts. Finally, in March and April 2022 Lundbeck received letters from several of the regional health authorities in Spain specifically stating that they are intended to interrupt the statute of limitation. It is still uncertain whether the health authorities in Spain will actively pursue any claims. Lundbeck disagrees with all claims and intends to defend itself against them.

In Canada, Lundbeck is involved in three product liability class-action lawsuits relating to Cipralex/Celexa® (two cases alleging various Celexa-induced birth defects and one case against several SSRI manufacturers (incl. Lundbeck) alleging that SSRI (Celexa/Lexapro) induces autism birth defect), three relating to Abilify Maintena (alleging i.a. failure to warn about compulsive behavior side effects) and one relating to Rexulti (also alleging i.a. failure to warn about compulsive behavior side effects). The cases are in the preliminary stages and as such there is significant uncertainty as to how these lawsuits will be resolved. Lundbeck strongly disagrees with the claims raised.

In 2018, Lundbeck entered into settlements with three of four generic companies involved in an Australian federal court case, in which Lundbeck was pursuing patent infringement and damages claims over the sale of escitalopram products in Australia. Lundbeck received AUD 51.7 million (DKK 242 million) in 2018. In Lundbeck's case against the last of the four generic companies, Sandoz Pty Ltd, the Federal Court found

that Sandoz Pty Ltd had infringed Lundbeck's escitalopram patent between 2009 and 2012 and awarded Lundbeck AUD 26.3 million in damages. Sandoz' appeal of the decision was heard in May 2019 and the Full Federal Court has in August 2020 allowed Sandoz' appeal and decided that Sandoz is not liable for damages. The High Court of Australia has now allowed Lundbeck's appeal and overturned the Full Federal Court decision on all major issues. The case will be sent back to the Federal Court for recalculation of damages and Lundbeck's appeal of the Australian Patent Office's decision to grant Sandoz a license will be restarted.

Together with Takeda, Lundbeck instituted patent infringement proceedings against 16 generic companies in response to their filing of Abbreviated New Drug Applications ("ANDAs") with the U.S. FDA seeking to obtain marketing approval for generic versions of Trintellix in the U.S. Two opponents have since withdrawn and Lundbeck has settled with eight opponents. As communicated by Lundbeck in company release no. 706 dated October 1, 2021, the cases against the six remaining opponents (the "ANDA Filers") has been decided by the U.S. District Court for the District of Delaware (the 'Court'). The Court found that Lundbeck's patent protecting the active ingredient in Trintellix, vortioxetine (U.S. Patent No. 7,144,884) is valid. The active ingredient patent expires on June 17, 2026, with an expected six-month pediatric exclusivity period extending to December 17, 2026. Assuming the ruling is confirmed at appeal, final approval will not be granted to the relevant ANDA Filers until after expiration of the active ingredient patent, including any extension or additional periods of exclusivity. A total of seven other patents asserted at trial were found by the Court to be valid or their validity was not challenged during the trial. The Court decided that none of the seven other patents were infringed by the relevant ANDA Filers, except that Lupin was found to infringe a patent covering Lundbeck's process for manufacturing vortioxetine. Unless and until the Court's ruling is reversed on appeal, the patents found not infringed by a particular ANDA Filer will not prevent that ANDA Filer from receiving final approval. For details on each of the patents comprised by the case, please see the company release no. 706. The Court's decision has been appealed by Lundbeck to the U.S. Court of Appeals for the Federal Circuit. Lupin has appealed with respect to the process patent and the ANDA Filers have cross appealed with respect to the validity of two of the seven other patents.

Together with Otsuka Pharmaceutical, Lundbeck has instituted patent infringement proceedings against several generic companies that have applied for marketing authorization for generic versions of Rexulti in the U.S. Lundbeck has strong confidence in the Rexulti patents. The U.S. FDA cannot grant marketing authorization in the U.S. to the generic companies before the patents expire, unless the generic companies receive decisions in their favor. Trial is scheduled to begin on later in 2022. The compound patent, including patent term extensions, will expire in the U.S. on June 23, 2029. A patent for the specific formulation used will expire September 12, 2032.

Lundbeck received a Civil Investigative Demand ("CID") from the U.S. Department of Justice ("DOJ") in March 2020. The CID seeks information regarding the sales, marketing, and promotion of Trintellix. Lundbeck is cooperating with the DOJ.

In the U.S., Lundbeck is involved in three product liability lawsuits relating to Lexapro (alleging Lexapro induces birth defects). The cases are in the preliminary stages. Lexapro was marketed by Forest Labs. in the U.S. Lundbeck will vigorously defend against the claims raised.

Conference call

Today at 13.00 CET, Lundbeck will be hosting a conference call for the financial community. You can find dial-ins and a link for webcast online at www.lundbeck.com under the Investor section.

STATEMENT OF THE BOARD OF DIRECTORS AND THE REGISTERED EXECUTIVE MANAGEMENT

The Board of Directors and the Registered Executive Management have discussed and adopted the interim report of H. Lundbeck A/S for the period January 1 to March 31, 2022. The interim report is presented in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies.

We consider the accounting policies applied to be appropriate. Accordingly, the interim report gives a true and fair view of the Group's assets, liabilities and financial position as of March 31, 2022, and of the results of the Group's operations and cash flows for the period, which ended on March 31, 2022.

In our opinion, the Management's Review gives a true and fair view of activity developments, the Group's general financial position and the results for the period. It also gives a fair view of the significant risks and uncertainty factors that may affect the Group relative to the disclosures in the Annual Report 2021.

The interim report has not been subject to audit or reviewed by the company's independent auditors.

Valby, May 11, 2022

Registered Executive Management

Deborah Dunsire President and CEO	Lars Bang Executive Vice President, Product Development & Supply	Per Johan Luthman Executive Vice President, Research & Development	Jacob Tolstrup Executive Vice President, Commercial Operations

Board of Directors

Lars Søren Rasmussen Chairman of the Board	Lene Skole-Sørensen Deputy Chairman of the Board	Santiago Arroyo	Jeffrey Berkowitz
Lars Erik Holmqvist	Jeremy Max Levin	Ilse Dorothea Wenzel	
Hossein Armandi Employee representative	Dorte Clausen Employee representative	Lasse Skibsbye Employee representative	Camilla Gram Andersson Employee representative

CONDENSED FINANCIAL STATEMENTS

Statement of profit or loss

DKK million	Q1 2022	Q1 2021	FY 2021
Revenue	4,372	4,273	16,299
Cost of sales	845	946	3,648
Gross profit	**3,527**	**3,327**	**12,651**
Sales and distribution costs	1,435	1,318	5,885
Administrative expenses	236	210	933
Research and development costs	981	917	3,823
Profit from operations (EBIT)	**875**	**882**	**2,010**
Net financials, expenses	347	85	429
Profit before tax	**528**	**797**	**1,581**
Tax on profit for the period	116	176	263
Profit for the period	**412**	**621**	**1,318**
Earnings per share, basic (EPS) (DKK)	2.07	3.13	6.63
Earnings per share, diluted (DEPS) (DKK)	2.07	3.13	6.63

Statement of comprehensive income

DKK million	Q1 2022	Q1 2021	FY 2021
Profit for the period	**412**	**621**	**1,318**
Actuarial gains/losses	-	-	(1)
Tax	-	-	-
Items that will not be reclassified subsequently to profit or loss	**-**	**-**	**(1)**
Exchange rate gains/losses on investments in foreign subsidiaries	238	476	960
Exchange rate gains/losses on additions to net investments in foreign subsidiaries	(8)	(104)	(157)
Hedging of net investments in foreign subsidiaries	(26)	(90)	(127)
Deferred exchange gains/losses, hedging	(143)	(162)	(340)
Deferred fair value of interest rate swaps	25	4	63
Exchange gains/losses, hedging (transferred to the hedged items)	89	(68)	(53)
Tax	14	46	137
Items that may be reclassified subsequently to profit or loss	**189**	**102**	**483**
Other comprehensive income	**189**	**102**	**482**
Comprehensive income	**601**	**723**	**1,800**

Condensed statement of financial position

DKK million	31.03.2022	31.03.2021	31.12.2021
Assets			
Intangible assets	22,714	23,133	22,750
Property, plant and equipment	2,893	2,758	2,907
Other financial assets	54	82	57
Other receivables	160	119	134
Deferred tax assets	206	266	193
Non-current assets	**26,027**	**26,358**	**26,041**
Inventories	3,518	2,582	2,775
Receivables	3,912	3,864	3,558
Cash and bank balances	1,614	1,661	2,279
Current assets	**9,044**	**8,107**	**8,612**
Assets	**35,071**	**34,465**	**34,653**
Equity and liabilities			
Share capital	996	996	996
Foreign currency translation reserve	1,086	412	874
Hedging reserve	(185)	(81)	(162)
Retained earnings	16,549	15,896	16,571
Equity	**18,446**	**17,223**	**18,279**
Retirement benefit obligations	286	288	288
Deferred tax liabilities	1,482	1,522	1,448
Provisions	126	142	92
Bank debt and bond debt	5,945	5,314	4,783
Lease liabilities	442	438	453
Other payables	514	1,574	492
Non-current liabilities	**8,795**	**9,278**	**7,556**
Retirement benefit obligations	1	2	1
Provisions	1,359	1,485	1,405
Bank debt	-	400	-
Trade payables	4,138	3,667	3,914
Lease liabilities	84	79	86
Income taxes payable	528	834	519
Other payables	1,720	1,497	2,893
Current liabilities	**7,830**	**7,964**	**8,818**
Liabilities	**16,625**	**17,242**	**16,374**
Equity and liabilities	**35,071**	**34,465**	**34,653**

Statement of changes in equity

DKK million	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total equity
Equity at 1 January 2022	**996**	**874**	**(162)**	**16,571**	**18,279**
Profit for the period	-	-	-	412	412
Other comprehensive income	-	212	(23)	-	189
Comprehensive income	**-**	**212**	**(23)**	**412**	**601**
Distributed dividends, gross	-	-	-	(398)	(398)
Dividends received, treasury shares	-	-	-	1	1
Buyback of treasury shares	-	-	-	(45)	(45)
Incentive programs	-	-	-	8	8
Tax on other transactions in equity	-	-	-	-	-
Other transactions	**-**	**-**	**-**	**(434)**	**(434)**
Equity at 31 March 2022	**996**	**1,086**	**(185)**	**16,549**	**18,446**

DKK million	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total equity
Equity at 1 January 2021	**996**	**134**	**95**	**15,748**	**16,973**
Profit for the period	-	-	-	621	621
Other comprehensive income	-	278	(176)	-	102
Comprehensive income	**-**	**278**	**(176)**	**621**	**723**
Distribution of dividends, gross	-	-	-	(498)	(498)
Dividends received, treasury shares	-	-	-	1	1
Buyback of treasury shares	-	-	-	(34)	(34)
Incentive programs	-	-	-	10	10
Tax on other transactions in equity	-	-	-	48	48
Other transactions	**-**	**-**	**-**	**(473)**	**(473)**
Equity at 31 March 2021	**996**	**412**	**(81)**	**15,896**	**17,223**

Condensed statement of cash flows

DKK million	Q1 2022	Q1 2021	FY 2021
Profit from operations (EBIT)	**875**	**882**	**2,010**
Adjustments for non-cash items	348	213	1,148
Change in working capital	(879)	(915)	(305)
Cash flows from operations before financial receipts and payments	**344**	**180**	**2,853**
Financial receipts and payments	(485)	(4)	(132)
Cash flows from ordinary activities	**(141)**	**176**	**2,721**
Income taxes paid	(64)	(68)	(449)
Cash flows from operating activities	**(205)**	**108**	**2,272**
Contingent consideration, payment from acquisitions of business	(1,076)	-	-
Purchase and sale of intangible assets and property, plant and equipment	(87)	(84)	(610)
Cash flows from investing activities	**(1,163)**	**(84)**	**(610)**
Cash flows from operating and investing activities (free cash flow)	**(1,368)**	**24**	**1,662**
Proceeds from loans	1,234	400	400
Repayment of bank loans and borrowings	(98)	(2,152)	(3,123)
Dividends paid in the financial year, net	(397)	(497)	(497)
Other financing activities	(70)	(54)	(116)
Cash flows from financing activities	**669**	**(2,303)**	**(3,336)**
Net cash flow for the period	**(699)**	**(2,279)**	**(1,674)**
Cash and bank balances at beginning of period	2,279	3,924	3,924
Unrealized exchange gains/losses on cash and bank balances	34	16	29
Net cash flow for the period	(699)	(2,279)	(1,674)
Cash and bank balances at end of period	**1,614**	**1,661**	**2,279**
Interest-bearing debt, cash, bank balances and securities, net, is composed as follows:			
Cash and bank balances	1,614	1,661	2,279
Interest-bearing debt	(6,617)	(6,372)	(5,468)
Net cash/(net debt)	**(5,003)**	**(4,711)**	**(3,189)**

Statement of profit or loss – Core results reconciliation (Q1)

Q1 2022

DKK million (except EPS in DKK)	Reported result	Amortization of product rights	Impairment and inventory valuation	Major restructuring	Acquisition and integration costs	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	4,372	-	-	-	-	-	-	4,372
Cost of sales	845	(309)		-	-	-	-	536
Gross profit	**3,527**	**309**	**-**	**-**	**-**	**-**	**-**	**3,836**
Sales and distribution costs	1,435	-	-	-	-	-	-	1,435
Administrative expenses	236	-	-	-	-	-	-	236
Research and development costs	981	-		-	-	-	-	981
Profit from operations (EBIT)	**875**	**309**	**-**	**-**	**-**	**-**	**-**	**1,184**
Net financials, expenses	347	-	-	-	-	-	(278)	69
Profit before tax	**528**	**309**	**-**	**-**	**-**	**-**	**278**	**1,115**
Tax on profit for the period	116	71		-		-	-	187
Profit for the period	**412**	**238**	**-**	**-**	**-**	**-**	**278**	**928**
Earnings per share, basic (EPS)	2.07	1.20	-	-	-	-	1.40	4.67

Q1 2021

DKK million (except EPS in DKK)	Reported result	Amortization of product rights	Impairment and inventory valuation	Major restructuring	Acquisition and integration costs	Legal fees and settlements	Divestments / sales milestones	Core result
Revenue	4,273	-	-	-	-	-	-	4,273
Cost of sales	946	(371)		-	-	-	-	575
Gross profit	**3,327**	**371**	**-**	**-**	**-**	**-**	**-**	**3,698**
Sales and distribution costs	1,318	-	-	-	-	-	-	1,318
Administrative expenses	210	-	-	-	-	-	-	210
Research and development costs	917	-	-	-	-	-	-	917
Profit from operations (EBIT)	**882**	**371**	**-**	**-**	**-**	**-**	**-**	**1,253**
Net financials, expenses	85	-	-	-	-	-	-	85
Profit before tax	**797**	**371**	**-**	**-**	**-**	**-**	**-**	**1,168**
Tax on profit for the period	176	68		-		-	-	244
Profit for the period	**621**	**303**	**-**	**-**	**-**	**-**	**-**	**924**
Earnings per share, basic (EPS)	3.13	1.52	-	-	-	-	-	4.65

Notes

Note 1: Accounting policies

The interim condensed consolidated financial statements for the three months ended March 31, 2022, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reports of listed companies. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2021, published February 9, 2022. The accounting policies, judgements and significant estimates are consistent with those applied in the Annual Report 2021.

A number of new amendments came into effect from January 1, 2022. None of the amendments have a material impact on the accounting policies and/or on the condensed consolidated financial statements.

Lundbeck's geographical structure was changed effective January 1, 2022. Following the change, the geographical split of revenue has been subject to modifications. With the new geographical structure, Canada moved from North America to International Markets and smaller entities were moved between International Markets and Europe. The North America region has been renamed United States to better reflect its new composition. Comparative figures for 2021 have been adjusted following the new geographical structure.

Note 2: Fair value measurement

Financial assets and financial liabilities measured or disclosed at fair value	**Level 1** (DKKm)	**Level 2** (DKKm)	**Level 3** (DKKm)
2022:			
Financial assets			
Other financial assets[1]	20	-	34
Derivatives[1]	-	83	-
Total	**20**	**83**	**34**
Financial liabilities			
Contingent consideration[1]	-	-	413
Derivatives[1]	-	314	
Bank debt[2]	-	2,244	-
Bond debt[2]	3,489	-	-
Total	**3,489**	**2,558**	**413**
2021:			
Financial assets			
Other financial assets[1]	22	-	35
Derivatives[1]	-	41	-
Total	**22**	**41**	**35**
Financial liabilities			
Contingent consideration[1]	-	-	1,623
Derivatives[1]	-	243	-
Bank debt[2]	-	1,083	-
Bond debt[2]	3,755	-	-
Total	**3,755**	**1,326**	**1,623**

1) Measured at fair value. 2) Disclosed at fair value.

The fair value of securities is based on publicly quoted prices of the invested assets. The fair value of derivatives is calculated by applying recognized measurement techniques, whereby assumptions are based on the market conditions prevailing at the balance sheet date. The fair value of contingent consideration is calculated as the discounted cash outflows (DCF method) from future milestone payments, taking probability of success into consideration.

During the first quarter of 2022, the Vyepti EMA approval triggered a payment of CVR to former Alder shareholders (consequently changed to Lundbeck Seattle BioPharmaceuticals, Inc.). The CVR payment amounted to DKK 1,566 million.

The fair value adjustment of contingent consideration amounted to a net loss of DKK 319 million of which DKK 278 million relates to the update of the probability of success of milestone payments.

Total contingent consideration amounted to DKK 413 million at March 31, 2022 (DKK 1,623 million at December 31, 2021). Besides the CVR payment and fair value adjustment, the only change in contingent consideration is exchange rate adjustments of DKK 37 million.

The carrying amount of other receivables, trade receivables, prepayments, other debt, trade payables and other payables is believed to be equal to or close to fair value.

Note 3: EBITDA calculation

DKK million	Q1 2022	Q1 2021	FY 2021
EBIT	875	882	2,010
+ Depreciation, amortization and impairment losses	415	470	1,710
= EBITDA	**1,290**	**1,352**	**3,720**

Note 4: Core reporting

As a general rule, Lundbeck adjusts for amortization of product rights and for each non-recurring item that Management deems exceptional, and which accumulates or is expected to accumulate to an amount exceeding a DKK 100 million threshold. Lundbeck's core reporting is a non-IFRS performance measurement. Lundbeck's core results, including core operating income (core EBIT) and core EPS, exclude:

Amortization of product rights

Impairment of intangible assets and property, plant and equipment as well as inventory valuation adjustment

Major restructuring costs

Acquisition and integration costs, including:

- Accounting adjustments relating to the consolidation of material acquisitions and disposals of associates, products and businesses
- Costs associated with the integration of newly acquired companies
- Retention costs
- Transaction costs

Legal fees and settlements, including:

- Legal costs (external), charges (net of insurance recoveries) and expenses related to settlement of litigations, government investigations and other disputes
- Income from settlements of litigations and other disputes

Divestments/milestones, including:

- Income/expenses from discontinued operations

- Gains/losses on divestments of assets
- Received or expensed upfront sales and development milestones
- Adjustments in probability of success embedded in milestone calculations

The adjusted core result is taxed at the underlying corporate tax rate.

FINANCIAL CALENDAR 2022

17 August 2022: Financial statements for the first six months of 2022
9 November 2022: Financial statements for the first nine months of 2022

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About Lundbeck

H. Lundbeck A/S (LUN.CO, LUN DC, HLUYY) is a global pharmaceutical company specialized in brain diseases. For more than 70 years, we have been at the forefront of neuroscience research. We are tirelessly dedicated to restoring brain health, so every person can be their best.

Too many people worldwide live with brain diseases – complex conditions often invisible to others that nonetheless take a tremendous toll on individuals, families and societies. We are committed to fighting stigma and discrimination against people living with brain diseases and advocating for broader social acceptance of people with brain health conditions. Every day, we strive for improved treatment and a better life for people living with brain disease.

We have approximately 5,600 employees in more than 50 countries, and our products are available in more than 100 countries. Our research programs tackle some of the most complex challenges in neuroscience, and our pipeline is focused on bringing forward transformative treatments for brain diseases for which there are few, if any therapeutic options. We have research facilities in Denmark and the United States, and our production facilities are located in Denmark, France, and Italy. Lundbeck generated revenue of DKK 16.3 billion in 2021 (EUR ~2.2 billion; USD ~2.6 billion).

For additional information, we encourage you to visit our corporate site www.lundbeck.com and connect with us on Instagram (h_lundbeck), Twitter at @Lundbeck and via LinkedIn.