Financial report for the period January 1 to June 30, 2022

Lundbeck's sales increased by +7% (+3% in local currencies) to DKK 8,847 million in the first half of 2022

HIGHLIGHTS

Strategic brands are significant growth drivers of strong operational performance growing +27% (+19% in local currencies) in the first half of 2022 representing 63% of overall revenue

- Brintellix®/Trintellix®: +24% reported to DKK 2,051 million (+17% in local currencies)
- Rexulti®/Rxulti®: +29% reported to DKK 1,771 million (+17% in local currencies)
- Abilify Maintena®: +16% reported to DKK 1,393 million (+11% in local currencies)
- Vyepti®: +120% reported to DKK 390 million (+100% in local currencies)

All markets contribute to revenue momentum

- United States: +12% reported to DKK 4,132 million (+1% in local currencies)
- International Markets: +13% reported to DKK 2,695 million (+6% in local currencies)
- Europe: +10% reported to DKK 2,066 million (+10% in local currencies)

Currency favorability nearly fully offset by negative hedging effects. Additional investments in marketing and sales costs underpinning the launch of Vyepti in several markets during 2022. Core EBIT in addition impacted by lower amortization of product rights and a lower usage of restructuring related provisions

- EBIT: +1% reported to DKK 1,497 million
- Core EBIT: -3% reported to DKK 2,073 million
- EPS: -9% reported to DKK 0.92
- Core EPS: +7% reported to DKK 1.652

Positive results of the phase III in the treatment of agitation in patients with Alzheimer's dementia

- In June 2022, Lundbeck and its partner Otsuka Pharmaceutical announced positive results of the phase III clinical trial of brexpiprazole in the treatment of agitation in patients with Alzheimer's dementia
- Demonstrated statistically significant difference (p=0.0026) in the mean change from baseline to Week 12 in the Cohen-Mansfield Agitation Inventory (CMAI) total score between brexpiprazole and placebo. Statistical significance achieved in key secondary endpoints
- Regulatory filing to the FDA planned later in 2022

The Asia approval directed studies with eptinezumab, *SUNRISE* and *SUNLIGHT*, are on track. The small, spearhead trial, *SUNLIGHT*, conceived as a potential accelerated path for migraine patients with MOH in China, did not achieve statistical separation from placebo. The placebo effect in this study was greater than in prior eptinezumab trials.

In connection with the financial report, Lundbeck's President and CEO, Deborah Dunsire said:
"*I am really pleased with the progress we are making in the business for the first half months of the year. Our strategic brands continue to perform strongly across all markets and deliver robust growth. Vyepti uptake continues and the efficacy profile is welcomed by severely impacted patients who have had inadequate response to other therapies. The market roll out has continued with three market launches in first half and additional seven planned in second half of the year. Our recent study read-out on brexpiprazole showed meaningful outcomes for people with agitation in Alzheimer's disease, a disease that has no approved treatment options available. We are now progressing this indication forward for FDA approval. We look forward to the second half of the year, where we continue to forge ahead implementing our Expand and Invest to Grow strategy*."

2022 GUIDANCE

Guidance in reported currency for 2022 updated ahead of this quarterly release to account for strong organic revenue momentum in strategic brands and appreciation of Lundbeck's main currencies while considering concurrent investment in acceleration and global launch of Vyepti

- Revenue expected at DKK 17.2 – 17.7 billion
- Core EBIT expected at DKK 3.8 – 4.1 billion
- EBIT expected at DKK 2.4 – 2.7 billion

Key figures:

DKK million	H1 2022	H1 2021	*Growth*
Core Revenue[1]	**8,847**	8,233	*7%*
Core EBIT[1]	**2,073**	2,147	*(3%)*
Core EPS[1],[2]	**1.65**	1.54	*7%*
Core EBIT-margin[1]	**23.4%**	26.1%	
Reported Revenue	**8,847**	8,233	*7%*
Reported EBIT	**1,497**	1,478	*1%*
Reported EPS[2]	**0.92**	1.01	*(9%)*
Reported EBIT-margin	**16.9%**	18.0%	

1 For definition of the measures "Core Revenue", "Core EBIT", "Core EPS" and "Core EBIT-margin", see note 4 *Core reporting.*
2 The calculation of EPS is based on a share denomination of DKK 1 as a result of the share split completed on June 8, 2022. Comparative figures have been restated to reflect the change in trading unit from a nominal value of DKK 5 to DKK 1.

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FINANCIAL HIGHLIGHTS AND KEY FIGURES

	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
Financial highlights (DKK million)					
Core revenue	**8,847**	8,233	**4,475**	3,960	16,299
Core profit from operations (core EBIT)	**2,073**	2,147	**889**	894	3,517
Reported revenue	**8,847**	8,233	**4,475**	3,960	16,299
Operating profit before depreciation and amortization (EBITDA)	**2,339**	2,347	**1,049**	995	3,720
Reported profit from operations (EBIT)	**1,497**	1,478	**622**	596	2,010
Net financials, expenses	**322**	197	**(25)**	112	429
Profit before tax	**1,175**	1,281	**647**	484	1,581
Tax	**258**	282	**142**	106	263
Profit for the period	**917**	999	**505**	378	1,318
Equity	**19,596**	17,540	**19,596**	17,540	18,279
Assets	**37,275**	34,036	**37,275**	34,036	34,653
Cash flows from operating and investing activities (free cash flow)	**(516)**	476	**852**	452	1,662
Purchase of property, plant and equipment, gross	**143**	144	**87**	82	410
Key figures					
Core EBIT margin (%)	**23.4**	26.1	**19.9**	22.6	21.6
EBIT margin (%)	**16.9**	18.0	**13.9**	15.1	12.3
Return on equity (%)	**4.8**	5.8	**2.7**	2.2	7.5
Return on equity (%) – rolling four quarters	**6.7**	11.5	**6.7**	11.5	7.5
Return on capital invested (%) – rolling four quarters	**7.4**	9.9	**7.4**	9.9	7.9
Net debt/EBITDA (x) – rolling four quarters	**1.2**	0.9	**1.2**	0.9	0.9
Share data					
Number of shares for the calculation of EPS (millions)[1]	**992.9**	993.4	**992.8**	993.2	993.3
Number of shares for the calculation of DEPS (millions)[1]	**992.9**	993.4	**992.8**	993.2	993.3
Earnings per share, basic (EPS) (DKK)[1]	**0.92**	1.01	**0.51**	0.38	1.33
Earnings per share, diluted (DEPS) (DKK)[1]	**0.92**	1.01	**0.51**	0.38	1.33
Other					
Number of employees (FTE) – end of period	**5,437**	5,603	**5,437**	5,603	5,348

1 The calculation of EPS is based on a share denomination of DKK 1 as a result of the share split completed on June 8, 2022. Comparative figures have been restated, to reflect the change in trading unit from a nominal value of DKK 5 to DKK 1.

MANAGEMENT REVIEW

Financial guidance and forward-looking statements

Financial guidance

DKK	FY 2021 actual	2022 guidance
Revenue	16,299 million	DKK 17.2 – 17.7 billion
EBITDA	3,720 million	DKK 4.2 – 4.5 billion
Core EBIT	3,517 million	DKK 3.8 – 4.1 billion
Profit from operations (EBIT)	2,010 million	DKK 2.4 – 2.7 billion

Lundbeck's financial guidance for 2022 which was raised on August 9, 2022 is maintained. Revenue will be driven by the strong appreciation of the main currencies and the continued growth of Abilify Maintena, Brintellix/Trintellix, Rexulti/Rxulti and the strong growth of Vyepti.

Lundbeck has foreign currency risk mainly in USD, CNY and CAD. The financial guidance for 2022 is based on the currencies by the end of the first half year. The hedging rates for the main currencies, i.e., USD/DKK (6.40), CNY/DKK (0.99) and CAD/DKK (4.98) and the financial guidance include an expected hedging loss of approximately DKK 500 million compared to a hedging gain of DKK 53 million for the full year of 2021.

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 150 million.

The current positive impact on product revenue from the appreciating currencies is partly offset by the negative hedging effect which is recognized in total revenue.

Lundbeck plans to launch Vyepti in around eight markets during the remaining part of 2022 including the first markets in EU. Therefore, SG&A is expected to increase over the coming quarters.

The Russian war against Ukraine has had limited impact on Lundbeck's financial results for the first half of 2022. Lundbeck has ceased new investments and further spend in clinical trials as well as diminished promotional activities in Russia. The situation has increased general uncertainty and Lundbeck continues to monitor any potential impact on an ongoing basis.

The A- and B-share structure

In order to ensure increased financial capacity, a new share structure has been implemented after which each of Lundbeck's shares was split into one (1) A-share carrying ten votes and four (4) B-shares each carrying one vote. The A-shares and the B-shares are ordinary, fully paid shares carrying equal economic rights in all respects.

In connection with the split of Lundbeck's existing shares into A-shares and B-shares completed in June 2022, the Lundbeck Foundation (via its fully owned subsidiary Lundbeckfond Invest A/S) offered eligible shareholders a 1:1 exchange of their A-shares with the Lundbeck Foundation's B-shares.

Following the completion of the exchange offer, the Foundation now holds approximately 80% of the A-shares and approximately 66% of the B-shares. The total share capital held by the Foundation is approximately 69% and the total voting rights held by the Foundation in Lundbeck is approximately 76%.

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 8,847 million in the first half of 2022 compared to DKK 8,233 million in the first half of 2021, representing a growth of 3% in local currencies (7% reported). Adjusted for Northera, the growth reached 6% and 10%, respectively. The strategic brands (Abilify Maintena, Brintellix/Trintellix, Rexulti/Rxulti and Vyepti) grew 27% (19% in local currencies) and reached DKK 5,605 million or 63% of total revenue. Lundbeck's biggest markets for the strategic brands are the U.S., Canada, Spain, Italy and Australia.

The growth in total sales is primarily due to strong growth of the strategic brands and appreciation of main currencies which to some extent has been countered by the negative effect from hedging. 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 202 million for the first half of 2022, compared to a positive impact of DKK 102 million for the first half of 2021.

Revenue - products and regions

DKK million	H1 2022	H1 2021	*Growth*	*Growth in local currencies*	Q2 2022	Q2 2021	Growth	Growth in local currencies	Q1 2022
Brintellix/Trintellix	**2,051**	1,656	*24%*	*17%*	**1,061**	852	*25%*	*17%*	990
Rexulti	**1,771**	1,378	*29%*	*17%*	**940**	706	*33%*	*19%*	831
Abilify Maintena	**1,393**	1,197	*16%*	*11%*	**716**	613	*17%*	*11%*	677
Vyepti	**390**	177	*120%*	*100%*	**220**	101	*118%*	*95%*	170
Cipralex/Lexapro	**1,254**	1,235	*2%*	*(1%)*	**572**	569	*1%*	*(2%)*	682
Sabril	**322**	336	*(4%)*	*(13%)*	**170**	169	*1%*	*(11%)*	152
Onfi	**209**	285	*(27%)*	*(34%)*	**127**	139	*(9%)*	*(18%)*	82
Other pharmaceuticals	**1,503**	1,714	*(12%)*	*(17%)*	**691**	705	*(2%)*	*(7%)*	812
Other revenue	**156**	153	*2%*	*1%*	**91**	72	*26%*	*25%*	65
Effects from hedging	**(202)**	102			**(113)**	34			(89)
Total revenue	**8,847**	**8,233**	***7%***	***3%***	**4,475**	**3,960**	***13%***	***8%***	**4,372**
United States	**4,132**	3,705	*12%*	*1%*	**2,214**	1,758	*26%*	*13%*	1,918
International Markets	**2,695**	2,387	*13%*	*6%*	**1,239**	1,131	*10%*	*2%*	1,456
Europe	**2,066**	1,886	*10%*	*10%*	**1,044**	965	*8%*	*9%*	1,022

Products

Brintellix/Trintellix (vortioxetine) is Lundbeck's largest product and is approved for the treatment of major depressive disorder (MDD). Sales grew 17% in local currencies (24% reported) and reached DKK 2,051 million following continued strong demand in markets outside the U.S. The regional distribution of sales was 36%, 33% and 31% in the U.S., International Markets and Europe, respectively. The

largest markets for the product are the U.S., Canada, Spain, Italy and China.

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 1,771 million for the first half of 2022 representing a growth of 17% in local currencies (29% reported). The regional distribution of sales was 93%, 6% and 1% in the U.S., International Markets and Europe, respectively. The largest markets are the U.S., Canada, Brazil, Australia and Mexico.

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 1,393 million representing a growth of 11% in local currencies (16% reported). The regional distribution of sales was 35%, 18% and 47% in the U.S., International Markets and Europe, respectively. The largest markets are the U.S., Spain, Canada, Australia and Italy.

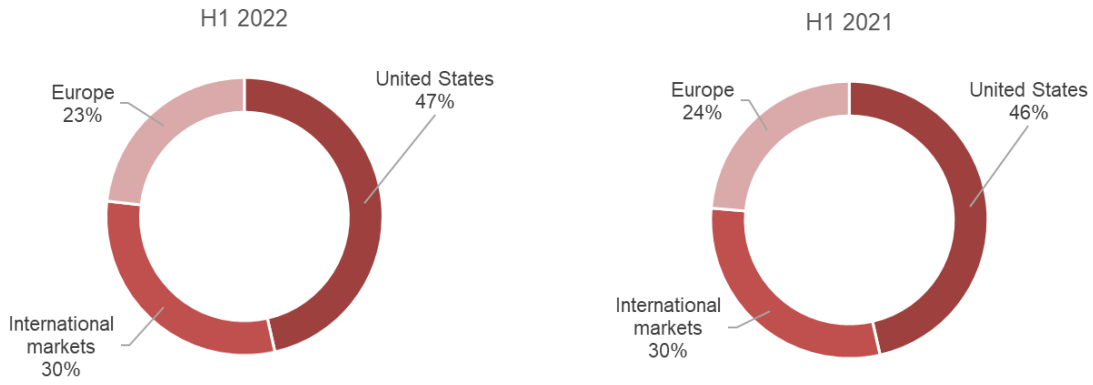
Vyepti (eptinezumab) is approved in around 40 markets including the U.S., Australia, Canada and Europe for the preventive treatment of migraine in adults. The product doubled in sales and reached sales of DKK 390 million in the first half of 2022 mainly following strong demand. Vyepti was launched in 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 the EU.

Cipralex®/Lexapro® (escitalopram) is approved for the treatment of MDD. Sales reached DKK 1,254 million. The regional distribution of sales was 73% and 27% in International Markets and Europe, respectively. The largest markets are Japan, China, South Korea, Italy and Brazil.

Revenue from **Other pharmaceuticals**, which comprise the remainder of Lundbeck's products, reached DKK 1,503 million compared to DKK 1,714 million in the first half of 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 of Northera reached DKK 237 million compared to DKK 439 million in the first half of 2021. The largest markets for Other pharmaceuticals are China, the U.S., France, South Korea and Mexico.

Other revenue, which mainly consists of contract manufacturing, reached DKK 156 million compared to DKK 153 million in the first half of 2021.

Figure 1 – Revenue per region H1 2022 vs H1 2021 (excluding Other revenue and Effects from hedging)



Key developments in the second quarter of 2022

In the second quarter of 2022, revenue reached DKK 4,475 million compared to DKK 3,960 million in 2021. The strategic brands grew by 19% in local currencies (29% reported) for the period, thereby reaching DKK 2,937 million or 66% of total revenue. Other revenue is positively impacted by quarterly fluctuations.

United States

Revenue reached DKK 4,132 million in the first half of 2022 compared to DKK 3,705 million for the same period in 2021. The strategic brands increased by 17% in local currency (29% reported) and reached DKK 3,263 million or 79% of sales. The sales growth was significantly impacted by strong demand but also appreciation of the USD.

Revenue – United States

DKK million	H1 2022	H1 2021	*Growth*	*Growth in local currencies*	Q2 2022	Q2 2021	Growth	Growth in local currencies	Q1 2022
Rexulti	**1,653**	1,294	*28%*	*16%*	**879**	658	*34%*	*19%*	774
Trintellix	**736**	657	*12%*	*1%*	**387**	340	*14%*	*1%*	349
Abilify Maintena	**487**	398	*22%*	*11%*	**255**	202	*26%*	*13%*	232
Vyepti	**387**	177	*119%*	*98%*	**220**	101	*118%*	*95%*	167
Sabril	**322**	336	*(4%)*	*(13%)*	**170**	169	*1%*	*(11%)*	152
Onfi	**209**	285	*(27%)*	*(34%)*	**127**	139	*(9%)*	*(18%)*	82
Other pharmaceuticals	**338**	558	*(39%)*	*(45%)*	**176**	149	*18%*	*8%*	162
Total revenue	**4,132**	**3,705**	***12%***	***1%***	**2,214**	**1,758**	***26%***	***13%***	**1,918**

Products

Lundbeck's share of **Rexulti** revenue reached DKK 1,653 million following a growth of 16% in local currency (28% reported). Rexulti has a stable volume market share of 2.2% by April 2022 (source: IQVIA). Patient data suggest that more than 3/4 of prescriptions are for major depression (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.

Trintellix sales reached DKK 736 million in revenue for Lundbeck representing a growth of 1% in local currency (12% reported). The MDD market in the US is recovering after the pandemic but total NBRx in the market remains lower than pre-COVID-19 but is improving. The volume market share has been stable around 0.8% by April 2022 (source: IQVIA). The value market share of the total anti-depressant market has increased from 24.2% by January 2021 to 26.0% by April 2022 (source: IQVIA).

Abilify Maintena revenue reached DKK 487 million, representing Lundbeck's share of total net sales. Abilify Maintena has a stable volume market share of around 23% by April 2022 (source: IQVIA).

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 a doubling of sales to DKK 387 million in the first half of 2022 compared to the first half of 2021.

Sabril® is stable and reached DKK 322 million and **Onfi®** revenue reached DKK 209 million. In Other pharmaceuticals, **Northera** sales reached DKK 237 million for the period compared to DKK 439 million last year following the launch of several generic versions in February 2021.

Key developments in the second quarter of 2022

In the second quarter of 2022, revenue reached DKK 2,214 million compared to DKK 1,758 million last year. The strategic brands grew by 34% (19% in local currencies) for the period thereby reaching DKK 1,741 million or 79% of total revenue. The quarter benefitted from 37% growth of Northera due to stocking.

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 2,695 million in the first half of 2022. The growth of 6% in local currencies (13% reported) was mainly driven by Rexulti and Brintellix. The biggest markets are China, Canada, Japan, Brazil and Australia. China and Japan constitute approximately 34% of regional revenue. The strategic brands increased by 26% in local currencies (35% reported) and reached DKK 1,035 million or 38% of sales.

Revenue – International Markets

DKK million	H1 2022	H1 2021	Growth	Growth in local currencies	Q2 2022	Q2 2021	Growth	Growth in local currencies	Q1 2022
Brintellix	**685**	483	*42%*	*32%*	**345**	246	*40%*	*30%*	340
Abilify Maintena	**249**	211	*18%*	*11%*	**131**	111	*18%*	*10%*	118
Rexulti	**98**	73	*34%*	*25%*	**52**	42	*24%*	*14%*	46
Vyepti	**3**	-	-	-	**-**	-	-	-	3
Cipralex/Lexapro	**917**	899	*2%*	*(2%)*	**406**	395	*3%*	*(2%)*	511
Other pharmaceuticals	**743**	721	*3%*	*(5%)*	**305**	337	*(9%)*	*(16%)*	438
Total revenue	**2,695**	**2,387**	***13%***	***6%***	**1,239**	**1,131**	***10%***	***2%***	**1,456**

Products

Brintellix/Trintellix reached DKK 685 million in revenue or an increase of 32% in local currencies (42% reported). 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 and value market share of 6.7% and 8.0%, respectively by June 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. Brintellix is not included in the National Reimbursement Drug List (NRDL) in China and is not reimbursed.

Abilify Maintena reached DKK 249 million in revenue representing a growth of 11% in local currencies (18% reported). 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 30.4% and in Canada, it has reached 33.8% by April 2022 (source: IQVIA). Countries such as Malaysia, Saudi Arabia and United Arab Emirates (U.A.E.) also contributed positively.

Rexulti reached DKK 98 million in sales and grew by 25% in local currencies. In International Markets, the product has its highest sales in Canada followed by Brazil and Australia. In Canada, Rexulti has increased its market share to 3.4% by April 2022 compared to 2.6% in April 2021 (source: IQVIA). In Australia, Rexulti has maintained a market share of around 2.2% in volume by April 2022 (source: IQVIA). In Brazil, Rexulti has reached a volume share of 1.8% compared to 0.9% by January 2021 (source: IQVIA) and most of the product growth in the region came from Brazil during the period.

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. Revenue for these markets will be booked when shipped and quarterly variations will occur especially in the beginning of the roll-out.

Cipralex/Lexapro generated revenue of DKK 917 million representing a growth of 2% (down 2% in local currencies). Japan, China, South Korea, Brazil and Canada are the largest markets for Cipralex/Lexapro in the region.

Other pharmaceuticals generated revenue of DKK 743 million. **Azilect** is promoted by Lundbeck in some countries in Asia. Azilect generated revenue of DKK 111 million while **Ebixa** generated revenue of DKK 218 million.

Key developments in the second quarter of 2022
In the second quarter of 2022, revenue increased 10% (2% in local currencies) and reached DKK 1,239 million. The strategic brands grew by 32% (23% in local currencies) for the period, thereby reaching DKK 528 million or 43% of total revenue.

Europe

Revenue reached DKK 2,066 million in the first half of 2022 compared to DKK 1,886 million in 2021. In general, Europe continues to realize robust underlying demand countering a continuous negative average price development and continued generic erosion on the mature product portfolio. The strategic brands increased by 17% both reported and in local currencies and reached DKK 1,307 million or 63% of sales. The largest markets in Europe are Spain, Italy, France, Switzerland and the UK.

Revenue – Europe

DKK million	H1 2022	H1 2021	Growth	Growth in local currencies	Q2 2022	Q2 2021	Growth	Growth in local currencies	Q1 2022
Abilify Maintena	**657**	588	*12%*	*11%*	**330**	300	*10%*	*9%*	327
Brintellix	**630**	516	*22%*	*22%*	**329**	266	*24%*	*24%*	301
Rexulti/Rxulti	**20**	11	*82%*	*73%*	**9**	6	*50%*	*50%*	11
Cipralex	**337**	336	*0%*	*4%*	**166**	174	*(5%)*	*(2%)*	171
Other pharmaceuticals	**422**	435	*(3%)*	*(2%)*	**210**	219	*(4%)*	*(3%)*	212
Total revenue	**2,066**	**1,886**	***10%***	***10%***	**1,044**	**965**	***8%***	***9%***	**1,022**

Products

Abilify Maintena is Lundbeck's largest product in the region. Sales uptake of Abilify Maintena is robust with revenue reaching DKK 657 million, a growth of 11% in local currencies compared to first half of 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. The market share is still increasing in some markets and the product has achieved 25% or more market share (volume) in most markets (source: IQVIA). In some markets including Italy and Switzerland, the volume market share in April 2022 is approaching or has exceeded 35% (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 22% reaching DKK 630 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 increased value market shares to 12.4%, 10.7% and 11.4%, respectively by April 2022 (source: IQVIA). The volume shares have increased to around 4.4%, 4.2% and 3.7%, respectively (source: IQVIA).

Rexulti/Rxulti revenue reached DKK 20 million following a growth of 73% in local currencies. The product was launched in Italy in 2021 where it has a volume share of around 0.7% by April 2022 (source: IQVIA). Rexulti/Rxulti is in most markets co-promoted with Otsuka Pharmaceuticals.

Vyepti was granted marketing authorization in the European Union (EU) in January 2022 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 first quarter of 2022. Additionally, Vyepti is now approved and launched in Switzerland. Lundbeck plans to launch in some markets in EU in 2022 and many more markets from 2023 and onwards following pricing and market access discussions in each market.

Cipralex generated revenue of DKK 337 million. The product has been resilient and sees good growth but is also positively impacted by quarterly fluctuations and stock build-up in selected markets.

Revenue from **Other pharmaceuticals** was DKK 422 million, a decline of 2% in local currencies compared to 2021, as a result of continued generic erosion of mature products.

Key developments in the second quarter of 2022
In the second quarter of 2022, revenue increased by 8% (9% in local currencies) and reached DKK 1,044 million compared to DKK 965 million for the same period in 2021. The strategic brands grew by 17% for the period, thereby reaching DKK 668 million or 64% of total revenue. Spain and Italy are key drivers of growth and especially Brintellix benefits from continued strong growth in these markets.

Expenses and profit

In the first half of 2022, total costs increased by 9% to DKK 7,350 million compared to DKK 6,755 million for the same period in 2021 as a consequence of increased sales and appreciation of main currencies.

Distribution of costs

DKK million	H1 2022	H1 2021	*Growth*	Q2 2022	Q2 2021	*Growth*	Q1 2022
Cost of sales	**1,811**	1,797	*1%*	**966**	851	*14%*	845
COS-ratio	***20.5%***	*21.8%*		***21.6%***	*21.5%*		*19.3%*
Sales and distribution costs	**3,087**	2,712	*14%*	**1,652**	1,394	*19%*	1,435
S&D-ratio	***34.9%***	*32.9%*		***36.9%***	*35.2%*		*32.8%*
Administrative expenses	**509**	425	*20%*	**273**	215	*27%*	236
G&A-ratio	***5.8%***	*5.2%*		***6.1%***	*5.4%*		*5.4%*
Research & development costs	**1,943**	1,821	*7%*	**962**	904	*6%*	981
R&D-ratio	***22.0%***	*22.1%*		***21.5%***	*22.8%*		*22.4%*
Total costs	**7,350**	**6,755**	***9%***	**3,853**	**3,364**	***15%***	**3,497**

Cost of sales increased by 1% to DKK 1,811 million in the first half of 2022 and the **gross margin** was 79.5% compared to 78.2% for the same period in 2021 benefitting from FX appreciation. Cost of sales was furthermore 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. Part of cost of sales relates to amortization of product rights which was DKK 624 million for the period compared to DKK 669 million for the same period in 2021. **Core gross margin** increased from 86.3% to 86.6%.

Sales and distribution costs were DKK 3,087 million in the first half of 2022, an increase of 14% compared to the same period in 2021 as the activity level in general is increasing especially for Vyepti launch preparation. Sales and distribution costs corresponded to 34.9% of revenue in the first half of 2022, compared to 32.9% for the same period in 2021.

Administrative expenses compared to 2021 increased by 20% to DKK 509 million, corresponding to 5.8% of total revenue. The increase is mainly a result of cloud-based software that as of 2021 is

recognized directly in the income statement and a donation to Red Cross.

SG&A costs were DKK 3,596 million in the first half of 2022 compared to DKK 3,137 million the same period in 2021. The SG&A ratio was 40.6%, compared to 38.1% in 2021 as activities were increased with the lifting of pandemic restrictions.

Research & development costs were DKK 1,943 million in the first half of 2022 with an R&D ratio of 22.0%. Compared to 2021, the R&D costs increased 7% mainly driven by the initiation of phase II studies.

Total **operational costs** (OPEX) reached DKK 5,539 million in the first half of 2022 compared to DKK 4,958 million the same period in 2021.

Key developments in the second quarter of 2022
In the second quarter of 2022, total costs amounted to DKK 3,853 million, representing an increase of 15% compared to 2021, partly due to appreciating currencies and increased activity level. **Core gross margin** declined from 86.0% to 85.5% due to higher production costs.

Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses, which are included in the individual expense categories, amounted to DKK 842 million in the first half of 2022 compared to DKK 869 million in 2021.

Amortization of product rights was DKK 624 million in the first half of 2022 compared to DKK 669 million in 2021.

Depreciation, amortization and impairment charges

DKK million	H1 2022	H1 2021	*Growth*	Q2 2022	Q2 2021	*Growth*	Q1 2022
Cost of sales	741	763	*(3%)*	373	345	*8%*	368
Sales and distribution cost	47	47	*0%*	24	24	*0%*	23
Administrative expenses	8	11	*(27%)*	4	6	*(33%)*	4
Research & development costs	46	48	*(4%)*	26	24	*8%*	20
Total depreciation, amortization and impairment charges	**842**	**869**	***(3%)***	**427**	**399**	***7%***	**415**

Profit from operations (EBIT and core EBIT)

Reported **EBIT** grew by 1% thereby reaching DKK 1,497 million in the first half of 2022. The **EBIT margin** reached 16.9% for the period compared to 18.0% the same period in 2021. **Core EBIT** declined by 3% to DKK 2,073 million compared to the same period in 2021 and **Core EBIT margin** was 23.4%. This development should be seen in the light of the expected increasing activity level following the waning COVID-19 restrictions.

In the second quarter of 2022, **EBIT** reached DKK 622 million and **Core EBIT** reached DKK 889 million. The **Core EBIT margin** declined from 22.6% to 19.9%.

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

Net financials, expenses

Lundbeck generated a net financial expense of DKK 322 million for the first half of 2022, compared to a net financial expense of DKK 197 million for the first half of 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 half of 2022 was 22.0%. The tax rate was negatively impacted by the non-deductible CVR payment regarding Vyepti EMA approval but offset by the Danish research & development incentive.

Profit and EPS

Profit reached DKK 917 million for the first half of 2022 compared to DKK 999 million in 2021, due to a more normalized activity level following the pandemic. The reported net profit corresponded to an **EPS** of DKK 0.92 versus an EPS of DKK 1.01 in 2021. **Core EPS** reached DKK 1.65 in the first half of 2022, compared to a Core EPS of DKK 1.54 in 2021. Please note that the calculation of EPS is based on a share denomination of DKK 1 as a result of the share split completed on June 8, 2022. Comparative figures have been restated to reflect the change in trading unit from a nominal value of DKK 5 to DKK 1.

Cash flows

Cash flows from operating activities amounted to an inflow of DKK 711 million in the first half of 2022 compared to an inflow of DKK 670 million in the first half of 2021. The development compared to 2021 is impacted by 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 per 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 1,227 million in the first half of 2022 compared to an outflow of DKK 194 million in the first half of 2021. In 2022, the cash flow was driven by the payment of contingent consideration related to the EMA approval of Vyepti. The cash flows from financing activities were an inflow of DKK 480 million in the first half of 2022 compared to an outflow of DKK 2,723 million in the first half of 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 half of 2022, the **net cash outflow** reached DKK 36 million compared to an outflow of DKK 2,247 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.

Selected cash flow figures

DKK million	H1 2022	H1 2021	Q2 2022	Q2 2021
Profit from operations (EBIT)	**1,497**	**1,478**	**622**	**596**
Cash flows from operating activities	711	670	916	562
Cash flows from investing activities	(1,227)	(194)	(64)	(110)
Cash flows from operating and investing activities (free cash flow)	**(516)**	**476**	**852**	**452**
Cash flows from financing activities	480	(2,723)	(189)	(420)
Net cash flow for the period	**(36)**	**(2,247)**	**663**	**32**

Financial position

At June 30, 2022, Lundbeck's **total assets** amounted to DKK 37,275 million compared to DKK 34,653 million at the end of 2021.

At June 30, 2022, Lundbeck's **equity** amounted to DKK 19,596 million, corresponding to an **equity ratio** of 52.6% compared to 52.7% at the end of 2021.

Net debt has increased from DKK 4,239 million at the end of first half 2021 to DKK 4,287 million at June 30, 2022. **Interest bearing debt** was DKK 6,585 million at the end of the first half of 2022 compared to DKK 5,930 million at the end of the first half of 2021.

Selected balance sheet figures

DKK million	H1 2022	H1 2021	FY 2021
Total assets	37,275	34,036	34,653
Shareholder's equity	19,596	17,540	18,279

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[3)]			*CHRONICLE*	
Lu AG09222 (anti-PACAP mAb)[4)]	Migraine prevention		*HOPE*		
Circuitry / neuronal biology:					
Brexpiprazole[5)]	Agitation in Alzheimer's disease				
	PTSD				
Aripiprazole 2-months injectable	Schizophrenia/bipolar I disorder				
Lu AG06466[5)]	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) Long-term safety study. 4) PACAP: Pituitary adenylate cyclase activating peptide. 5) 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. 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, 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), Canada (January 2021), Kuwait (May 2021), Australia (June 2021), Singapore (September 2021), Switzerland (October 2021),

Israel (December 2021), Great Britain (January 2022), Brazil (February 2022) and Indonesia (May 2022).

Eptinezumab has been submitted for regulatory review in several additional markets.

During 2021, Lundbeck initiated three phase III clinical trials, supporting registration in Asia, including China and Japan. The *SUNLIGHT* trial (NCT04772742) is a smaller trial designed to test the efficacy of eptinezumab to prevent migraine and headache in patients with the combined diagnosis of chronic migraine and medication overuse headache. This first trial including Asian patients was conceived as an accelerated path to launch in China. 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 placebo-controlled period has completed. While the outcomes numerically favored the eptinezumab arm for the primary and key secondary endpoints, the study did not reach statistically significant separation from placebo for the primary endpoint. A more significant placebo effect was noted vs all prior eptinezumab studies. Further analyses are ongoing and the open label and safety follow-up portions of the study continue.

The *SUNRISE* trial (NCT04921384) evaluates the efficacy of eptinezumab to prevent migraine and headache in patients with chronic migraine. This study forms the base case for Asian approval across Japan, China and Korea. 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 2022, Lundbeck has 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.

Also, in 2022, Lundbeck has initiated a phase IV study investigating the add-on efficacy of eptinezumab treatment to brief educational intervention, for the preventive treatment of migraine in patients with a dual diagnosis of migraine and medication overuse headache (*RESOLUTION*). The study (NCT05452239) is planned to recruit around 570 patients that will be randomly assigned to receive either eptinezumab or placebo given by IV infusion. The total study duration is approximately 36 weeks including screening period and safety follow-up.

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) recently completed recruitment.

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) which is currently ongoing. 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. Participants receive AG09222 high dose, low dose, or placebo. The study completed enrollment.

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 was based on the results of an independent interim analysis, supporting to progress the trial to the planned full enrollment of 330 patients.

Trial 331-14-213 (NCT03548584; Trial 213) was designed to assess the safety, tolerability and efficacy of two fixed doses of brexpiprazole (2 mg/day and 3 mg/day) in the treatment of patients with agitation in Alzheimer's dementia. The trial consisted of a continuous 12-week double-blind treatment period with a 30-day follow-up. The randomized trial population included 345 male and female patients, aged 55–90 years (inclusive), with a diagnosis of probable Alzheimer's disease, and meeting criteria of agitation as defined by the International Psychogeriatric Association (IPA). The primary outcome was the change in the Cohen-Mansfield Agitation Inventory CMAI total score at week 12 for all patients treated with brexpiprazole versus those treated with placebo. The key secondary outcome was the change in the Clinical Global Impression – Severity of Illness (CGI-S) score, as related to symptoms of agitation. Participating countries include Bulgaria, Hungary, Serbia, Slovakia, Spain, Ukraine, and USA. The study included both patients who were living at home and those living in institutionalized settings.

In June 2022, Lundbeck and Otsuka Pharmaceutical reported positive results showing reduced agitation in patients with Alzheimer's dementia treated with brexpiprazole. In the study, the improvements from baseline on the primary endpoint of CMAI for patients receiving brexpiprazole or 2 mg/day or 3 mg/day were statistically greater than for those receiving placebo (p=0.0026). This result was supported by a statistically superior improvement on the key secondary endpoint of CGI-S, as related to agitation (p=0.0055).

Brexpiprazole was generally well tolerated, and no new safety signals were observed. The only Treatment Emergent Adverse Event (TEAE) with more than 5% incidence in patients treated with brexpiprazole was headache (6.6% vs. 6.9% for placebo). The following TEAEs occurred at an incidence of at least 2% in brexpiprazole treatment group and greater than that of placebo: somnolence, nasopharyngitis, dizziness, diarrhea, urinary tract infection, and asthenia. There was one death observed in the 3 mg/day treatment group, assessed as not related to treatment by the investigator.

Based on this outcome Lundbeck and Otsuka are planning a regulatory filing to the FDA later in 2022. The Supplemental New Drug Application will be comprised of this study as well as two earlier trials. In February 2016, the FDA granted fast track designation for brexpiprazole for treatment of agitation in patients with Alzheimer's dementia.

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 by reducing sample size was discussed with the FDA. Headline results are expected sometime during first half 2023.

Aripiprazole – 2-Month Injectable (LAI) formulation

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 provided effective plasma concentrations of aripiprazole for two months, while being safe and tolerable.

A long-acting injectable formulation ensures continuous exposure to medication and through a simplified treatment regimen, many of the challenges with poor treatment adherence may be mitigated, resulting in a potential positive impact on patient outcomes.

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 submitted the Marketing Authorisation Application (MAA) for aripiprazole as a 2-month ready-to-use (RTU) long-acting injectable (LAI) for the maintenance treatment of schizophrenia in adult patients stabilized with aripiprazole to the European Medicines Agency (EMA) as well as to the U.S FDA for the treatment of schizophrenia and bipolar disorder in second quarter of 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 neuro-transmission 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). Another phase Ib investigational study was initiated in multiple sclerosis spasticity in September 2021 (NCT04990219). A phase Ib study in patients with treatment resistant focal epilepsy was terminated in July 2022 due to recruitment challenges.

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

Climate and energy

Lundbeck is committed to climate neutrality and is working towards a 15-year climate target approved by the Science Based Target initiative in 2021. When comparing first half of 2022 with first half of 2021 Scope 1 and 2 emissions are down by 17% primarily due to full conversion to renewable electricity at the two Danish sites from January 2022. Scope 3 GHG emissions from business travel has increased due to removal of travel restrictions after the pandemic, however, it is still below 2019 pre-pandemic level. A Climate friendly travel policy and campaign will be rolled out during the third quarter of 2022 to curb emissions.

General waste recycling rate

The corporate recycling rate of general waste in the first half of 2022 is 66.4%, slightly decreased overall since same period last year. Mainly due to better

waste sorting facilities of packaging material at the Valby site.

Health & Safety

In the first half of 2022, similar to second half of 2021, the number of work-related accidents with absence is 11, which gives a frequency of 6.2 (the target being 5.0). Accidents and near-misses are analyzed to identify the root cause and preventive actions are continuously being taken including training. Action plans as well as global initiatives to address the number of accidents on all sites have been agreed upon and will be launched in 2022 and 2023.

Additionally, a new employee well-being framework was designed in H1 2022. Actions and activities to build on Lundbeck's well-being culture, which also addresses mental health, will be launched in 2022 and 2023.

Business Ethics

50 new Compliance Hotline reports were received in the first half of 2022. The increase is largely attributed to an update in the accounting principles to more accurately reflect the number of reports received. From 2022, Lundbeck records each report separately, regardless of whether they are found to be substantially duplicative or out of scope. In the first and second quarter of 2022, Lundbeck received a large volume of separate but related reports. Using the old accounting principles, we have calculated that 18 cases would have been reported in the first half of 2022 compared with 14 cases in the same period in 2021.

In the first half of 2022, Due Diligence assessments of 67 potential third parties were conducted, which identified 11 potential cases where one of more issues will be mitigated and monitored if the collaboration agreement is executed. In response to the rapidly changing sanctions & export controls environment, Lundbeck implemented controls to secure existing and new high-risk third parties were screened for restrictions and is reviewing its governance to meet these obligations.

Sustainability Key Performance Indicators

Category	H1 2022	H1 2021	*Change (%)*
Number of employees (FTE)	**5,437**	5,603	*(3.0%)*
Scope 1 GHGs (Tonne CO_2e)	***11,153***	12,501	*(-11%)*
Scope 2 GHGs – market based (Tonne CO_2e)	**2,307**	3,775	*(-39%)*
Scope 1+2 GHGs (Tonne CO_2e)	**13,460**	16,276	*(-17%)*
Scope 3 GHG's: Purchased goods and services (Tonne CO_2e)	**56,857**	57,396	*(-1%)*
Scope 3 GHG's: Up-stream transportation and distribution (Tonne CO_2e)	**4,863**	5,286	*(-8%)*
Scope 3 GHG's: Business travel (Tonne CO_2e)	**5,047**	1,294	*(290%)*
Energy consumption (MWh)	**55,654**	56,591	*(-1,7%)*
Recycling rate – General waste (%)	**66.4**	69.2	*(4.0%)*
Frequency of lost time accidents (Frequency)	**6.2**	6.2	*0%*
Work-related accidents with absence (Number)	**11**	11	*0%*
Compliance Hotline reports (Number)	**50**	14	*N/A*
Due Diligence screenings of suppliers and third parties (Number)	**67**	67	*0%*

Note: See Lundbeck Sustainability Report 2021 for accounting principles and definitions. 2021 company car emission estimated based on annual emission. Compliance Hotline accounting principles have been updated to reflect the total number of cases received, including multiple reports involving the same issues and out-of-scope reports. Using the old accounting principles, we have calculated that 18 cases would have been reported in the first half of 2022 compared with 14 cases in H1 2021

General corporate matters

Pending legal proceedings

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 has filed its defense in May 2022 and it may take several years before a final conclusion is reached by the German courts. Finally, in March and April 2022 several Lundbeck entities received letters from a number 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. The validity of the compound patent has not been challenged under the appeal.

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 be held in October 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.

Lundbeck and Otsuka have received a Paragraph IV certification from Mylan Pharmaceuticals with respect to certain of the patent listed for Abilify Maintena in the U.S., and Lundbeck and Otsuka have instituted patent infringement proceedings against Mylan and Viatris Inc. The U.S. FDA cannot grant marketing authorization in the U.S. to Mylan or Viatris Inc. before the patents expire unless they receive a decision in their favor. A District Court decision is currently expected by August 2024. Abilify Maintena is covered by several US patents relating to specific forms of the active ingredient, formulations, processes, devices, indications and methods of use, which will expire in different years, with the latest patent expiry date in the U.S. being in 2034.

In June 2022 in the U.S., several entities created for the purpose of receiving assignment of claims from payors providing health insurance coverage pursuant to Medicare Parts C and D and Medicaid filed a complaint against Lundbeck and others. The complaint alleges that Lundbeck and the other defendants conspired to increase the unit price and quantity dispensed of Xenazine. Lundbeck denies the allegations in the complaint and intends to defend itself.

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 June 30, 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 June 30, 2022, and of the results of the Group's operations and cash flows for the period, which ended on June 30, 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, August 17, 2022

Registered Executive Management

Deborah Dunsire President and CEO	Lars Bang Executive Vice President, Product Development & Supply	Joerg Hornstein Executive Vice President, CFO	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	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
Revenue	8,847	8,233	4,475	3,960	16,299
Cost of sales	1,811	1,797	966	851	3,648
Gross profit	**7,036**	**6,436**	**3,509**	**3,109**	**12,651**
Sales and distribution costs	3,087	2,712	1,652	1,394	5,885
Administrative expenses	509	425	273	215	933
Research and development costs	1,943	1,821	962	904	3,823
Profit from operations (EBIT)	**1,497**	**1,478**	**622**	**596**	**2,010**
Net financials, expenses	322	197	(25)	112	429
Profit before tax	**1,175**	**1,281**	**647**	**484**	**1,581**
Tax on profit for the period	258	282	142	106	263
Profit for the period	**917**	**999**	**505**	**378**	**1,318**
Earnings per share, basic (EPS) (DKK)	0.92	1.01	0.51	0.38	1.33
Earnings per share, diluted (DEPS) (DKK)	0.92	1.01	0.51	0.38	1.33

Statement of comprehensive income

DKK million	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
Profit for the period	**917**	**999**	**505**	**378**	**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	1,017	354	779	(122)	960
Exchange rate gains/losses on additions to net investments in foreign subsidiaries	(48)	(85)	(40)	19	(157)
Hedging of net investments in foreign subsidiaries	(168)	(67)	(142)	23	(127)
Deferred gains/losses on cash flow hedge, exchange rate	(408)	(141)	(265)	21	(340)
Deferred gains/losses on cash flow hedge, interest rate	39	42	14	38	63
Deferred gains/losses on cash flow hedge, price	140	-	140	-	-
Exchange gains/losses, hedging (transferred to the hedged items)	202	(102)	113	(34)	(53)
Tax	55	78	41	32	137
Items that may be reclassified subsequently to profit or loss	**829**	**79**	**640**	**(23)**	**483**
Other comprehensive income	**829**	**79**	**640**	**(23)**	**482**
Comprehensive income	**1,746**	**1,078**	**1,145**	**355**	**1,800**

Condensed statement of financial position

DKK million	30.06.2022	30.06.2021	31.12.2021
Assets			
Intangible assets	23,232	22,667	22,750
Property, plant and equipment	2,901	2,752	2,907
Other financial assets	212	77	57
Other receivables	159	124	134
Deferred tax assets	222	271	193
Non-current assets	**26,726**	**25,891**	**26,041**
Inventories	3,709	2,596	2,775
Receivables	4,542	3,858	3,558
Cash and bank balances	2,298	1,691	2,279
Current assets	**10,549**	**8,145**	**8,612**
Assets	**37,275**	**34,036**	**34,653**
Equity and liabilities			
Share capital	996	996	996
Foreign currency translation reserve	1,724	370	874
Hedging reserve	(183)	(62)	(162)
Retained earnings	17,059	16,236	16,571
Equity	**19,596**	**17,540**	**18,279**
Retirement benefit obligations	285	288	288
Deferred tax liabilities	1,860	1,532	1,448
Provisions	130	89	92
Bank debt and bond debt	5,921	5,292	4,783
Lease liabilities	431	418	453
Other payables	549	439	492
Non-current liabilities	**9,176**	**8,058**	**7,556**
Retirement benefit obligations	1	2	1
Provisions	1,314	1,266	1,405
Trade payables	4,452	3,686	3,914
Lease liabilities	87	77	86
Income taxes payable	526	693	519
Other payables	2,123	2,714	2,893
Current liabilities	**8,503**	**8,438**	**8,818**
Liabilities	**17,679**	**16,496**	**16,374**
Equity and liabilities	**37,275**	**34,036**	**34,653**

Statement of changes in equity

DKK million	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total equity
Equity at January 1, 2022	**996**	**874**	**(162)**	**16,571**	**18,279**
Profit for the period	-	-	-	917	917
Other comprehensive income	-	850	(21)	-	829
Comprehensive income	**-**	**850**	**(21)**	**917**	**1,746**
Distributed dividends, gross	-	-	-	(398)	(398)
Dividends received, treasury shares	-	-	-	1	1
Buyback of treasury shares	-	-	-	(45)	(45)
Incentive programmes	-	-	-	13	13
Tax on other transactions in equity	-	-	-	-	-
Other transactions	**-**	**-**	**-**	**(429)**	**(429)**
Equity at June 30, 2022	**996**	**1,724**	**(183)**	**17,059**	**19,596**

DKK million	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Total equity
Equity at January 1, 2021	**996**	**134**	**95**	**15,748**	**16,973**
Profit for the period	-	-	-	999	999
Other comprehensive income	-	236	(157)	-	79
Comprehensive income	**-**	**236**	**(157)**	**999**	**1,078**
Distribution of dividends, gross	-	-	-	(498)	(498)
Dividends received, treasury shares	-	-	-	1	1
Buyback of treasury shares	-	-	-	(34)	(34)
Incentive programmes	-	-	-	20	20
Tax on other transactions in equity	-	-	-	-	-
Other transactions	**-**	**-**	**-**	**(511)**	**(511)**
Equity at June 30, 2021	**996**	**370**	**(62)**	**16,236**	**17,540**

Condensed statement of cash flows

DKK million	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
Profit from operations (EBIT)	**1,497**	**1,478**	**622**	**596**	**2,010**
Adjustments for non-cash items	636	319	288	106	1,148
Change in working capital	(816)	(728)	63	187	(305)
Cash flows from operations before financial receipts and payments	**1,317**	**1,069**	**973**	**889**	**2,853**
Financial receipts and payments	(488)	(95)	(3)	(91)	(132)
Cash flows from ordinary activities	**829**	**974**	**970**	**798**	**2,721**
Income taxes paid	(118)	(304)	(54)	(236)	(449)
Cash flows from operating activities	**711**	**670**	**916**	**562**	**2,272**
Contingent consideration, payment from acquisitions of business	(1,076)	-	-	-	-
Purchase and sale of intangible assets and property, plant and equipment	(151)	(194)	(64)	(110)	(610)
Cash flows from investing activities	**(1,227)**	**(194)**	**(64)**	**(110)**	**(610)**
Cash flows from operating and investing activities (free cash flow)	**(516)**	**476**	**852**	**452**	**1,662**
Proceeds from loans and issue of bonds	1,234	400	-	-	400
Repayment of bank loans and borrowings	(266)	(2,552)	(168)	(400)	(3,123)
Dividends paid in the financial year, net	(397)	(497)	-	-	(497)
Other financing activities	(91)	(74)	(21)	(20)	(116)
Cash flows from financing activities	**480**	**(2,723)**	**(189)**	**(420)**	**(3,336)**
Net cash flow for the period	**(36)**	**(2,247)**	**663**	**32**	**(1,674)**
Cash and bank balances at beginning of period	2,279	3,924	1,614	1,661	3,924
Unrealized exchange gains/losses on cash and bank balances	55	14	21	(2)	29
Net cash flow for the period	(36)	(2,247)	663	32	(1,674)
Cash and bank balances at end of period	**2,298**	**1,691**	**2,298**	**1,691**	**2,279**
Interest-bearing debt, cash, bank balances and securities, net, is composed as follows:					
Cash and bank balances	2,298	1,691	2,298	1,691	2,279
Interest-bearing debt	(6,585)	(5,930)	(6,585)	(5,930)	(5,468)
Net cash/(net debt)	**(4,287)**	**(4,239)**	**(4,287)**	**(4,239)**	**(3,189)**

Statement of profit or loss – Core results reconciliation (H1)

H1 2022

DKK million	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	8,847	-	-	-	-	-	-	8,847
Cost of Sales	1,811	(624)	-	-	-	-	-	1,187
Gross profit	**7,036**	**624**	**-**	**-**	**-**	**-**	**-**	**7,660**
Sales and distribution costs	3,087	-	-	43	-	-	-	3,130
Administrative expenses	509	-	-	-	-	-	-	509
Research and development costs	1,943	-	-	5	-	-	-	1,948
Profit from operations (EBIT)	**1,497**	**624**	**-**	**(48)**	**-**	**-**	**-**	**2,073**
Net financials, expenses	322	-	-	-	-	-	(278)	44
Profit before tax	**1,175**	**624**	**-**	**(48)**	**-**	**-**	**278**	**2,029**
Tax on profit for the period	258	144	-	(10)	-	-	-	392
Profit for the period	**917**	**480**	**-**	**(38)**	**-**	**-**	**278**	**1,637**
Earnings per share, basic (EPS)	0.92	0.49	-	(0.04)	-	-	0.28	1.65

H1 2021

DKK million	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	8,233	-	-	-	-	-	-	8,233
Cost of sales	1,797	(669)	-	-	-	-	-	1,128
Gross profit	**6,436**	**669**	**-**	**-**	**-**	**-**	**-**	**7,105**
Sales and distribution costs	2,712	-	-	-	-	-	-	2,712
Administrative expenses	425	-	-	-	-	-	-	425
Research and development costs	1,821	-	-	-	-	-	-	1,821
Profit from operations (EBIT)	**1,478**	**669**	**-**	**-**	**-**	**-**	**-**	**2,147**
Net financials, expenses	197	-	-	-	-	-	-	197
Profit before tax	**1,281**	**669**	**-**	**-**	**-**	**-**	**-**	**1,950**
Tax on profit for the period	282	137	-	-	-	-	-	419
Profit for the period	**999**	**532**	**-**	**-**	**-**	**-**	**-**	**1,531**
Earnings per share, basic (EPS)[1]	1.01	0.53	-	-	-	-	-	1.54

1 The calculation of EPS is based on a share denomination of DKK 1 as a result of the share split completed on June 8, 2022. Comparative figures have been restated, to reflect the change in trading unit from a nominal value of DKK 5 to DKK 1.

Statement of profit or loss – Core results reconciliation (Q2)

Q2 2022

DKK million	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	4,475	-	-	-	-	-	-	4,475
Cost of Sales	966	(315)	-	-	-	-	-	651
Gross profit	**3,509**	**315**	**-**	**-**	**-**	**-**	**-**	**3,824**
Sales and distribution costs	1,652	-	-	43	-	-	-	1,695
Administrative expenses	273	-	-	-	-	-	-	273
Research and development costs	962	-	-	5	-	-	-	967
Profit from operations (EBIT)	**622**	**315**	**-**	**(48)**	**-**	**-**	**-**	**889**
Net financials, expenses	(25)	-	-	-	-	-	-	(25)
Profit before tax	**647**	**315**	**-**	**(48)**	**-**	**-**	**-**	**914**
Tax on profit for the period	142	73	-	(10)	-	-	-	205
Profit for the period	**505**	**242**	**-**	**(38)**	**-**	**-**	**-**	**709**
Earnings per share, basic (EPS)	0.51	0.24	-	(0.04)	-	-	-	0.71

Q2 2021

DKK million	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	3,960	-	-	-	-	-	-	3,960
Cost of sales	851	(298)	-	-	-	-	-	553
Gross profit	**3,109**	**298**	**-**	**-**	**-**	**-**	**-**	**3,407**
Sales and distribution costs	1,394	-	-	-	-	-	-	1,394
Administrative expenses	215	-	-	-	-	-	-	215
Research and development costs	904	-	-	-	-	-	-	904
Profit from operations (EBIT)	**596**	**298**	**-**	**-**	**-**	**-**	**-**	**894**
Net financials, expenses	112	-	-	-	-	-	-	112
Profit before tax	**484**	**298**	**-**	**-**	**-**	**-**	**-**	**782**
Tax on profit for the period	106	69	-	-	-	-	-	175
Profit for the period	**378**	**229**	**-**	**-**	**-**	**-**	**-**	**607**
Earnings per share, basic (EPS)[1]	0.38	0.23	-	-	-	-	-	0.61

1 The calculation of EPS is based on a share denomination of DKK 1 as a result of the share split completed on June 8, 2022. Comparative figures have been restated, to reflect the change in trading unit from a nominal value of DKK 5 to DKK 1.

Notes

Note 1: Accounting policies

The interim condensed consolidated financial statements for the six months ended June 30, 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.

On June 8, 2022, the Company's shareholders approved a share split of Lundbeck's existing shares. The approval entailed that each existing Lundbeck-share with a nominal value of DKK 5 was split into one A share with a nominal value of DKK 1 and four B shares each with a nominal value of DKK 1. The A-share is carrying ten votes and the B-share is carrying one vote. The A-shares and the B-shares are ordinary, fully paid shares carrying equal economic rights in all respects. As a result, all share and per share information has been retrospectively adjusted for all periods presented to reflect the impacts of the share split transaction.

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)
June 30, 2022:			
Financial assets			
Other financial assets[1]	86	-	28
Derivatives[1]	-	226	140
Total	**86**	**226**	**168**
Financial liabilities			
Contingent consideration[1]	-	-	448
Derivatives[1]	-	593	
Bank debt[2]	-	2,219	-
Bond debt[2]	3,300	-	-
Total	**3,300**	**2,812**	**448**
December 31, 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 debt2[2]	-	1,083	-
Bond debt2[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 326 million as a result of changes in the fair value of the CVR of which DKK 278 million relates to the update of the probability of success of milestone payments occurred in the first quarter 2022.

Total contingent consideration amounted to DKK 448 million at June 30, 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 65 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	H1 2022	H1 2021	Q2 2022	Q2 2021	FY 2021
EBIT	1,497	1,478	622	596	2,010
+ Depreciation, amortization and impairment losses	842	869	427	399	1,710
= EBITDA	**2,339**	**2,347**	**1,049**	**995**	**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/or 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 adjustments

Major restructurings

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

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

Lundbeck contacts

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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.