Charl van Zyl – President & CEO, Lundbeck

What drives us is a clear, systematic strategy and the disciplined pursuit of opportunities where we are best positioned to succeed.

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Neuroscience is once again at the forefront of medical innovation, and Lundbeck is seizing the moment to redefine its future. In this wide-ranging conversation, President & CEO Charl van Zyl outlines how the company is evolving from a heritage-rich organisation into a focused, performance-driven innovator with a maturing pipeline and sharpened commercial strategy. From advancing late-stage assets to tackling mental health stigma and embracing data-driven precision, van Zyl offers a candid look at the transformation underway.

What was the context you stepped into upon joining Lundbeck, and how have you sought to shape the company's direction since then?

Joining Lundbeck felt like a true privilege. With over a century of history, the company is deeply embedded in Denmark's life sciences fabric and enjoys global recognition for its contributions to neuroscience. Although modest in size, Lundbeck has always had the ambition and capability to punch above its weight. I did not come into an organisation in crisis; rather, I found one built on solid foundations, particularly in research and development, with a deeply ingrained commitment to scientific discovery, a focus I have always believed to be critical for attracting top talent, securing strong partnerships, and sustaining innovation over time.

My mandate was not to execute a wholesale transformation, but to bring sharper focus to where we operate and how we invest. We refined our strategy around the idea of being a focused

innovator in neuroscience, beginning with a clear assessment of where we could lead, and equally, where we should not compete. Neuroscience is an expansive and complex field, and it became essential to concentrate our efforts in areas where we could build real depth. We therefore aligned the organisation around three core domains: neuropsychiatry, specialty neurology, and rare neurological diseases. These reflect both our heritage and the evolving opportunities we see in our pipeline, including the ability to serve highly targeted patient populations with high unmet need.

A key priority has been to enhance the long-term credibility and value of our pipeline. While Lundbeck was recognised for its existing portfolio, there were valid questions around what came next, how to ascribe value beyond current products and understand the company's future trajectory. Addressing that required both strategic clarity and operational discipline. Over the past 18 months, we have demonstrated the ability to accelerate growth from our in-market portfolio while advancing our pipeline into later stages of development. One important milestone was the acquisition of Longboard Pharmaceuticals, the largest in Lundbeck's history. This strategic move added a promising Phase III asset and helped rebalance our pipeline, which had previously been weighted more toward early-stage programmes.

Realignment also required a shift in leadership culture and a stronger focus on enterprise-wide execution. Like many companies in our sector, we faced a degree of siloed working, understandable in a field where product development spans nearly a decade, but nonetheless limiting. It has been essential to better connect the dots between early discovery, development, and commercial planning, ensuring a shared sense of purpose and strategic continuity across the organisation.

Since you stepped into the role, Lundbeck's financials have experienced a strong upturn. What have been the key drivers of the company's recent performance?

Our performance over the past five to six quarters has demonstrated consistent delivery and tangible progress, with results regularly exceeding analyst forecasts. This has helped shift perceptions of Lundbeck, from a company rated cautiously to one now more frequently seen as a buy recommendation. That shift is rooted in disciplined execution and a sharper focus on where we see the highest potential for growth.

Central to this evolution has been a rigorous reassessment of how we allocate resources. We have redirected investment toward areas where returns are most promising, applying a structured, analytical lens to ensure each decision supports our long-term strategy. The US has been a

particular priority. With a strong foundation already in place, we increased our presence in the market, with growth in the migraine space playing a pivotal role.

Internationally, we streamlined our commercial footprint, focusing efforts on selected markets where concentrated investment could generate meaningful returns. And the outcome has been quite compelling. Lundbeck's overall revenue is growing at 16 percent, while the products which have been identified as strategic growth drivers are expanding at 24 percent. This level of performance, especially relative to where we were a year ago, signals a marked acceleration.

What is important to underline is that none of this is coincidental. It reflects a clear, systematic strategy and the disciplined pursuit of opportunities where we are best positioned to succeed. The market is responding to that clarity of purpose.

With key patent expiration in the US on the horizon, how is Lundbeck working to build a sustainable pipeline and how do you strike the right balance between internal R&D and external innovation?

Ensuring the long-term sustainability of our pipeline is a strategic priority. Our ambition is to maintain a balanced progression of programmes across early, mid, and late development stages, aiming to launch a new product approximately every three to four years. This is, by nature, a long-term endeavour, one that began under my predecessor, and requires both scientific resilience and strategic consistency. We work from a guiding ratio: out of seven Phase I programmes, perhaps four may progress to Phase II, with two potentially reaching Phase III. While real-world dynamics are rarely this neat, the principle provides a framework for disciplined planning. Encouragingly, by 2026 we expect to have four Phase III assets, an important shift toward a more mature, value-generating pipeline.

Yet building sustainability goes beyond internal R&D. As a mid-cap company, we cannot rely solely on organic innovation. We follow a systematic, programmatic approach to business development and M&A, continuously scanning for opportunities that complement our existing capabilities. Crucially, this is not a reactive process, we believe in maintaining this external lens at all times, not just in periods of need. The acquisition of Longboard Pharmaceuticals was a key milestone, adding a late-stage asset aligned with our neuroscience strategy, but it is only one part of a broader, ongoing effort.

Today, close to half of our pipeline stems from external sources, which reflects a broader industry trend. This model creates a natural complementarity; we focus on internal excellence while remaining well-positioned to bring in external innovation at the right stage, where we can drive it forward. Balancing both streams allows us to manage risk while maintaining momentum.

At the same time, we continue to explore untapped potential within our existing portfolio. A strong example is a recent FDA approval gained by an existing therapy which was initially approved for two other indications, but now adding a third. This product is also undergoing regulatory review for an additional indication in an associated therapy area. This evolution underscores how a single mechanism can unlock multiple opportunities, provided we continue to deepen our biological understanding and revisit our assets with fresh perspectives. It is this mindset, applied across both internal and external innovation, that underpins the sustainability of our pipeline.

How do you see the future of neuroscience evolving, in terms of both industry appetite and scientific advancement?

There is a clear resurgence of energy and investment in neuroscience, largely driven by persistent unmet needs. Too many patients continue to lack effective treatment options for complex conditions such as Alzheimer’s, depression, and Parkinson’s. As a result, neuroscience has re-emerged as one of four major therapeutic frontiers, alongside oncology, immunology, and cardiometabolic diseases. What we are seeing is not simply a trend, but a meaningful return of focus as scientific risk becomes more manageable.

Several factors underpin this shift. A better understanding of brain chemistry and disease biology, supported by decades of foundational research and insights from initiatives like the Human Genome Project, has made neuroscience more actionable. What was once a high-risk arena with limited predictability is now becoming increasingly structured, with clear targets and genetically validated mechanisms. The view that this decade could be the “decade of the brain” is no longer just rhetoric, it reflects real progress.

Lundbeck is well placed to lead in this context. As a pure-play neuroscience company, we bring decades of accumulated experience, a deeply aligned organisation, and a clear understanding of the field’s complexity. One of the most significant developments we are seeing is the growing ability to stratify patients. Not all individuals with Alzheimer’s or Parkinson’s respond in the same way, and we are gradually learning to identify those subpopulations where treatments can be better tailored. This has profound implications for clinical trial design, regulatory strategy, and

ultimately for patient outcomes.

Beyond the science, the availability of real-world data and advanced analytics is beginning to transform how we understand and address brain disease. National-scale datasets, such as those available in Denmark, offer an opportunity to analyse phenotypes, treatment responses, and predictive markers at scale. The integration of AI and machine learning into this process will only accelerate our ability to derive insights that were previously inaccessible.

I believe the future of neuroscience will be shaped not only by scientific breakthroughs, but also by the intelligent use of data. Physicians may increasingly turn to digital tools and AI systems to complement their expertise, gaining second opinions or evidence-based guidance drawn from millions of datapoints. This convergence of biology and data science will be essential if we are to truly transform the landscape for patients living with neurological and psychiatric conditions.

How does Lundbeck's work in thyroid eye disease reflect its strategic approach to neuroscience and adjacent areas?

While our focus remains firmly on neuroscience, we are open to adjacent areas when there is a clear biological link. Thyroid eye disease is not a core neurological condition, but neurologists are involved in aspects of diagnosis and management, placing it at the edge of our domain. In such cases, we ask whether there is a meaningful scientific rationale and whether our expertise can add value. Advances in our understanding of disease mechanisms, particularly around inflammation, are increasingly blurring the lines between neurology, immunology, and endocrinology. Concepts like neuroimmunology and neuroendocrinology are helping redefine how we view disorders traditionally considered outside our scope.

In the case of thyroid eye disease, we are evaluating the asset carefully. If the data support it, we will consider how best to proceed, either by commercialising it ourselves or through partnership. This is not a shift in strategy but an example of how we remain guided by science, especially when opportunities emerge at the fringes of our core focus. It reflects a pragmatic approach: staying true to neuroscience while recognising where adjacent biology may open new paths forward.

Beyond the space of neurodegenerative diseases, how is Lundbeck working to reduce the stigma around mental health?

Stigma remains a significant barrier in mental health, and it often deters individuals from seeking care. Unlike physical illnesses, mental conditions are still seen by many as private or intangible, and patients may hesitate to speak openly or access support. While there is growing awareness, helped in part by social media and the increasing visibility of shared experiences, there is still much progress to be made.

At Lundbeck, we recognise that real change requires a collective effort. Through the Lighthouse Life Science project, a public-private partnership now led by Lundbeck, we are working with government, academia, and education systems to improve how mental health is addressed, especially in the early stages. The aim is to create a more connected support system, so patients are less likely to fall through the cracks between school, healthcare, and community services.

Our role is to develop treatments, but we also understand that medicines must be part of a broader ecosystem. The Lundbeck Foundation plays a vital part in this through its sustained investment in neuroscience research and its sponsorship of the Brain Prize, the world's leading award in brain science. Ultimately, we want to help build a culture where people feel confident speaking about mental health without fear or shame. While attitudes are shifting, the stigma remains deeply embedded. Progress will depend not only on science, but on long-term collaboration, openness, and shared responsibility.

With life science being clearly positioned as a priority for Denmark, how does Lundbeck contribute to the local ecosystem and what is your perspective on fostering innovation and competitiveness at both national and European levels?

Denmark stands out within Europe for its clear recognition of life sciences as a strategic industry, an approach that has translated into meaningful policy support. The government not only provides incentives to attract world-class scientific talent but has also created a favourable environment for innovation and long-term investment. One structural advantage is Denmark's foundation-based ownership model. At Lundbeck, this enables us to take a longer-term view that supports sustained scientific progress without the constant pressure of quarterly earnings or the risk of acquisition threats. Performance remains essential, but the model encourages consistency and vision.

Alongside other key players such as Novo Nordisk, we play an integral role in Denmark's thriving life sciences ecosystem. These companies illustrate how scientific innovation, economic growth, and social value creation are deeply interconnected. From increased longevity to improved quality of life, the sector has a clear societal impact, making it a national priority.

Denmark’s aspiration to build an innovation cluster comparable to Boston’s Kendall Square is beginning to take shape. With strong backing from foundations such as the Lundbeck Foundation and the Novo Nordisk Foundation, this vision includes fostering an ecosystem that supports early-stage innovation, academic spinouts, venture capital, and industrial growth. One notable example is a partnership with NVIDIA to establish a quantum and AI-powered computing platform aimed at tackling complex areas of drug discovery, particularly where traditional methods have proven insufficient.

At the same time, we need to be pragmatic. With a population of six million, Denmark cannot operate in isolation. I believe we need a coordinated, pan-European approach to life sciences development. Instead of each country attempting to build its own version of Kendall Square, we should concentrate resources in recognised hubs of excellence, whether in Copenhagen, Zurich, Cambridge, or Munich. Europe must compete not through duplication, but through collaboration, scale, and strategic specialisation.

One area I would like to see development in would be a sharper sense of urgency across Europe. Today we are facing a challenge around competitiveness and productivity, particularly when compared to regions like the US and China. Being globally competitive means being ready to act decisively and deliver impact, attributes that are not mutually exclusive with the strong social fabric and work-life balance that characterise Denmark and much of Europe. Ultimately, while we should maintain the values that make European culture strong, we must also strive to foster a mindset that is bold, outward-looking, and ready to compete on a global stage.

How are you approaching talent and cultural transformation at Lundbeck to remain globally competitive?

We are embracing a more flexible and decentralised approach to talent. Rather than concentrating all expertise at our headquarters in Denmark, we are actively establishing hubs in key regions such as Boston and China, enabling us to tap into local talent pools. This shift reflects a broader change in employee preferences, particularly post-COVID, with many professionals now favouring remote or hybrid models. Advances in digital tools and global connectivity have made it possible to build high-performing teams without requiring relocation. While Denmark remains an attractive place to live and work, we no longer see physical presence here as a prerequisite for contributing meaningfully to Lundbeck’s mission.

Equally central to our strategy is a strong commitment to diversity of thought. We believe that innovation thrives when multiple perspectives converge, particularly from outside the organisation. As part of our Focused Innovator strategy, we are enhancing our external innovation capabilities. For example, our EVP of R&D, Johan Luthman's, team includes a dedicated role focused on building academic collaborations and identifying early-stage research opportunities worldwide. Not every contributor needs to be on our payroll, what matters is cultivating a global network of experts and scientific partnerships that can help guide us toward the next breakthroughs.

Looking ahead to the next few years, what are Lundbeck's key priorities, and what message would you like to leave us with?

Over the next 18 months, our primary focus will be on the clinical advancement of our late-stage pipeline. Several pivotal readouts are expected between 2026 and 2027, which will be instrumental in shaping Lundbeck's long-term growth trajectory. Ensuring disciplined execution of these studies through timely enrolment, operational excellence, and high-quality data generation remains a top priority.

In parallel, we are continuing to refine our global footprint. While the US remains a core market where we have made substantial investments, we are now intensifying our presence in China and Japan, and adopting a more targeted, performance-oriented approach in Europe. The aim is to allocate our resources where we are best positioned to create impact and deliver sustainable growth.

Taken together, these efforts reflect our broader strategic focus: to advance a compelling pipeline, deepen our presence in key markets, and build the capabilities required to deliver meaningful outcomes for patients and enduring value for Lundbeck.

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