

LUNDBECKFOND INVEST A/S

ANNUAL REPORT 2016

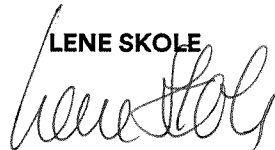
SCHERFIGSVEJ 7, DK-2100 COPENHAGEN

CVR NO. 21 85 55 45

APPROVED AT THE ANNUAL GENERAL MEETING 19 APRIL 2017

CHAIRMAN OF THE MEETING

LENE SKOLE



CONTENTS AND COMPANY INFORMATION

Contents

Company information	2
Key figures	3
Management review	4
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Notes	9
Management statement	29
Independent Auditor's Report	30

Company information

Lundbeckfond Invest A/S
Scherfigsvej 7
2100 Copenhagen Ø

Phone +45 39 12 80 00
Homepage: www.lundbeckfonden.com
E-mail: mail@lundbeckfonden.com
Business Registration No 21 85 55 45
Place of residence: Copenhagen

OWNER

Lundbeckfond Invest A/S is 100% owned by Lundbeckfonden.

BOARD OF DIRECTORS

Jørgen Huno Rasmussen, Chairman
Steffen Kragh, Deputy Chairman
Gunhild Waldemar
Lars Holmqvist
Michael Kjær
Peter Schütze
Susanne Krüger Kjær
Henrik Sindal Jensen
Peter Adler Würtzen
Vagn Flink Møller Pedersen

EXECUTIVE MANAGEMENT

Lene Skole

AUDITOR

Deloitte Statsautoriseret Revisionspartnerselskab

KEY FIGURES

DKKm	2016	2015	2014	2013	2012
Dividends from subsidiaries	20	149	401	295	499
Financial items, net	1,056	1,186	2,024	885	1,026
Gross profit from investment activities	574	1,751	2,723	1,456	1,453
Profit for the year	554	1,537	2,607	1,430	1,439
Equity	17,830	17,276	16,739	14,953	14,586
Total assets	18,385	17,832	17,174	15,338	15,130
KEY FIGURES					
Return on equity	3.2%	9.0%	16.5%	9.7%	10.4%

MANAGEMENT REVIEW

PURPOSE

The purpose of Lundbeckfond Invest A/S is to operate within production, sale and investment business, including investments in other companies.

Lundbeckfond Invest A/S manages holding and investments activities for Lundbeckfonden and is the majority shareholder of ALK-Abelló A/S, Falck A/S, H. Lundbeck A/S and LFI Equity A/S.

Portfolio investments are managed by three departments: Invest, Lundbeckfonden Ventures and Lundbeckfonden Emerge.

FINANCIAL RESULT AND FINANCIAL POSITION

The return of the investment activities contributed positively to the result in 2016 despite high market volatility over the year.

The investment portfolio of bonds, credit, equity and real assets managed by Invest generated DKK 664m. Listed equity generated the highest return amounting to DKK 571m. A significant part of this result stemmed from the holding of shares in FLSmith & Co. which gave a return of DKK 312m (23%).

As an asset class, credit generated the second largest return of DKK 89m while private equity amounted to DKK 65m. Real assets and bonds realised a loss of DKK 61m primarily due to losses on interest swaps.

Lundbeckfonden Ventures recorded a net loss of DKK 96m driven by a fall in the Veloxis Pharmaceuticals A/S share price, which was only partly offset by a successful exit of the portfolio company Ziarco Ltd.

Profit for the year amounted to DKK 554m (DKK 1,537m in 2015). At year end the equity amounted to DKK 17,830m (DKK 17,276m in 2015).

OUTLOOK

The financial performance of Lundbeckfond Invest A/S depends on the developments in the commercial activities and dividend policies of ALK, Falck and Lundbeck as well as the returns provided by the portfolio investments generated by Invest, Lundbeckfonden Ventures and Lundbeckfonden Emerge. Returns provided by Invest depend on trends in the financial markets whereas returns provided by Ventures and Emerge also depend on the developments of products, etc. in the portfolio companies.

For the year 2017, we expect continued high market volatility over the year and a positive return of our investments activities. However, this statement is based on current expectations and are by nature subject to a number of uncertainties that could cause actual results and performance to differ materially from the expectations.

MANAGEMENT REVIEW

RISK FACTORS

The most important risks relate to the business risks of our subsidiaries and portfolio investments.

Risks related to our subsidiaries include business and financial risks associated with the operations and performance of ALK, Falck and Lundbeck. Such risks are most effectively managed centrally. Consequently, the management of the individual subsidiaries defines their own risk management policies and procedures.

As owner and member of the Board of Directors of each subsidiary, business performance in the subsidiaries is closely monitored, and reports on business and risk-related issues are provided on a monthly basis to the Board of Directors.

Risks related to portfolio investments include market, credit and currency risks as well as risks associated with the operations and performance of portfolio companies managed by Lundbeckfonden Ventures and Lundbeckfonden Emerge. The Board defines the investment policy. We manage the risks related to our portfolio investments by limiting maximum exposure to individual asset classes and underlying assets. To manage interest rate risk, limits for the duration of bond investments are defined. Derivative financial instruments such as swaps, options and forward contracts are used for risk management purposes. The investment policy governs the use of such instruments with regard to maturity, quantity and counter-party requirements as well as the venture investments.

Weekly portfolio performance reports are prepared for the CEO, and monthly detailed reporting is prepared for the Board of Directors.

ENVIRONMENTAL CONSIDERATIONS

Please refer the section below regarding Corporate Social Responsibility.

CORPORATE SOCIAL RESPONSIBILITY

With respect to our statutory statement on social responsibility in accordance with section 99a of the Danish Financial Statements Act, please refer to the consolidated CSR Report 2016 for Lundbeckfonden on www.lundbeckfonden.com/csr-report.

In accordance with section 99b of the Danish Financial Statements Act, the Board of Directors of Lundbeckfond Invest A/S has obtained equal representation; consequently, we have no need to neither set nor report on a target.

INCOME STATEMENT

FOR THE PERIOD 1 JANUARY – 31 DECEMBER



	Note	2016 DKKm	2015 DKKm
Dividend from subsidiaries		20	149
Fair value adjustments associates		-502	416
Financial income	1	1.761	1.532
Financial expenses	2	-705	-346
Gross profit from investment activities		574	1.751
Other income		1	-
Staff costs	3	-23	-20
Other external costs		-9	-8
Profit/(loss) before tax		543	1.723
Tax on profit/(loss) for the year	4	11	-186
Profit/(loss) for year		554	1.537

Proposed distribution of profit

Profit for the year	554
Amount available for distribution	554

The Board of Directors proposes the profit be allocated as follows:

Dividend	335
Retained earnings	219
Distributed	554

BALANCE SHEET

AT 31 DECEMBER, ASSETS

	Note	2016 DKKm	2015 DKKm
Investments in subsidiaries	5	7,116	7,116
Receivables from subsidiaries	5	554	161
Investments in associates	6	963	1,403
Receivables from associates	6	49	-
Financial assets, Invest	7	7,429	7,457
Financial assets, Lundbeckfonden Ventures and Emerge	7	1,822	1,275
Deferred tax asset	4	14	21
Financial assets		17,947	17,433
Non-current assets		17,947	17,433
Receivables from affiliates		20	10
Income tax receivables		-	90
Other receivables		32	65
Receivables		52	165
Cash and bank balances		386	234
Current assets		438	399
Assets		18,385	17,832

BALANCE SHEET

AT 31 DECEMBER, EQUITY AND LIABILITIES

	Note	2016 DKKm	2015 DKKm
Share capital		450	450
Retained earnings		17,045	16,826
Proposed dividend		335	-
Equity		17,830	17,276
Others provisions		62	94
Non-current liabilities		62	94
Payables to affiliates		44	3
Income tax payables		9	200
Repo debt		381	248
Other payables		59	11
Current liabilities		493	462
Liabilities		555	556
Equity and liabilities		18,385	17,832
Financial risks and financial instruments	8		
Lease obligations	9		
Contractual obligations	10		
Guarantees, contingent liabilities and collaterals	11		
Related parties	12		
Group overview	13		
Accounting policies	14		
Events after the balance sheet date	15		

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 1 JANUARY – 31 DECEMBER

	Share capital DKKm	Retained earnings DKKm	Proposed dividend DKKm	Equity DKKm
Equity at 1 January 2016	450	16,826	-	17,276
Profit/(loss) for the year		219		219
Proposed dividend for the year		-	335	335
Equity at 31 December 2016	450	17,045	335	17,830

	Share capital DKKm	Retained earnings DKKm	Proposed dividend DKKm	Equity DKKm
Equity at 1 January 2015	450	15,289	1,000	16,739
Paid dividend			-1,000	-1,000
Profit/(loss) for the year		1,537		1,537
Proposed dividend for the year		-	-	-
Equity at 31 December 2015	450	16,826	-	17,276

The share capital consists of 450,000 shares of DKK 1,000. The shares are not divided in classes.

NOTE 1-3

1. Financial income

	2016 DKKm	2015 DKKm
Exchange gains	164	173
Interest on financial assets measured at fair value	33	31
Interest on receivables from subsidiaries	36	4
Interest on receivables from associates	6	-
Dividends	109	119
Gains on financial assets measured at fair value	1,413	1,205
Total	1,761	1,532

2. Financial expenses

	2016 DKKm	2015 DKKm
Exchange losses	38	-
Interest expenses	7	-
Losses on financial assets measured at fair value	657	330
Other financial expenses	3	16
Total	705	346

3. Staff costs

	2016 DKKm	2015 DKKm
Short-term staff benefits	24.8	21.9
Received from subsidiaries	-2.5	-2.3
Pension benefits	0.6	0.3
Other social security costs	0.1	0.1
Total	23.0	20.0
Average number of full-time employees during the year	14	14
Number of employees at year-end	14	13

In 2010, Lundbeckfond Invest A/S established an incentive program for Lundbeckfondens Ventures. The incentive program adjustment in 2016 amounted to an income of DKK 32m (an expense of DKK 64m in 2015). The cost related to the program is not recognised as staff cost before the payment takes place, due to uncertainty about the amount and if and when the payment will become payable. The cost has been recognised in the income statement under financial items and in the balance sheet as a provision.

Remuneration of the Executive Management and the Board of Directors:

	2016 DKKm	2015 DKKm
Remuneration of the Executive Management (excluding remuneration received from subsidiaries)	3.7	3.6
Remuneration of the Board of Directors, including committee fees (excluding remuneration received from subsidiaries)	1.1	-

Members of the Executive Management and Board of Directors, who also serve as board members in subsidiaries, receive board remuneration directly from the subsidiaries. For a complete description, see the consolidated financial statements in the annual report 2016 of Lundbeckfondens, Note 4.

NOTE 4-5

4. Tax on profit/(loss) for the year

	2016 DKK m	2015 DKK m
Current tax	17	200
Prior-year adjustments, current tax	-35	-
Change in deferred tax for the year	7	-14
Total	-11	186

Deferred taxes relate to provision regarding incentive programs.

Lundbeckfond Invest A/S expects to use section 3(4) of the Danish Corporation Tax Act ("transparensreglen") for the tax return regarding 2016. Consequently, the company will be granted a tax deduction corresponding to the proposed dividend.

Lundbeckfond Invest A/S are jointly taxed with ALK-Abelló A/S, Falck A/S, H. Lundbeck A/S and Insusense ApS and their respective Danish subsidiaries.

5. Investments in and receivables from subsidiaries

	Investments in subsidiaries	Investments in subsidiaries	Receivables from subsidiaries	Receivables from subsidiaries
	2016 DKK m	2015 DKK m	2016 DKK m	2015 DKK m
Cost at 1 January	7,116	6,301	161	-
Additions	-	815	393	179
Disposals	-	-	-	-18
Cost at 31 December	7,116	7,116	554	161
Carrying amount at 31 December	7,116	7,116	554	161

Subsidiary	Profit for the year 2016 DKK m	Equity at 31 December 2016 DKK m	City	Ownership
H. Lundbeck A/S (consolidated)	1,211	9,694	Valby	69,5%
ALK-Abelló A/S (consolidated)	270	2,875	Hørsholm	40,3%
Falck A/S (consolidated)	34	5,933	København	57,4%
LFI Equity A/S ¹	46	815	København	100,0%

¹) LFI Equity A/S was established 16 December 2015 and the first Annual report includes the period 16 December 2015 - 31 December 2016.

IMPAIRMENT TESTING

The recoverable amounts of the company's shares in ALK, Falck and Lundbeck were greater than then the carrying amounts so no impairment has been identified (no impairment in 2015).

NOTE 6-7

6. Investments in and receivables from associates

	Investments in	Investments in	Receivables	Receivables
	associates	associates	from	from
	2016	2015	2016	2015
	DKKm	DKKm	DKKm	DKKm
Cost at 1 January	815	815	-	-
Additions	63	-	46	-
Disposals	-	-	-	-
Cost at 31 December	878	815	46	-
Adjustments at 1 January	588	172	-	-
Fair value adjustments for the year	-503	416	3	-
Adjustments at 31 December	85	588	3	-
Carrying amount at 31 December	963	1,403	49	-

Associates	Profit for the	Equity 2016	City	Ownership
	year 2016			
	DKKm	DKKm		
Obel/LFI Ejendomme A/S	45	475	Copenhagen	50%
Veloxis Pharmaceuticals A/S	-72	72	Horsholm	43%

7. Financial assets

The financial investments classified as financial assets at fair value through profit or loss primarily relate to Invest's, Ventures' and Emerge's investment activities. These investments are made on the basis of an investment strategy and policies approved by the Board of Directors.

	2016	2015
	DKKm	DKKm
Financial assets, Invest		
Carrying amount at 1 January	7,457	8,660
Additions	1,040	3,662
Disposals	-1,587	-5,103
Value adjustments, year-end	519	238
Carrying amount at 31 December	7,429	7,457

Financial assets, Lundbeckfonden Ventures and Lundbeckfonden Emerge

Carrying amount at 1 January	1,275	862
Additions	396	402
Disposals	-203	-232
Value adjustments, year-end	322	307
Adjustment incentive programmes	32	-64
Carrying amount at 31 December	1,822	1,275

Fair value hierarchy for financial assets and financial liabilities, measured at fair value Level 1 includes financial assets for which the fair value is measured on the basis of quoted prices in active markets for identical assets. Level 2 includes financial assets and financial liabilities for which the fair value is measured based on directly or indirectly observable inputs other than the quoted prices included in level 1. Level 3 includes financial assets and financial liabilities for which the fair value is measured based on valuation methods which include inputs not based on observable market data.

NOTE 7

7. Financial assets (Continued)

The requirements for reclassifications between the levels are evaluated continually during the year. For the individual financial assets and liabilities, it is evaluated whether the most critical input variable in connection with determination of fair value has changed from unobservable to observable or the other way around. If this is the case the asset or liability is reclassified from the recent level to the new level from the time, where the change in input variable occurs.

Financial assets and liabilities measured at fair value 31 December 2016	Level 1 DKK m	Level 2 DKK m	Level 3 DKK m
Financial assets			
Financial assets at fair value through profit or loss			
Danish mortgage and government bonds	386	-	-
Credit bonds	681	-	684
Listed equities	5,323	-	-
Property and infrastructure	364	-	198
Lundbeckfonden Ventures and Emerge	554	-	1,871
Private equity funds	-	42	713
Other unlisted funds	-	-	1
Derivative financial instruments	-	7	-
Financial assets at fair value	7,308	49	3,467
Financial liabilities			
Derivative financial instruments	-	47	-
Financial liabilities at fair value	-	47	-

Financial assets and liabilities measured at fair value 31 December 2015	Level 1 DKK m	Level 2 DKK m	Level 3 DKK m
Financial assets			
Financial assets at fair value through profit or loss			
Danish mortgage and government bonds	297	-	-
Credit bonds	684	-	393
Listed equities	5,469	-	-
Property and infrastructure	391	-	163
Lundbeckfonden Ventures and Emerge	914	-	1,259
Private equity funds	-	5	636
Other unlisted funds	-	-	85
Derivative financial instruments	-	44	-
Financial assets at fair value	7,755	49	2,536

Financial liabilities			
Derivative financial instruments	-	5	-
Financial liabilities at fair value	-	5	-

	2016 DKK m	2015 DKK m
Financial assets measured at fair value according to level 3		
Carrying amount at 1 January	2,536	1,532
Additions	880	883
Disposals	-184	-235
Reclassification, from level 3 to level 1 in connection with IPO's	-12	-201
Fair value adjustment	247	557
Carrying amount at 31 December	3,467	2,536

NOTE 7

7. Financial assets (Continued)

Applied valuation methods for the determination of fair value of the majority of the separate categories above are as follows:

	Valuation method used	Used unobservable inputs	Sensitivity in fair value in case of changes in unobservable inputs
Danish mortgage and government bonds	Closing prices according to exchange markets	N/A	N/A
Credit bonds	Closing prices according to exchange markets	Expected discounted cash flow	N/A
Listed equities	Closing prices according to exchange markets	N/A	N/A
Property and infrastructure	Closing prices according to exchange markets or the capitalisation model	Required rates on return 5.0-5.75% or cost if under construction	If required rate of return is reduced by 0.25pp the fair value will be increased by DKK 19m
Lundbeckfonden Ventures and Emerge	Closing prices according to exchange markets for level 1 and price of recent transactions for level 3	Capital injections made at different prices	N/A
Private equity funds and other unlisted funds	Closing prices according to exchange markets and valuation methods based on International Private Equity and Venture Capital Valuation Guidance	Trading multiples or expected discounted cash flow	If closing prices according to exchange markets for a peer group increase by 1% the fair value will be increased by DKK 8m
Derivative financial instruments	Fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves. Fair value of foreign exchange contracts is determined using forward exchange rate at the balance sheet date. Fair value for share and index options is primarily based on closing prices according to exchange markets	N/A	N/A

NOTE 8

8. Financial risks and financial instruments

The company's business activities imply that the income statement and the balance sheet may be affected by various financial risks. The management of these risks is based on the investment strategy, policies and guidelines approved by the Board of Directors and Investment Committee.

The policies applicable to Invest aim for an appropriate diversification of investments on different asset classes and geographical markets in order to achieve an appropriate diversification of interest rate, exchange rate, credit and equity risks on the financial investments. The purpose of the policies is to reduce the risk of losses but also to retain the prospect of gaining a long-term return on the investments.

8.1 CREDIT RISKS

Credit risks primarily relate to investment in bonds and other unlisted funds investing in loans to businesses.

In order to limit the credit risk, a large proportion of this asset class has been invested in Danish government and mortgage bonds with a high credit rating. To achieve a higher return, the company has also invested in corporate bonds.

8.2 EQUITY RISKS

Equity risks relate to the company's holding of listed and unlisted shares, including private equity funds as part of the company's investment operations. Most of these investments are placed in listed shares.

To limit the risk of losses on these shares, the investments are diversified on different geographical regions and sectors in accordance with the applicable investment policy. Derivative financial instruments are used to manage the equity risk.

Other things being equal, a 10% decrease/increase in equity prices would reduce/increase profits by DKK 809m and DKK 615m respectively (reduce by DKK 735m and increase by DKK 757m in 2015).

8.3 EXCHANGE RATE RISKS

Exchange rate risks arise because the company's expenses and income in different currencies do not match and because the company's assets and liabilities denominated in foreign currency do not balance. Therefore risk management is focused on risk mitigation.

The company applies various derivative financial instruments to manage these risks. The hedging contracts do not meet the heading criteria and therefore they are classified as trading contracts, and changes in the fair value are recognised as financial items as they arise.

	2016	2015
Monetary assets for the principal currencies at 31 December	DKKm	DKKm
CHF	81	111
EUR	1,341	1,241
GBP	600	679
JPY	76	101
USD	3,602	4,298

Estimated impact on profit and equity from a 5% increase in year-end exchange rates of the most important currencies:

	CHF	GBP	JPY	USD
	DKKm	DKKm	DKKm	DKKm
2016				
Profit	4	30	4	180
Equity	4	30	4	180
2015				
Profit	6	34	5	215
Equity	6	34	5	215

The profit impact is included in the impact on equity.

NOTE 8

8. Financial risks and financial instruments (Continued)

Due to Denmark's long-standing fixed exchange rate policy against euro and the expected continuation of this policy, the foreign currency risk for euro is considered immaterial, and euro is therefore not included in the table above.

8.4 INTEREST RATE RISKS

The duration of the investments when selecting financing and investment instruments is used to manage the interest rate risk. In addition, Lundbeckfond Invest A/S uses derivative financial instruments to mitigate the interest rate exposure. The use of financial instruments to manage interest rate risk does not qualify for hedge accounting, and the changes in fair value are therefore recognised as financial items in the income statement.

The portfolio of bonds has a duration of 1.14 year (1.57 year in 2015). Other things being equal, an increase of 1 %-point in interest rates would increase the company's profit by DKK -28m (DKK -32m in 2015).

At 31 December 2016, Lundbeckfond Invest A/S had an interest rate swap for managing interest rate exposure on portfolio investments.

NET OUTSTANDING INTEREST RATE SWAPS AND OPTIONS

	Contractual value DKKm	Gains/losses recognised in the income statement DKKm	Market value 31 December DKKm	Expiry period
Share contracts				
2016				
Options on indices	-2,710	92	-23	Jan 2017
Options on shares	-32	13	7	May 2019
Share contracts	-2,742	105	-16	
2015				
Options on indices	-4,000	134	43	Jan 2016
Options on shares	-102	30	-5	Jan 2016
Share contracts	-4,102	164	38	

	Contractual value DKKm	Gains/losses recognised in the income statement DKKm	Fixed interest rate %	Expiry period
Interest rate swap				
2016				
Fixed to floating	600	-32	1.1	May 2025
Interest rate swap		-32		
2015				
Fixed to floating	600	-2	1.1	May 2025
Interest rate swap		-2		

NOTE 8

8. Financial risks and financial instruments (Continued)

CATEGORIES AND MATURITY DATES FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES

31 December 2016	Less than 1 year DKKm	1-5 years DKKm	More than 5 years DKKm	Total DKKm	Effective interest rate %
Financial assets					
Derivatives included in the trading portfolio	7	-	-	7	-
Securities					
Danish mortgage and government bonds	-	241	145	386	0-4%
Credit bonds	48	554	763	1,365	6-11%
Financial assets at fair value through profit or loss	55	795	908	1,758	
Receivables	45	603	-	648	-
Other cash resources	386	-	-	386	(-1)-1%
Loans and receivables	431	603	-	1,034	
Total financial assets	486	1,398	908	2,792	
Financial liabilities					
Derivatives included in the trading portfolio	47	-	-	47	-
Financial liabilities at fair value through profit or loss	47	-	-	47	
Mortgage, bank, leasing and repo debt	381	-	-	381	-
Other payables	65	-	-	65	-
Financial liabilities, measures at amortised cost	446	-	-	446	
Total financial liabilities	493	-	-	493	

31 December 2015	Less than 1 year DKKm	1-5 years DKKm	More than 5 years DKKm	Total DKKm	Effective interest rate %
Financial assets					
Derivatives included in the trading portfolio	44	-	-	44	-
Securities					
Danish mortgage and government bonds	1	137	159	297	0-4%
Credit bonds	-	323	754	1,077	8-9%
Financial assets at fair value through profit or loss	45	460	913	1,418	
Receivables	31	161	-	192	-
Fixed-term deposits	137	-	-	137	0-1%
Other cash resources	97	-	-	97	0-2%
Loans and receivables	265	161	-	426	
Total financial assets	310	621	913	1,844	
Financial liabilities					
Derivatives included in the trading portfolio	5	-	-	5	-
Financial liabilities at fair value through profit or loss	5	-	-	5	
Mortgage, bank, leasing and repo debt	248	-	-	248	-
Other payables	119	-	-	119	-
Financial liabilities, measures at amortised cost	367	-	-	367	
Total financial liabilities	372	-	-	372	

NOTE 9-12

9. Lease obligations

	2016 DKKm	2015 DKKm
Due within one year	3	2
Total	3	2

10. Contractual obligations

Lundbeckfond Invest A/S has contractual capital contribution obligations amounting to DKK 217m at 31 December 2016 (DKK 397m in 2015) of which DKK 70m have been call (DKK 14m in 2015).

11. Guarantees, contingent liabilities and collaterals

Lundbeckfond Invest A/S has placed pro rata guarantee of payment as collateral for selected loan facilities at Obel/LFI Ejendomme A/S. The collateral amounted to DKK 260m at 31 December 2016 (DKK 84m in 2015).

Bonds in repo business have been provided as collateral for repo debt, and other bonds and bank balances have been provided as collateral for hedging transactions. The value of bonds and bank balances provided as collateral at 31 December 2016 amounted to DKK 452m (DKK 248m in 2015).

JOINT TAXATION

Lundbeckfond Invest A/S, Insusense ApS, H. Lundbeck A/S, ALK-Abelló A/S, Falck A/S and their Danish subsidiaries are jointly taxed. As from 2013 financial year, the companies have partly a joint and several liability and partly a secondary liability with respect to income taxes etc. for the jointly-taxed companies. As from 1 July 2012, the companies in the tax pool have partly a joint and several liability and partly a secondary liability with respect to any obligations to withholding tax on interests, royalties and dividends for the jointly-taxed companies. However, in both cases

the secondary liability is capped at an amount equal to the share of the capital of the companies directly or indirectly owned by Lundbeckfond Invest A/S.

12. Related parties

Related parties exercising controlling interest on Lundbeckfond Invest A/S:

- Lundbeckfonden, Scherfigsvej 7, 2100 Copenhagen Ø, Denmark

Related parties exercising significant influence on Lundbeckfond Invest A/S:

- The Board of Directors and Executive Management
- Companies in which the company's Executive Management and Board of Directors exercise controlling interest

Lundbeckfond Invest A/S has not entered into any transactions with related parties that were not on an arm's length basis.

CONSOLIDATED FINANCIAL STATEMENTS

Lundbeckfond Invest A/S is included in the consolidated financial statements for the parent foundation Lundbeckfonden, Copenhagen, Denmark, Business Registration No 11 81 49 13.

NOTE 13

GROUP OVERVIEW AT 31 DECEMBER 2016

Company name	Country	Ownership
Subsidiaries		
H. Lundbeck A/S	Denmark	70%
ALK-Abelló A/S	Denmark	40% (67% of the votes)
Falck A/S	Denmark	57%
LFI Equity A/S	Denmark	100%
Associates		
Acacia Pharma Ltd	United Kingdom	27%
DySIS Medical Ltd.	United Kingdom	38%
Enterome S.A.	France	24%
Obel-LFI Ejendomme A/S	Denmark	50%
River Vision Corp.	USA	36%
scPharmaceuticals Inc.	USA	23%
Veloxis Pharmaceuticals A/S	Denmark	43%
VHsquared Ltd.	United Kingdom	29%
Subsidiaries of H. Lundbeck A/S		
Lundbeck Argentina S.A.	Argentina	100%
Lundbeck Australia Pty Ltd, including - CNS Pharma Pty Ltd	Australia	100%
Lundbeck Austria GmbH	Austria	100%
Lundbeck S.A.	Belgium	100%
Lundbeck Brasil Ltda.	Brazil	100%
Lundbeck Canada Inc.	Canada	100%
Lundbeck Chile Farmacéutica Ltda.	Chile	100%
Lundbeck (Beijing) Pharmaceuticals Consulting Co., Ltd	China	100%
Lundbeck Colombia S.A.S.	Colombia	100%
Lundbeck Croatia d.o.o.	Croatia	100%
Lundbeck Czech Republic s.r.o.	Czech Republic	100%
Lundbeck China Holding A/S, Denmark (1), including - Lundbeck Pharmaceuticals (Tianjin) Co., Ltd.	China	100%
- Lundbeck Pharmaceuticals Consulting (Shanghai) Co., Ltd.	China	100%

Company name	Country	Ownership
Lundbeck Export A/S	Denmark	100%
Lundbeck Insurance A/S	Denmark	100%
Lundbeck Pharma A/S	Denmark	100%
Lundbeck Eesti A/S	Estonia	100%
OY H. Lundbeck AB	Finland	100%
Lundbeck SAS	France	100%
Sofipharm SA, including - Laboratoire Elaiapharm SA	France	100%
Lundbeck GmbH	Germany	100%
Lundbeck Hellas S.A.	Greece	100%
Lundbeck HK Limited	Hong Kong	100%
Lundbeck Hungária KFT	Hungary	100%
Lundbeck India Private Limited	India	100%
Lundbeck (Ireland) Ltd.	Ireland	100%
Lundbeck Israel Ltd.	Israel	100%
Lundbeck Italia S.p.A.	Italy	100%
Lundbeck Pharmaceuticals, Italy S.p.A., including - Archid S.a.	Italy	100%
Lundbeck Japan K. K.	Japan	100%
Lundbeck Korea Co., Ltd.	Republic of Korea	100%
SIA Lundbeck Latvia	Latvia	100%
UAB Lundbeck Lietuva	Lithuania	100%
Lundbeck Malaysia SDN. BHD.	Malaysia	100%
Lundbeck México, SA de CV	Mexico	100%
Lundbeck B.V.	The Netherlands	100%
Lundbeck New Zealand Limited	New Zealand	100%
H. Lundbeck AS	Norway	100%
Lundbeck Pakistan (Private) Limited	Pakistan	100%
Lundbeck America Central S.A.	Panama	100%
Lundbeck Peru S.A.C.	Peru	100%
Lundbeck Business Service Centre Sp.z.o.o.	Poland	100%
Lundbeck Poland Sp.z.o.o.	Poland	100%
Lundbeck Portugal - Produtos Farmacêuticos Unipessoal Lda	Portugal	100%
Lundbeck Romania SRL	Romania	100%

NOTE 13

GROUP OVERVIEW AT 31 DECEMBER 2016 (CONTINUED)

Company name	Country	Ownership
Lundbeck RUS OOO	Russian Federation	100%
Lundbeck Singapore PTE. LTD.	Singapore	100%
Lundbeck Slovensko s.r.o.	Slovakia	100%
Lundbeck Pharma d.o.o.	Slovenia	100%
Lundbeck South Africa (Pty) Limited	South Africa	100%
Lundbeck España S.A.	Spain	100%
H. Lundbeck AB, including	Sweden	100%
Lundbeck (Schweiz) AG	Switzerland	100%
Lundbeck Pharmaceutical GmbH (under liquidation)	Switzerland	100%
Lundbeck İlaç Ticaret Limited Şirketi	Turkey	100%
Lundbeck Group Ltd. (Holding), including	UK	100%
- Lundbeck Limited	UK	100%
- Lundbeck Pharmaceuticals Ltd.	UK	100%
- Lifehealth Limited, including	UK	100%
- Lundbeck UK LLP (2)	UK	100%
Lundbeck USA Holding LLC, including	USA	100%
- Lundbeck LLC, including	USA	100%
- Chelsea Therapeutics International, Ltd., including	USA	100%
- Lundbeck NA Ltd	USA	100%
- Lundbeck Pharmaceuticals Ireland Limited (under liquidation)	Ireland	100%
- Lundbeck Pharmaceuticals Services, LLC	USA	100%
- Lundbeck Research USA, Inc.	USA	100%
Lundbeck de Venezuela, C.A.	Venezuela	100%
CNS Pharma AB was liquidated in 2016	Sweden	
Chelsea Therapeutics Limited was dissolved in 2015	UK	
Established in 2015:		
Lundbeck HK Limited	Hong Kong	
Lundbeck Romania SRL	Romania	

Company name	Country	Ownership
Subsidiaries of ALK-Abelló A/S		
ALK-Abelló Nordic A/S	Denmark	100%
ALK-Abelló Nordic A/S	Sweden	Branch
ALK-Abelló Nordic A/S	Norway	Branch
ALK-Abelló Nordic A/S	Finland	Branch
ALK-Abelló Ltd.	United Kingdom	100%
ALK-Abelló S.A.	France	100%
ALK-Abelló Arzneimittel GmbH	Germany	100%
ALK-Abelló Allergie-Service GmbH	Austria	100%
ALK-Abelló AG	Switzerland	100%
ALK AG	Switzerland	100%
ALK ilaç ve Alerji Ürünleri Ticaret Anonim Şirketi	Turkey	100%
ALK-Abelló B.V., including	The Netherlands	100%
- Artu Biologicals Europe B.V.	The Netherlands	100%
ALK-Abelló S.A., including	Spain	100%
- ALK-Abelló S.p.A.	Italy	100%
ALK-Abelló sp. z.o.o.	Poland	100%
ALK-Abelló, Inc., including	USA	100%
- OKC Allergy Suppliers Inc.	USA	100%
ALK-Abelló, Source Materials, Inc., including	USA	100%
- OKC Crystal Laboratory Inc.	USA	100%
ALK-Abelló Pharmaceuticals, Inc.	Canada	100%
ALK-Abelló A/S	China	Branch
ALK Medical Consulting Services Company Limited	China	100%
ALK Slovakia s.r.o.	Slovakia	100%
ALK Slovakia s.r.o. - od štěpný závod	Czech Republic	Branch

(1) In 2016, the share of voting rights and ownership was increased from 67% to 100%

(2) Lundbeck UK LLP is owned by Lundbeck Group Ltd. (Holding), Lundbeck Limited and Lifehealth Limited, all of which have H. Lundbeck A/S as the direct or ultimate parent company.

NOTE 13

GROUP OVERVIEW AT 31 DECEMBER 2016 (CONTINUED)

Company name	Country	Ownership
Subsidiaries of Falck A/S		
Denmark		
Falck A/S	Denmark	100%
Falck Global Assistance A/S	Denmark	100%
Falck Global A/S	Denmark	100%
Falck Health Care Holding A/S	Denmark	59%
Falck Healthcare A/S	Denmark	100%
Sundhedsdoktor A/S	Denmark	100%
Falck Hjælpe midler A/S	Denmark	100%
VikTeam A/S	Denmark	100%
ActivCare Privat A/S	Denmark	100%
Sirculus ApS	Denmark	100%
Falck Healthcare CS Holding A/S	Denmark	100%
Falck Lægehuse A/S	Denmark	100%
Quick Care A/S	Denmark	100%
Falck Safety Services Holding A/S	Denmark	100%
Falck Safety Services A/S	Denmark	100%
Falck Danmark A/S	Denmark	100%
Falck Assistance A/S	Denmark	100%
Falck Emergency A/S	Denmark	100%
Falck Treasury A/S	Denmark	100%
A C Trafik A/S	Denmark	100%
Falck Luftambulance A/S	Denmark	100%
ActiveCare A/S	Denmark	100%
Falck Medical Services Africa A/S	Denmark	60%
Falck Air Ambulance A/S	Denmark	50%
Traffilog Nordic ApS (1)	Denmark	49%
Falck Fire Services A/S	Denmark	100%
Falck Fire Services Greenland A/S	Denmark	100%
Falck Fire Services Eastern Europe Holding A/S	Denmark	100%
S Reg Holding A/S	Denmark	100%
Response A/S	Denmark	100%
Global Life Care A/S (1)	Denmark	40%
KPC Ejendomme af 6. juni 2002 A/S (1)	Denmark	25%

Company name	Country	Ownership
Nordics		
Falck Ensiohoito Oy	Finland	100%
Falck Investments Finland Oy Ab	Finland	100%
Falck Oy	Finland	100%
9Lives Group Oy	Finland	51%
9Lives Care Oy	Finland	100%
9Lives Health Oy	Finland	100%
9Lives Oy	Finland	100%
HES Hoiva Oy	Finland	100%
HES Ensiohoito OY	Finland	100%
9Lives Pirkanmaa Oy	Finland	100%
9Lives Team Oy	Finland	100%
Luumänen Ensiohoito Oy	Finland	100%
Sairaankuljetus A. Järvenpää Oy	Finland	100%
Falck Helse AS	Norway	100%
Falck Nutec AS	Norway	100%
Falck Norge Holding AS	Norway	100%
Falck Redning AS	Norway	100%
Falck Secure AS	Norway	100%
Falck Emergency AS	Norway	100%
Falck Emergency Norway AS	Norway	100%
Falck Services AS	Norway	100%
Falck Global Assistance Norway AS	Norway	100%
Falck Brann og Redningstjeneste AS	Norway	100%
Falck Health Care Holding AB	Sweden	100%
Falck Healthcare AB	Sweden	100%
Skandinavisk Hälsovård AB	Sweden	100%
Svensk Närsjukvård AB	Sweden	100%
Doc Care AB	Sweden	100%
Ofelia Vård AB	Sweden	100%
AB Previa	Sweden	100%
Silverhälsan AB	Sweden	100%
Inlandshälsan AB	Sweden	100%
Previa Sjukvård AB	Sweden	100%

NOTE 13

GROUP OVERVIEW AT 31 DECEMBER 2016 (CONTINUED)

Company name	Country	Ownership
Nordics		
Galleriva Husläkarmottagning AB	Sweden	100%
Falck Hälsopartner AB	Sweden	100%
Falck Air AB	Sweden	100%
Falck Sverige Holding AB	Sweden	100%
Falck Investment Sverige AB	Sweden	100%
S Reg AB	Sweden	100%
Falck Secure AB	Sweden	100%
Falck Räddningskår AB	Sweden	100%
Falck Security AB	Sweden	100%
Falck Försäkringsaktiebolag	Sweden	100%
Falck Global Assistance AB	Sweden	100%
Falck Ambulans AB	Sweden	95%
Falck Räddningstjänst AB	Sweden	100%
Falck Services AB	Sweden	100%
Svensk Sjöambulans AB	Sweden	50%
Falck Aktiv Arbetsmedicin AB	Sweden	100%
Europe		
Falck Österreich GmbH	Austria	100%
Nutec Belgium Holding BVBA	Belgium	100%
Nutec Belgium BVBA	Belgium	100%
Falck Safety Services Belgium BVBA	Belgium	100%
Falck Fire Services BE NV	Belgium	100%
Falck Benelux NV	Belgium	49%
Falck Investments NV	Belgium	88%
Falck CZ a.s	Czech Republic	93%
Falck Emergency a.s	Czech Republic	100%
Falck Autoabi OÜ	Estonia	100%
Falck France SAS	France	65%
Falck Fire Services DE GmbH	Germany	100%
Falck Operations Services DE GmbH	Germany	100%
Falck Rettungsdienst GmbH	Germany	90%

Company name	Country	Ownership
Europe		
G.A.R.D. Verwaltungsgesellschaft für Ambulanz und Rettungsdienst mbH	Germany	100%
G.A.R.D. Gesellschaft für Ambulanz und Rettungsdienst Cuxhaven GmbH	Germany	100%
G.A.R.D. Gesellschaft für Ambulanz und Rettungsdienst Hamburg West mbH	Germany	100%
GUARD Hospital Service GmbH	Germany	100%
G.A.R.D. Gesellschaft für Ambulanz und Rettungsdienst Bremen mbH	Germany	100%
ASN-Ambulanz-Service-Nord GmbH	Germany	100%
G.A.R.D. Gesellschaft für Ambulanz und Rettungsdienst Hamburg-Ost GmbH	Germany	100%
G.A.R.D. Arbeitsgemeinschaft Rettungsdienst Dresden GmbH	Germany	100%
G.A.R.D. ArGe Rettungsdienst Dresden GmbH & Co oHG	Germany	100%
G.A.R.D. Gemeinnützige Ambulanz und Rettungsdienst GmbH	Germany	100%
GUARD Gesellschaft für unabhängige ambulante Rettungsdienstleistungen GmbH	Germany	100%
G.A.R.D. Gesellschaft für Ambulanz und Rettungsdienst NRW mbH	Germany	100%
K&G Taxi-Krankentransporte und Dienstleistungs GmbH	Germany	80%
G.A.R.D. Beteiligungsgesellschaft für Ambulanz und Rettungsdienst mbH	Germany	100%
Ostsee-Ambulanz-Kiel GmbH	Germany	100%
Promedica Rettungsdienst GmbH	Germany	100%
RTD Consulting GmbH	Germany	100%
ASG Ambulanz Leipzig GmbH	Germany	100%
Promedica Rettungsdienst Bremhaven/Bremen GmbH	Germany	100%
Promedica Rettungsdienst Waldeck-Frankenberg GmbH & Co. KG	Germany	70%
Euro-Med Einkaufsgemeinschaft GmbH	Germany	67%

NOTE 13

GROUP OVERVIEW AT 31 DECEMBER 2016 (CONTINUED)

Company name	Country	Ownership
Europe		
Promedica Services GmbH	Germany	100%
G.A.R.D. Ambulanzflugdienst GmbH	Germany	50%
Falck Kranken-Transport Herzig GmbH	Germany	100%
KS-Medi-Service GmbH	Germany	100%
Brava Holding GmbH	Germany	100%
Falck Servizi Industriali di Emergenza S.r.l.	Italy	65%
UAB Altas Assistance	Lithuania	100%
Falck Global Safety B.V.	Netherlands	100%
Falck Nutec B.V.	Netherlands	100%
MarineSafety International Rotterdam B.V.	Netherlands	100%
Falck BHV Operations B.V.	Netherlands	100%
Falck Alford International B.V.	Netherlands	100%
Falck Eurasia B.V.	Netherlands	100%
Falck Russia Holding II B.V.	Netherlands	100%
Falck Russia Holding B.V. (1)	Netherlands	49%
Falck Holding B.V.	Netherlands	100%
Falck B.V.	Netherlands	100%
Falck Consulting & Technology B.V.	Netherlands	100%
Falck Fire Services NL B.V.	Netherlands	100%
Falck Staffing B.V.	Netherlands	100%
Falck Prevention B.V.	Netherlands	100%
Prevention & Safety B.B. (1)	Netherlands	49%
Falck Fire Services Polska Sp. Z.o.o.	Poland	100%
Falck Medycyna Sp. z o.o.	Poland	100%
Starowka Sp. z o.o.	Poland	76%
Falck SCI Portugal - Segurança Contra Incêndios, SA.	Portugal	100%
Falck Fire Services S.R.L	Romania	93%
Falck Medical Vladivostok LLC	Russia	100%
Falck Fire Services Rus Limited Liability Company	Russia	100%
Falck SK a.s.	Slovakia	93%
Falck Emergency AS	Slovakia	51%

Company name	Country	Ownership
Europe		
Falck Záchraná a.s.	Slovakia	100%
Falck Academy s.r.o.	Slovakia	100%
Falck Healthcare a.s.	Slovakia	100%
Falck Pharma s.r.o.	Slovakia	100%
Falck Fire Services a.s.	Slovakia	100%
Falck Security Services s.r.o.	Slovakia	100%
Falck SCI, S.A.	Spain	65%
Falck Emergency Spain, S.L.	Spain	65%
Falck VL Servicios Sanitarios, S.L.	Spain	75%
Sauper, S.A.	Spain	100%
Falck Global Assistance Spain S.L.	Spain	100%
Falck Fire Services CH AG	Switzerland	100%
MoPi.ch Holding AG	Switzerland	51%
MoPi.ch GmbH	Switzerland	100%
Käch Falck AG	Switzerland	60%
Falck Sağlık AŞ	Turkey	100%
Aberdeen Drilling School Ltd	UK	25%
Falck Nutec Ltd.	UK	100%
Nutec Centre for Safety Ltd.	UK	100%
Falck Onsite Limited	UK	100%
Onsite Training Services Limited.	UK	100%
Nutec UK Ltd.	UK	100%
Falck UK Limited	UK	100%
Falck EMS UK Limited	UK	100%
Medical Services Ltd.	UK	51%
Hospital & Healthcare Cars Ltd.	UK	100%
National Independent Ambulance College Ltd.	UK	100%
First Response Ambulance Services Ltd.	UK	100%
Medical Services Contractors Ltd.	UK	100%
Falck Fire Consulting Limited	UK	93%
Falck Fire Services UK Limited	UK	100%
Falck India Limited	UK	100%

NOTE 13

GROUP OVERVIEW AT 31 DECEMBER 2016 (CONTINUED)

Company name	Country	Ownership
North America		
Falck Safety Services Canada Ltd. Incorporated	Canada	55%
Falck Safety Services Canada (NL) Incorporated	Canada	100%
Falck Safety Services Canada (LA) Incorporated	Canada	100%
Haztec Services St. Lucia Ltd	St. Lucia	100%
Falck USA Holdings, LLC	USA	100%
Falck Alford Holdings, LLC	USA	100%
Alford Services, Inc	USA	100%
Alford Safety Services, LLC	USA	100%
Haztec Services - West Indies, LLC	USA	100%
Falck USA, Inc.	USA	98%
Falck Arizona Corp.	USA	100%
FCA Corp.	USA	89%
Care Ambulance Service, Inc.	USA	100%
Falck EMS Corp.	USA	99%
Lifestar Response Corporation	USA	100%
Lifestar Response of Alabama, Inc.	USA	100%
Medibus, Inc.	USA	100%
STAT Equipment Corp.	USA	100%
Bi-County Ambulance & Ambulette Transport Services Corp.	USA	100%
Falck Northeast Corp.	USA	100%
Lifestar Response of Maryland, Inc.	USA	100%
Access Transport Services Holding, Inc.	USA	100%
AccessOnTime Language Services, LLC	USA	100%
Falck Global Assistance, LLC	USA	100%
Home Care Equipment, Inc.	USA	100%
Robinson's Ambulance & Oxygen Service, Inc.	USA	100%
Falck Southeast Corp.	USA	96%
Cape Cod Medical Enterprises, Inc	USA	100%
American Ambulance, Inc.	USA	100%
Falck Southeast II Corp.	USA	96%
Transitional Health Solutions, Inc.	USA	100%

Company name	Country	Ownership
North America		
Falck Northern California Corp.	USA	87%
Falck Northwest Corp.	USA	100%
Falck Rocky Mountain, Inc.	USA	100%
Rapid Response Emergency Services, LLC	USA	100%
Pulse EMS, LLC (1)	USA	50%
Latin America		
Falck Nutec Brasil Participacoes Ltda	Brazil	100%
Falck Nutec Brasil Treinamentos em Segurança Marítima Ltda	Brazil	100%
Falck Brasil AVD Participações Ltda.	Brazil	100%
Falck Brasil 747 Participações Ltda.	Brazil	100%
Falck Fire & Safety do Brasil S.A.	Brazil	65%
Falck Chile Holding S.A.	Chile	100%
Falck Safety Services Limitada	Chile	100%
Falck Capacitacion Limitada	Chile	100%
Servicio Emergencias Regional SER S.A.	Colombia	100%
BHM Soluciones Integrales de Logistica en Salud S.A.S.	Colombia	100%
Haces Inversiones y Servicios S.A.S	Colombia	100%
Empresa de Medicina Integral EMI S.A. Servicio de Ambulancia Prepagada - Grupo EMI S.A.	Colombia	100%
EMI Ecuador S.A.- Emergencia Medica Integral	Ecuador	100%
EMI El Salvador S.A. de C.V.	El Salvador	100%
Falck Holding de México, S.A. de C.V.	Mexico	100%
Falck Safety Services de México, S.A.P.I. de C.V.	Mexico	55%
Falck Panama Holding S.A.	Panama	100%
EMI Holdings Management S.A.	Panama	63%
EMI Foreign Holdings 1 S.A.	Panama	100%
EMI Foreign Holdings 2 S.A.	Panama	100%
EMI Foreign Holdings 3 S.A.	Panama	100%
EMI Foreign Holdings 4 S.A.	Panama	100%
EMI Venezuela Holding S.A.	Panama	100%

NOTE 13

GROUP OVERVIEW AT 31 DECEMBER 2016 (CONTINUED)

Company name	Country	Ownership
Latin America		
EMI Central America Holding S.A.	Panama	80%
EMI Panama S.A.	Panama	100%
Falck Safety Services Limited	Trinidad & Tobago	100%
Haztec Services Trinidad, Ltd.	Trinidad & Tobago	100%
Luvtel S.A.	Uruguay	100%
UCM Uruguay S.A.	Uruguay	100%
Portovenus S.A.	Uruguay	16%
Emergencia Medica Integral EMI Centro S.A.	Venezuela	100%
Centro Medico Integral CEMICA S.A.	Venezuela	100%
Rest of the world		
Falck Pty. Ltd.	Australia	53%
Falck Ambulance Services Australia Pty. Ltd.	Australia	100%
Falck Investments Pty. Ltd.	Australia	100%
Falck Safety Services Australia Pty. Ltd.	Australia	100%
First Response MT Pty. Ltd.	Australia	100%
Falck (Victoria) Pty. Ltd.	Australia	100%
Falck Caspian Safe LLC	Azerbaijan	100%
Falck Global Assistance (China) Limited	China	100%
Falck India Pvt. Ltd. (India)	India	100%
Falck Care Pvt. Ltd.	India	100%
Falck Services Pvt. Ltd. (India)	India	100%
Falck Kazakhstan LLP	Kazakhstan	100%
Aberdeen Drilling International (Malaysia) SDN BHD	Malaysia	100%
MSTS Asia Sdn. Bhd.	Malaysia	70%
Risktec (M) Sdn. Bhd.	Malaysia	100%
Falck Bestari Healthcare Sdn Bhd	Malaysia	82%
Falck Nutec Malaysia Sdn. Bhd.	Malaysia	70%
First Ambulance Services Sdn. Bhd.	Malaysia	51%
Falck Services Limited	Mauritius	100%
Falck Safety Services Nigeria Limited	Nigeria	51%
Falck Prime Atlantic Limited	Nigeria	51%

Company name	Country	Ownership
Rest of the world		
Aberdeen Drilling International Co. LLC	Oman	70%
Falck Safety Services LLC	Qatar	49%
MSTS Asia (S'pore) Pte. Ltd.	Singapore	100%
Falck Emergency Asia Pte. Ltd.	Singapore	100%
Falck South Africa Holding (PTY) LTD	South Africa	100%
Falck Lanka (Pvt) Ltd. (1)	Sri Lanka	50%
Southfield Ltd	Thailand	50%
Falck Nutec (Thailand) Ltd	Thailand	65%
Aberdeen Drilling International Limited	UAE	100%
Falck Safety Services LLC	UAE	49%
Falck Medical Services LLC	UAE	49%
Falck Nutec Vietnam Limited	Vietnam	88%

(1) Associates and joint ventures

NOTE 14

14. Accounting policies

The annual report for Lundbeckfond Invest A/S for 2016 has been prepared in accordance with the Danish Financial Statements Act for large enterprises of reporting class C.

The annual report is presented in Danish kroner (DKK), which also is the functional currency of Lundbeckfond Invest A/S. DKK is rounded to the nearest million.

The accounting policies are unchanged from last year. As a consequence of the recent change of the Danish Financial Statements Act, section 37, the company has applied the section 37(5) and therefore continued to recognise financial assets and financial liabilities, that are included in the company's investment strategy, in accordance with the fair value option of International Financial Reporting Standards (IFRS) as endorsed by the EU.

CONSOLIDATED FINANCIAL STATEMENTS

With reference to section 112(1) of the Danish Financial Statements Act and the consolidated financial statements of Lundbeckfonden, Lundbeckfond Invest A/S has not prepared consolidated financial statements.

TRANSLATION OF FOREIGN CURRENCY

On initial recognition, transactions denominated in foreign currencies are translated at standard rates which approximate the exchange rates at the transaction date. Exchange differences arising between the exchange rates at the transaction date and the exchange rates at the date of payment are recognised in the income statement under financial items in respect of unhedged items and under the same item for hedged items.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the rates at the time of recognition of settlement are recognised in the income statement under financial items in respect of unhedged items and under the same item for hedged items.

FINANCIAL INSTRUMENTS

Forward exchange contracts, interest rate swaps, share options and other derivatives are initially recognised in the balance sheet at fair value on the contract date and subsequently remeasured at fair value at the balance sheet date. Positive and negative fair values are included in other receivables and other payables respectively.

Changes in the fair value of derivatives classified as hedging instruments and meeting the criteria for hedging the fair value of a recognised asset or liability are recognised in the income statement together with changes in the value of the hedged asset or liability.

Changes in the fair value of derivatives not qualifying for hedge accounting are recognised in the income statement under financial items as they arise.

INCOME STATEMENT

Financial items

Financial income and financial expenses comprise:

- Interest income and expenses for the year
- Realised and unrealised fair value adjustments of financial assets and liabilities including short-term securities that are included in the company's documented investment strategy.
- Realised and unrealised gains and losses on unhedged financial items denominated in foreign currencies, forward contracts and other financial derivatives not used for hedge accounting
- Dividend from subsidiaries and associates
- Other financial income and expenses

Other income

Other income comprise items of a secondary nature to the main investment activities of the company, including service fees.

NOTE 14

14. Accounting policies (Continued)

Staff cost

Staff costs comprise salaries, pension and other social expenses and received remuneration from subsidiaries.

Other external costs

Other external costs comprise expenses for administration and investment activities including expenses for premises and depreciations.

With reference to section 96(3) of the Danish Financial Statements Act and the consolidated financial statements of Lundbeckfonden, Lundbeckfond Invest A/S has not disclosed fees to statutory auditors.

Tax

Danish subsidiaries are jointly taxed with Lundbeckfond Invest A/S as the administration company. The current Danish corporate income tax liability is allocated among the companies of the tax pool in proportion to their taxable income (full allocation subject to reimbursement in respect of tax losses).

Lundbeckfonden has the option to use section 3(4) of the Danish Corporation Tax Act. Under these rules, the taxable income of Lundbeckfond Invest A/S is considered to have been earned by Lundbeckfonden if the taxable income is distributed as dividends to Lundbeckfonden.

Tax for the year, which consists of the year's current tax and the change in deferred tax, is recognised in the income statement as regards the amount that can be attributed to the net profit or loss for the year.

Current tax for the year is calculated based on the income tax rates and rules applicable at the balance sheet date.

BALANCE SHEET

Investments in subsidiaries

Investments in subsidiaries are recognised at cost. Costs include the consideration at fair value plus direct acquisition costs.

If there is an indication of impairment, an impairment test is performed. Where the carrying amount exceeds the recoverable amount, the investments are written down to this lower value. The recoverable amount is the higher of fair value less costs to sell and value-in-use.

Investments in associates

Investments in associates that are included in the company's investment strategy are recognised at fair value. Both realised and unrealised gains and losses are recognised in the income statement under financial items.

Other financial assets

Securities, that are included in the company's investment strategy in accordance with the fair value option of IAS 39 Financial Instruments: Recognition and Measurement, are recognised on the basis of the settlement date fair value and are subsequently measured at market price or estimated fair value at the balance sheet date. Bonds with a term to maturity of less than one year are recognised in current assets. Both realised and unrealised gains and losses are recognised in the income statement under financial items.

Financial assets are measured at fair value through the income statement, if they are included in the investment strategy.

Bonds forming part of repo transactions, i.e. the selling of bonds to be repurchased at a later date, remain in the balance sheet as financial assets, and the amount received on repo transactions is recognised as repo debt. Returns on such bonds are recognised under financial items.

NOTE 14

14. Accounting policies (Continued)

The fair value of listed investments is calculated using market prices at the balance sheet date. The calculation of fair value of unlisted investments, including life science investments, is made in accordance with the International Private Equity and Venture Capital Valuation Guidelines, i.e. on the basis of relevant valuation methods based on comparable transactions on market conditions, capital increases and the like. If the fair value cannot be determined with sufficient reliability, the investments in question are recognised at cost less any impairment. The company assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired. Assessments of investments in unlisted equity instruments and securities, including life science investments, include an assessment of whether the companies live up to the defined business plans and the impact of any non-compliance on the calculation of fair value.

Receivables

Current receivables comprise other receivables arising in the company's normal course of business.

Other receivables recognised in financial assets are financial assets with fixed or determinable payments that are not quoted on an active market and are not derivative financial instruments. On initial recognition, receivables are measured at fair value and subsequently at amortised costs, which usually corresponds to the nominal value less write-downs to counter the risk of loss calculated on the basis of an individual assessment. A provision account is used for this purpose.

Equity

Dividends are recognised as a liability at the time of adoption of the dividend resolution at the Annual General Meeting (time of declaration).

Corporate income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet, computed as tax calculated on the taxable income for the year, adjusted for provisional tax paid.

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities and their tax base, except for temporary differences arising either on initial recognition of goodwill or from a transaction that is not a business combination and with the temporary difference ascertained at the time of the initial recognition affecting neither the financial result nor the taxable income. The tax value of the assets is calculated based on the planned use of each asset.

Deferred tax assets are recognised in the balance sheet at the value at which the assets are expected to be realized, either through an offset against deferred tax liabilities or as net tax assets to be offset against future positive taxable income.

Balances calculated according to the provision of the Danish Corporate Tax Act on interest deductibility limitations are allocated between the jointly-taxed companies according to a joint taxation agreement and are allocated between the companies that are subjected to deductibility limitation in proportion to their share of the total limitation. Deferred tax liabilities in respect of these balances are recognised in the balance sheet, whereas deferred tax assets are recognised only if the criteria for recognition of deferred tax assets are met.

Other provisions

Other provisions including provision regarding incentive schemes are recognised when the company has a legal or constructive obligation that arise from past events and it is probable that an outflow of financial resources will be required to settle the obligation. Other provisions are measured as the best estimate of the costs required to settle the liabilities at the balance sheet date.

Debt

Repo debt relates to bonds included in repo transactions. Repo debt is recognised at amortised cost, and accumulated repo interest has been accrued.

Other payables are measured at amortised cost.

NOTE 14-15

14. Accounting policies (Continued)

CASH FLOW STATEMENT

With reference to section 86(4) of the Danish Financial Statements Act and the consolidated financial statements of Lundbeckfonden, Lundbeckfond Invest A/S has not prepared Cash Flow Statement.

KEY FIGURES

Key figures are calculated according to Recommendations and Financial Ratios 2015 issued by the Danish Finance Society.

Return on equity: $\text{Profit for the year} \times 100 / \text{Average equity}$

15. Events after the balance sheet date

No events of importance to the Annual Report have occurred during the period from the balance sheet date until the presentation of the financial statements.

MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have today considered and approved the annual report of Lundbeckfond Invest A/S for the financial year ended 31 December 2016.

The financial statements of Lundbeckfond Invest A/S have been prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies used to be appropriate. Accordingly, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016, and of the company's activities for the financial year 1 January - 31 December 2016.

We believe that the Management's review includes a fair review of developments in the company's activities and finances, result for the year and the company's financial position in general.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 19 April 2017

EXECUTIVE MANAGEMENT

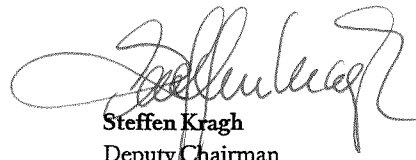


Lene Skole


BOARD OF DIRECTORS



Jørgen Huno Rasmussen
Chairman




Steffen Kragh
Deputy Chairman



Gunhild Waldemar



Lars Holmqvist




Michael Kjær



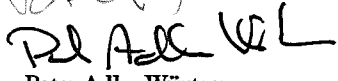
Peter Schütze



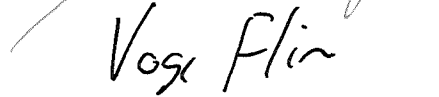
Susanne Krüger Kjær



Henrik Sindal Jensen
Elected by the employees



Peter Adler Würtzen
Elected by the employees



Vagn Flink Møller Pedersen
Elected by the employees

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF LUNDBECKFOND INVEST A/S

Opinion

We have audited the financial statements of Lundbeckfond Invest A/S for the financial year 1 January – 31 December 2016, which comprise the income statement, balance sheet, equity statement, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of Lundbeckfond Invest A/S financial position at 31 december 2016 and of the results of its operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing Lundbeckfond Invest A/S ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate Lundbeckfond Invest A/S or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lundbeckfond Invest A/S internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Lundbeckfond Invest A/S ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Lundbeckfond Invest A/S to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management review

Management is responsible for the management review.

Our opinion on the financial statements does not cover the management review, and we do not express any form of assurance conclusion thereon.

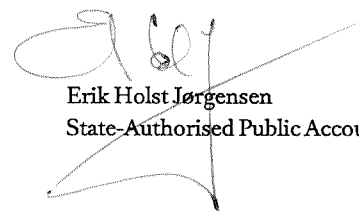
In connection with our audit of the financial statements, our responsibility is to read the management review and, in doing so, consider whether the management review is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management review.

Copenhagen, 19 April 2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Erik Holst Jørgensen
State-Authorised Public Accountant

