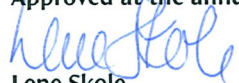


# Lundbeckfond Invest A/S Annual Report 2023

Scherfigsvej 7, DK-2100 Copenhagen Ø

CYR no. 21 85 55 45

Approved at the annual general meeting on 12 March 2024



Lene Skole

Chair of the meeting





# Contents and company information

## Contents

---

Five-year summary	3
Management review	4
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Notes	9
Management statement	26
Independent Auditor's Report	27

## Company information

---

Lundbeckfond Invest A/S  
Scherfigsvej 7  
DK-2100 Copenhagen Ø

Phone +45 39 12 80 00  
Homepage: [www.lundbeckfonden.com](http://www.lundbeckfonden.com)  
E-mail: [mail@lundbeckfonden.com](mailto: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

Steffen Kragh, Chair  
Peter Schütze, Vice Chair  
Lars Holmqvist  
Michael Kjær  
Susanne Krüger Kjær  
Svend Andersen  
Thomas Mears Werge  
Henrik Sindal Jensen  
Katja Barnkob  
Mikkel Helmer Nielsen  
Morten Egholm Aagaard

### Executive Management

Lene Skole

### Auditor

PricewaterhouseCoopers, Statsautoriseret  
Revisionspartnerselskab, CVR No 33 77 12 31



# Five-year summary

DKKm	2023	2022	2021	2020	2019
Dividends from subsidiaries	545	1,286	343	653	1,678
Financial items, net	3,425	-2,623	2,405	1,411	2,347
Gross profit from investment activities	4,028	-1,149	3,105	2,141	5,661
Profit for the year	3,954	-1,018	2,917	2,001	5,415
Equity	27,751	23,797	27,007	25,230	24,317
Total assets	30,416	25,627	27,714	25,811	25,380
<b>Key figure</b>					
Return on equity	15.3%	-4.0%	11.2%	8.1%	25.0%



# Management review

## Purpose

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

Lundbeckfond Invest A/S manages holding and investment activities for Lundbeckfonden, and is the majority shareholder of H. Lundbeck A/S, ALK-Abelló A/S, Falck A/S, LFI Equity A/S, LFI Silva Investments A/S and DySIS Medical Ltd. Furthermore, the Lundbeckfond Invest A/S is a significant shareholder of Ellab and Ferrosan Medical Devices.

Investments are managed by three departments: Strategic Ownership, Invest and BioCapital.

## Financial result and financial position

In 2023, we expanded the ownership portfolio with a 34% stake in Ellab, a market leading player offering high-end validation and monitoring solutions and other services which enable customer safety and regulatory compliance within the healthcare industry. The ownership of Ellab is shared with Novo Holdings.

With the new ownership of Ellab, we have reached an important milestone in our strategy execution as significant long-term owner of five to eight Danish healthcare companies.

2023 was a year with a vast array of geopolitical events continuing to undermine world peace. This, combined with global interest rates peaking at levels not seen for more than 10 years followed by a sudden and significant

decline late in the year, made 2023 a year when investors were constantly anticipating “something breaking” in the economies.

Financial markets nevertheless showed great resilience, with global equities yielding a total return of more than 20%. The result came in the aftermath of a turbulent 2022 with rocketing inflation, war, geopolitical instability, increasing fears of recession and significantly higher interest rates. Most of those worries subsided in 2023.

A traditional ‘60/40 portfolio’ – which sees investments allocated 60% to equities and 40% to bonds – would have experienced a return of almost 13% over the full year, as both equity and bond prices experienced substantial growth.

The investment portfolio of bonds, credits, equities and real assets managed by Invest generated a gain of DKK 1,776m (loss of DKK 549m) corresponding to a return of 13% which was ahead of expectations of a return of 0% - 5%.

The return was driven by listed equities, which generated a gain of DKK 1,406m (loss of DKK 978m). Consumer discretionary and financial sector investments earned the largest positive returns in absolute terms, while no individual sector had any meaningful negative impact on the year. FLSmidth delivered a total return of 15% and hence contributed to absolute return.

Real assets and credits generated gains of DKK 6m (DKK 102m) and DKK 309m (DKK 2m), respectively. Private equities realised a loss of DKK 12m (gain of DKK 7m).

Bonds etc. generated gains of DKK 67m (DKK 317m).

BioCapital recorded a gain of DKK 541m (loss of DKK 794m). The result reflected an increase in the valuation of the private portfolio driven by the clinical progress and selected positive market developments during the year which compensated for the decrease in the value of the public portfolio and the write down of Dysis. Investments in new and existing companies amounted to DKK 267m (DKK 224m).

Dividends from subsidiaries amounted to DKK 545m (DKK 1,286m), which was attributable to Lundbeck and Falck.

Furthermore, the result was positively impacted by reversal of the impairment of the investment in Falck of DKK 1,092m made in 2022.

Net profit for the year was a profit of DKK 3,954m (loss of DKK 1,018m).

At year end the equity amounted to DKK 27,751m (DKK 23,797m).

## Outlook

The financial performance of Lundbeckfond Invest A/S depends on the development in the commercial activities and dividend policies of the strategic

ownerships as well as returns generated by the investment activities. Returns provided by the investment activities largely depend on the overall performance of the financial markets, whereas returns from the biotech portfolio also depend on the development of products and similar factors at the portfolio companies.

For the year 2024, we expect dividends from the subsidiaries of DKK 481m. In 2024, we also expect market volatility to remain high, as a number of wider uncertainties remain in place, such as geopolitics, inflation levels, interest rates and the risk of an economic recession. The base scenario is, however, that a possible recession will only be mild and there will be a positive return of 0% - 6% on investment activities.

## Risk factors

The most significant risks relate to the business risks of the company's strategic ownerships and its investments.

Business and financial risks associated with the operation and performance of the company's five strategic ownerships, Lundbeck, ALK, Falck, Ferrosan Medical Devices and Ellab, are most effectively managed within each business. Consequently, the boards of directors and management teams at each individual company define their own risk management policies and procedures.

The parent company is represented on the Board of Directors of each strategic ownership and monitors the business performance of the companies closely.

Descriptions of each company's approach to risk management are given by each of the companies in their own annual reports.

Reports on business- and risk-related issues associated with the strategic investments are provided monthly to the Board of Directors.

The Board of Directors defines the investment policy, while compliance with the policy is monitored by the Investment Committee.

The company manages the market risk of its investments by having limits for its exposure to individual asset classes and their underlying assets. This policy covers the whole portfolio, including investments by BioCapital.

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 and as an alternative to buying the underlying assets. The investment policy governs the use of such instruments regarding maturity, quantity and counter-party requirements.

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

Finally, all investments must comply with the company's environmental, social and governance (ESG) principles. The portfolio investments are monitored for issues related to ESG principles. An ESG status report is reviewed and approved by the CEO and the Investment Committee twice a year. In 2023, no investments were identified as being in violation of the ESG principles.

## Sustainability

With respect to our statutory statement on social responsibility in accordance with sections 99a and 99d of the Danish Financial Statements Act, refer to the consolidated Sustainability Report 2023 for Lundbeckfonden on <https://www.lundbeckfonden.com/en/sustainability>.

### Section 99b of the Danish Financial Statements Act

The Board of Directors comprises one woman and six men, excluding employee representatives. Hence, the gender balance is not in accordance with the guidelines on gender equality issued by the Danish Business Authority ('Guidelines on target figures, policies and reporting on the gender composition of management').

When electing new members to the Board of Directors, the board strives to ensure diversity in competencies as well as gender. The Board of Directors will continue to pursue equal representation in the coming elections. This was also the case in 2023.

In the short term, the Board of Directors strives towards complying with the guidelines by having at least two members of each gender among the seven members elected according to the statutes. Currently, the Board expects this target will be realised by no later than 2027.

Management members employed by Lundbeckfond Invest A/S are part of the Management Team of the Lundbeck Foundation. Management members employed by Lundbeckfond Invest A/S consist of four, with one member of the underrepresented gender.

Since Lundbeckfond Invest A/S has less than 50 employees, it falls below the employee threshold in section 99b, and therefore no additional reporting is required.

Gender diversity	Target 2027	2023	2022
Members of the Board of Directors	7	7	7
Board of Directors, underrepresented gender	29%	14%	29%
Members of the Management Team of the Lundbeck Foundation		4	4
Members of the Management Team of the Lundbeck Foundation, underrepresented gender		25%	25%



## Income statement

For the period 1 January – 31 December

DKKm	Note	2023	2022
Dividends from subsidiaries		545	1,286
Dividends from associates		-	100
Fair value adjustments, associates	7	58	88
Financial income	1	5,129	1,735
Financial expenses	2	-1,704	-4,358
Gross profit/loss from investment activities		4,028	-1,149
Employee costs	3	-58	-61
Other external costs		-16	-29
Profit/loss before tax		3,954	-1,239
Tax on profit/loss for the year	4	-	221
<b>Profit/loss for the year</b>	5	<b>3,954</b>	<b>-1,018</b>

## Balance sheet

### At 31 December, Assets

DKKm	Note	2023	2022
Investments in subsidiaries	6	9,947	9,002
Investments in associates	7, 8	3,573	1,737
Financial assets, Invest	8	13,117	12,485
Financial assets, BioCapital	8	2,415	1,394
Deferred tax assets	9	268	233
<b>Financial assets</b>		<b>29,320</b>	<b>24,851</b>
<b>Non-current assets</b>		<b>29,320</b>	<b>24,851</b>
Receivables from affiliates		624	271
Income tax receivables		139	59
Other receivables		65	55
<b>Receivables</b>		<b>828</b>	<b>385</b>
<b>Cash and bank balances</b>		<b>268</b>	<b>391</b>
<b>Current assets</b>		<b>1,096</b>	<b>776</b>
<b>Assets</b>		<b>30,416</b>	<b>25,627</b>

## Balance sheet

### At 31 December, Equity and liabilities

DKKm	Note	2023	2022
Share capital	10	450	450
Retained earnings		25,901	23,347
Proposed dividend		1,400	-
<b>Equity</b>		<b>27,751</b>	<b>23,797</b>
Payables to affiliates		2,602	1,812
Other payables		63	18
<b>Current liabilities</b>		<b>2,665</b>	<b>1,830</b>
<b>Liabilities</b>		<b>2,665</b>	<b>1,830</b>
<b>Equity and liabilities</b>		<b>30,416</b>	<b>25,627</b>
Financial risks and financial instruments	11		
Lease obligations	12		
Contractual obligations	13		
Guarantees, contingent liabilities and collaterals	14		
Related parties	15		
Group overview	16		
Accounting policies	17		
Events after the balance sheet date	18		



## Statement of changes in equity

For the period 1 January – 31 December

DKKkm	Note	Share capital	Retained earnings	Proposed dividend	Equity
Equity at 1 January 2023		450	23,347	-	23,797
Profit for the year	5	-	2,554	1,400	3,954
<b>Equity at 31 December 2023</b>		<b>450</b>	<b>25,901</b>	<b>1,400</b>	<b>27,751</b>

DKKkm	Note	Share capital	Retained earnings	Proposed dividend	Equity
Equity at 1 January 2022		450	24,365	2,192	27,007
Paid dividend		-	-	-2,192	-2,192
Loss for the year	5	-	-1,018	-	-1,018
<b>Equity at 31 December 2022</b>		<b>450</b>	<b>23,347</b>	<b>-</b>	<b>23,797</b>



## Notes

### 1. Financial income

DKKm	2023	2022
Interest on financial assets	256	183
Interest on receivables from associates	4	6
Gains on financial assets measured at fair value through profit or loss	3,539	1,277
Dividends from portfolio investments	232	243
Reversal of impairment of investments in subsidiaries	1,092	-
Exchange gains	2	2
Other financial income	4	24
<b>Total financial income</b>	<b>5,129</b>	<b>1,735</b>

Receivables from subsidiaries and associates and financial assets are measured at fair value through profit or loss.

### 2. Financial expenses

DKKm	2023	2022
Interest expenses on payables to affiliates	61	8
Interest expenses	10	2
Losses on financial assets measured at fair value through profit or loss	1,346	3,022
Impairment of investments in subsidiaries	272	1,321
Exchange losses	5	3
Other financial expenses	10	2
<b>Total financial expenses</b>	<b>1,704</b>	<b>4,358</b>

### 3. Employee costs

DKKm	2023	2022
Wages and salaries	57.2	61.5
Received from subsidiaries	-3.0	-3.0
Pensions	3.2	2.4
Other social security costs	0.1	0.1
<b>Total employee costs</b>	<b>57.5</b>	<b>61.0</b>
Average number of full-time employees during the year	19	18
Number of employees at year-end	20	19

Remuneration of the Executive Management and the Board of Directors:

DKKm	2023	2022
Remuneration of the Executive Management (excluding remuneration received from subsidiaries)	9.0	8.4
Fees to the Board of Directors, including committee fees (excluding remuneration received from subsidiaries)	3.0	2.8

Members of the Executive Management and Board of Directors, who also serve as board members in subsidiaries, receive board fees directly from the subsidiaries. For a complete description, see the consolidated financial statements in the annual report 2023 of Lundbeckfonden, note 3.

## 4. Tax on profit/loss for the year

DKKm	2023	2022
Current tax	12	-64
Change in deferred tax for the year	-6	-215
Prior-year adjustments	-6	58
<b>Tax on profit for the year</b>	<b>-</b>	<b>-221</b>

Lundbeckfond Invest A/S are jointly taxed with ALK-Abelló A/S, Falck A/S, H. Lundbeck A/S, LFI Silva Investments A/S and Vesper Bio ApS, and their respective Danish subsidiaries.

## 5. Proposed distribution of profit

DKKm	2023	2022
Dividend	1,400	-
Retained earnings	2,554	-1,018
<b>Profit for the year</b>	<b>3,954</b>	<b>-1,018</b>

## 6. Investments in subsidiaries

DKKm	2023	2022
<b>Cost at 1 January</b>	<b>10,333</b>	<b>10,103</b>
Additions	86	230
Disposals	-2	-
<b>Cost at 31 December</b>	<b>10,417</b>	<b>10,333</b>
<b>Impairment at 1 January</b>	<b>-1,331</b>	<b>-10</b>
Impairment	-231	-1,321
Reversal of impairment	1,092	-
<b>Impairment at 31 December</b>	<b>-470</b>	<b>-1,331</b>
<b>Carrying amount at 31 December</b>	<b>9,947</b>	<b>9,002</b>

Subsidiaries, DKKm	Registered office	Ownership	Profit for the year 2023	Equity at 31 December 2023
H. Lundbeck A/S (consolidated)	Valby	69% (76% of the votes)	2,290	22,045
ALK-Abelló A/S (consolidated)	Hørsholm	40% (67% of the votes)	486	4,447
Falck A/S (consolidated)	Copenhagen	58%	334	4,045
LFI Equity A/S	Copenhagen	100%	26	1,607
LFI Silva Investments A/S	Copenhagen	97%	-17	560
DySIS Medical Limited (consolidated)	London	89%	-112	-158

DySIS Medical Limited's figures appear from the annual report for the period 1 January – 31 December 2022 as the annual report for 2023 has not been approved.

The investment in Falck and Dysis has been tested for impairment by comparing the value in use in the companies with the carrying value of the investments. The impairment test of Falck resulted in a reversal of the impairment of DKK 1,092m made in 2022 while the impairment test of DySIS resulted in an impairment of DKK 231m.

The impairment test for 2022 resulted in an impairment of the investments in Falck and DySIS of DKK 1,092m and DKK 229m, respectively.

See note 16 for an overview of all subsidiaries.

## 7. Investments in associates

DKKm	2023	2022
Cost at 1 January	1,195	321
Additions	1,778	874
<b>Cost at 31 December</b>	<b>2,973</b>	<b>1,195</b>
Adjustments at 1 January	542	454
Fair value adjustments	58	88
<b>Adjustments at 31 December</b>	<b>600</b>	<b>542</b>
<b>Carrying amount at 31 December</b>	<b>3,573</b>	<b>1,737</b>

Associates, DKKm	Registered office	Ownership	Profit for the year 2023	Equity at 31 December 2023
ObeL-LFI Ejendomme A/S	Copenhagen	50%	-22	1,670
Echo TopCo A/S (Ellab A/S)	Copenhagen	34%	-	-
Ferrosan Medical Devices Holdco ApS	Søborg	30%	-61	2,845
Cresco Capital Services A/S	Silkeborg	25%	-	3

Cresco Capital Services A/S' and Ferrosan Medical Devices Holdco ApS' figures appear from the annual reports for the period 1 January –31 December 2022 as the annual reports for 2023 have not been approved.

Echo TopCo A/S was established on 25 August 2023. The company's first annual report covers the period 25 August 2023 – 31 December 2024.

Investments in associates included in BioCapital's portfolio are recognised in financial assets, see note 8.

## 8. Financial assets

The financial investments classified as financial assets at fair value through profit or loss relate to investment activities in Invest and BioCapital. These investments are made based on an investment strategy and policies approved by the Board of Directors.

DKKkm	Danish mortgage and government bonds	Credit bonds and loans	Equities	Private equity funds and other unlisted funds	Derivative financial instruments	Receivables	Total
Carrying amount at 1 January 2023	629	2,877	9,202	819	215	137	13,879
Additions	1,059	196	1,622	193	505	17	3,592
Disposals	-611	-750	-2,190	-13	-571	-	-4,135
Value adjustments, year-end	30	128	2,246	-8	-106	-94	2,196
<b>Carrying amount at 31 December 2023</b>	<b>1,107</b>	<b>2,451</b>	<b>10,880</b>	<b>991</b>	<b>43</b>	<b>60</b>	<b>15,532</b>
<b>Recognised in:</b>							
Financial assets, Invest	1,107	2,451	8,525	991	43	-	13,117
Financial assets, BioCapital	-	-	2,355	-	-	60	2,415
	<b>1,107</b>	<b>2,451</b>	<b>10,880</b>	<b>991</b>	<b>43</b>	<b>60</b>	<b>15,532</b>

DKKkm	Danish mortgage and government bonds	Credit bonds and loans	Equities	Private equity funds and other unlisted funds	Derivative financial instruments	Receivables	Total
Carrying amount at 1 January 2022	190	3,061	11,983	719	99	121	16,173
Additions	447	563	711	95	432	27	2,275
Disposals	-6	-442	-1,690	-50	-636	-	-2,824
Value adjustments, year-end	-2	-305	-1,802	55	320	-11	-1,745
<b>Carrying amount at 31 December 2022</b>	<b>629</b>	<b>2,877</b>	<b>9,202</b>	<b>819</b>	<b>215</b>	<b>137</b>	<b>13,879</b>
<b>Recognised in:</b>							
Financial assets, Invest	629	2,877	7,945	819	215	-	12,485
Financial assets, BioCapital	-	-	1,257	-	-	137	1,394
	<b>629</b>	<b>2,877</b>	<b>9,202</b>	<b>819</b>	<b>215</b>	<b>137</b>	<b>13,879</b>

## 8. Financial assets – continued

At 31 December 2023, investments in associates included in BioCapital's portfolio recognised in equities amount to DKK 1,136m (DKK 460m). The associates are either not individually material or do not publish financial statements. Consequently, financial information about the associates are not disclosed.

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

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 through profit or loss

31 December 2023, DKKm	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments in associates	-	-	3,573	3,573
Financial assets, Invest				
Danish mortgage and government bonds	1,107	-	-	1,107
Credit bonds and loans	2,402	-	49	2,451
Equities	8,525	-	-	8,525
Private equity funds and other unlisted funds	-	52	939	991
Derivative financial instruments	-	43	-	43
<b>Total financial assets, Invest</b>	<b>12,034</b>	<b>95</b>	<b>988</b>	<b>13,117</b>
Financial assets, BioCapital				
Equities	665	-	1,690	2,355
Receivables from sale of portfolio companies	-	-	13	13
Other receivables	-	-	47	47
<b>Total financial assets, BioCapital</b>	<b>665</b>	<b>-</b>	<b>1,750</b>	<b>2,415</b>
<b>Total financial assets</b>	<b>12,699</b>	<b>95</b>	<b>6,311</b>	<b>19,105</b>

## 8. Financial assets – continued

### Financial assets and liabilities measured at fair value through profit or loss

31 December 2022, DKKm	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments in associates	-	-	1,737	1,737
Financial assets, Invest				
Danish mortgage and government bonds	629	-	-	629
Credit bonds and loans	2,673	-	204	2,877
Equities	7,945	-	-	7,945
Private equity funds and other unlisted funds	-	54	765	819
Derivative financial instruments	-	215	-	215
<b>Total financial assets, Invest</b>	<b>11,247</b>	<b>269</b>	<b>969</b>	<b>12,485</b>
Financial assets, BioCapital				
Equities	504	-	753	1,257
Receivables from sale of portfolio companies	-	-	59	59
Other receivables	-	-	78	78
<b>Total financial assets, BioCapital</b>	<b>504</b>	<b>-</b>	<b>890</b>	<b>1,394</b>
<b>Total financial assets</b>	<b>11,751</b>	<b>269</b>	<b>3,596</b>	<b>15,616</b>

### Financial assets measured at fair value according to level 3, DKKm

	2023	2022
Carrying amount at 1 January	3,596	2,842
Additions	2,121	1,088
Disposals	-340	-260
Reclassification, from level 3 to level 1 in connection with IPO's	-	-
Fair value adjustment	934	-74
<b>Carrying amount at 31 December</b>	<b>6,311</b>	<b>3,596</b>

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

	Valuation method used	Used unobservable inputs	Sensitivity in fair value in case of changes in unobservable inputs
Investments in associates (unlisted), real assets	Capitalisation model	Required rates on return 4.0-4.5% or cost if under construction	If required rate of return is reduced by 0.25%-point the fair value will be increased by DKK 103m
Other investments in associates (unlisted)	Trading multiples	Trading multiples	If investments increase by 1% the fair value will be increased by DKK 27m
Danish mortgage and government bonds and credit bonds (listed)	Closing prices according to exchange markets	N/A	N/A
Equities (listed)	Closing prices according to exchange markets	N/A	N/A
Equities, BioCapital (unlisted)	Trading multiples, relative adjustment based on predefined value triggers/business plans, cost at recent transaction and price at financing round	Trading multiples, value trigger assumptions, cost at recent transaction and price at financing round	If group of investments increase by 1% the fair value will be increased by DKK 17m
Private equity funds and other unlisted funds	Adjusted reported net asset value (NAV)	Latest reported NAV adjusted for capital calls, capital returns and pricing development (if relevant)	Data not accessible
Receivables including receivables from sale of portfolio companies	Expected discounted cash flow	N/A	N/A
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

## 9. Deferred tax assets

DKKm	2023	2022
Deferred tax assets at 1 January	233	13
Change in deferred tax	35	220
<b>Deferred tax assets at 31 December</b>	<b>268</b>	<b>233</b>

Deferred tax assets relate to tax losses carried forward.

The company recognises deferred tax assets including the tax value of tax losses if it is probable that it can be utilized against future taxable income within a foreseeable future.

## 10. Share capital

DKKm	2023	2022
<b>Share capital at 31 December</b>	<b>450</b>	<b>450</b>

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

The share capital has remained unchanged within the last 5 years.

## 11. 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 the 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.

### 11.1 Credit risks

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

In order to limit the credit risk, a 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.

### 11.2 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 decrease/increase profits by DKK 1,833m and DKK 1,759m respectively (decrease by DKK 663m and increase by DKK 730m).

### 11.3 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.

Monetary assets for the principal currencies at 31 December, DKKm	2023	2022
CHF	16	51
EUR	5,685	5,030
GBP	94	100
JPY	38	111
USD	2,145	2,739

## 11. Financial risks and financial instruments - continued

### 11.3 exchange rate risks - continued

The company applies various derivative financial instruments to manage these risks. The hedging contracts are classified as trading contracts, and changes in the fair value are recognised as financial items as they arise.

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

DKKm	CHF	GBP	JPY	USD
<b>2023</b>				
Profit	1	5	2	107
Equity	1	5	2	107
<b>2022</b>				
Profit	3	5	6	137
Equity	3	5	6	137

The profit impact is included in the impact on equity.

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.

### 11.4 interest rate risks

The duration of the investments when selecting financing and investment instruments is used to manage the interest rate risk. In addition, the company 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 income or expenses in the income statement.

### Net outstanding interest rate swaps, options and futures

Options, DKKm	Contractual value	Gains/losses recognised in the income statement	Market value 31 December	Expiry
<b>2023</b>				
Options on indices	618	-176	21	Mar/Apr 2024
Options on shares	847	34	22	Jan/Mar/Sep/Dec 2024
<b>Total</b>	<b>1,465</b>	<b>-142</b>	<b>43</b>	
<b>2022</b>				
Options on indices	91	11	69	Apr/May 2023
Options on shares	593	-17	-	May 2023/Dec 2024
<b>Total</b>	<b>684</b>	<b>-6</b>	<b>69</b>	

The portfolio of bonds has a duration of 2.4 years (-2.0 years). Other things being equal, an increase of 1 %-point in interest rates would increase profit by DKK 148m (increase profit by DKK 71m).



## 11. Financial risks and financial instruments - continued

### 11.4 interest rate risks - continued

Interest rate swap, DKKm	Contractual value	Gains/losses recognised in the income statement	Market value 31 December	Fixed interest rate	Expiry
<b>2022</b>					
Fixed to floating	400	65	65	1,8%	May 2052
Fixed to floating	250	-	-	2,6%	Nov 2052
<b>Total</b>	<b>650</b>	<b>65</b>	<b>65</b>		

Forward contracts, DKKm	Contractual value	Gains/losses recognised in the income statement	Market value 31 December	Expiry
<b>2022</b>				
USD (sell position)	1,001	80	80	Oct 2023
<b>Total</b>	<b>1,001</b>	<b>80</b>	<b>80</b>	

## 11. Financial risks and financial instruments - continued

### 11.4 interest rate risks – continued

31 December 2023, DKKm	Less than 1 year	1-5 years	More than 5 years	Total	Carrying amount	Effective interest rate
<b>Financial assets</b>						
Financial assets, Invest						
Danish mortgage and government bonds	53	187	2,233	2,473	1,107	-1.3%
Credit bonds	499	1,966	203	2,668	2,451	0-4.4%
Derivatives included in the trading portfolio	43	-	-	43	43	-
Financial assets, BioCapital						
Receivables from sale of portfolio companies	-	13	-	13	13	-
Other receivables	17	57	1	75	47	10-16%
<b>Financial assets at fair value through profit or loss</b>	<b>612</b>	<b>2,223</b>	<b>2,437</b>	<b>5,272</b>	<b>3,661</b>	
Receivables including receivables from affiliates	828	-	-	828	828	0-1%
Cash and bank balances	268	-	-	268	268	1-5%
<b>Financial assets measured at amortised cost</b>	<b>1,096</b>	<b>-</b>	<b>-</b>	<b>1,096</b>	<b>1,096</b>	
<b>Total financial assets</b>	<b>1,708</b>	<b>2,223</b>	<b>2,437</b>	<b>6,368</b>	<b>4,757</b>	
<b>Financial liabilities</b>						
Other payables including payables to affiliates	2,726	-	-	2,726	2,665	2-4%
<b>Financial liabilities measured at amortised cost</b>	<b>2,726</b>	<b>-</b>	<b>-</b>	<b>2,726</b>	<b>2,665</b>	
<b>Total financial liabilities</b>	<b>2,726</b>	<b>-</b>	<b>-</b>	<b>2,726</b>	<b>2,665</b>	

31 December 2022, DKKm	Less than 1 year	1-5 years	More than 5 years	Total	Carrying amount	Effective interest rate
<b>Financial assets</b>						
Financial assets, Invest						
Danish mortgage and government bonds	213	401	48	662	629	-2-3%
Credit bonds	279	969	2,063	3,311	2,877	3-13%
Derivatives included in the trading portfolio	215	-	-	215	215	-
Financial assets, BioCapital						
Receivables from sale of portfolio companies	-	47	12	59	59	-
Other receivables	85	20	1	106	78	8-16%
<b>Financial assets at fair value through profit or loss</b>	<b>792</b>	<b>1,437</b>	<b>2,124</b>	<b>4,353</b>	<b>3,858</b>	
Receivables including receivables from affiliates	385	-	-	385	385	0-1%
Cash and bank balances	391	-	-	391	391	1-5%
<b>Financial assets measured at amortised cost</b>	<b>776</b>	<b>-</b>	<b>-</b>	<b>776</b>	<b>776</b>	
<b>Total financial assets</b>	<b>1,568</b>	<b>1,437</b>	<b>2,124</b>	<b>5,129</b>	<b>4,634</b>	
<b>Financial liabilities</b>						
Other payables including payables to affiliates	1,876	-	-	1,876	1,830	2-3%
<b>Financial liabilities measured at amortised cost</b>	<b>1,876</b>	<b>-</b>	<b>-</b>	<b>1,876</b>	<b>1,830</b>	
<b>Total financial liabilities</b>	<b>1,876</b>	<b>-</b>	<b>-</b>	<b>1,876</b>	<b>1,830</b>	

The amounts in the tables are including interests.

## 12. Lease obligations

DKKm	2023	2022
Due within one year	3	3
<b>Total</b>	<b>3</b>	<b>3</b>

## 13. Contractual obligations

Lundbeckfond Invest A/S has contractual capital contribution obligations amounting to DKK 263m at 31 December 2023 (DKK 164m).

## 14. Guarantees, contingent liabilities and collaterals

The company has provided no guarantees (guarantee for a third party's debt of DKK 112m).

### Joint taxation

Lundbeckfond Invest A/S is jointly taxed with ALK-Abelló A/S, Falck A/S, H. Lundbeck A/S, LFI Silva Investments A/S and Vesper Bio ApS, and their respective Danish subsidiaries. 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. 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.

## 15. Related parties

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

- Lundbeckfonden, Scherfigsvej 7, DK-2100 Copenhagen Ø

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 of Lundbeckfonden, Copenhagen, Denmark, Business Registration No. 11 81 49 13.

## 16. Group overview

Company name	Country	Ownership
<b>Subsidiaries</b>		
H. Lundbeck A/S	Denmark	69% (76% of the votes)
ALK-Abelló A/S	Denmark	40% (67% of the votes)
Falck A/S	Denmark	58%
LFI Equity A/S	Denmark	100%
LFI Silva Investments A/S	Denmark	97%
- LFI Silva Investments Ltd.	United Kingdom	100%
DySIS Medical Ltd., including	United Kingdom	90%
- Forth Photonics Trustees Limited	United Kingdom	100%
- Forth Photonics Limited	United Kingdom	100%
- DySIS Medical, Inc.	United States	100%
- Forth Photonics Hellas S.A	Greece	100%
<b>Associates of Lundbeckfond Invest A/S</b>		
Ferrosan Medical Devices HoldCo ApS	Denmark	30%
Echo TopCo A/S (Ellab)	Denmark	34%
Obel-LFI Ejendomme A/S	Denmark	50%
Cresco Capital Services A/S	Denmark	25%
CytoKi Pharma ApS <sup>1)</sup>	Denmark	29%
IO Biotech, Inc. <sup>1)</sup>	United States	21%
SNIPR Biome ApS <sup>1)</sup>	Denmark	29%
<b>Subsidiaries of H. Lundbeck A/S</b>		
Lundbeck Argentina S.A.	Argentina	100%
Lundbeck Australia Pty Ltd, including	Australia	100%
- 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%

Company name	Country	Ownership
Lundbeck Croatia d.o.o.	Croatia	100%
Lundbeck Czech Republic s.r.o.	Czech Republic	100%
Lundbeck Export 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 SAS, including	France	100%
- Elaiapharm SAS	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	Italy	100%
- Archid S.A.	Luxembourg	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.	Netherlands	100%
Prexton Therapeutics B.V., including	Netherlands	100%
- Prexton Therapeutics S.A.	Switzerland	100%
Lundbeck New Zealand Limited	New Zealand	100%
H. Lundbeck AS	Norway	100%
Lundbeck Pakistan (Private) Limited	Pakistan	100%

## 16. Group overview - continued

Company name	Country	Ownership
Lundbeck America Central S.A.	Panama	100%
Lundbeck Peru S.A.C.	Peru	100%
Lundbeck Philippines Inc.	Philippines	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%
Lundbeck RUS LLC	Russia	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, including	South Africa	100%
- H. Lundbeck (Proprietary) Limited	South Africa	100%
Lundbeck España S.A.	Spain	100%
H. Lundbeck AB	Sweden	100%
Lundbeck (Schweiz) AG	Switzerland	100%
Lundbeck İlaç Ticaret Limited Şirketi	Turkey	100%
Lundbeck Group Ltd. (Holding), including	United Kingdom	100%
- Lundbeck Limited	United Kingdom	100%
- Lundbeck Pharmaceuticals Ltd.	United Kingdom	100%
- Lifehealth Limited	United Kingdom	100%
- Lundbeck UK LLP <sup>2)</sup>	United Kingdom	100%
Lundbeck USA Holding LLC, including	United States	100%
- Lundbeck LLC, including	United States	100%
- Chelsea Therapeutics International, Ltd., including	United States	100%
- Lundbeck NA Ltd.	United States	100%
- Lundbeck Pharmaceuticals LLC	United States	100%
- Lundbeck Research USA, Inc.	United States	100%
- Lundbeck La Jolla Research Center, Inc., including	United States	100%
- Abide Therapeutics (UK) Limited	United Kingdom	100%
- Lundbeck Seattle BioPharmaceuticals, Inc., including	United States	100%
- Alder Biopharmaceuticals Pty., Ltd.	Australia	100%
- Alderbio Holdings LLC ("ANEV")	United States	100%

Company name	Country	Ownership
Lundbeck de Venezuela, C.A.	Venezuela	100%
<b>Subsidiaries of ALK-Abelló A/S</b>		
<b>Europe</b>		
ALK-Abelló Allergie-Service GmbH	Austria	100%
ALK-Abelló Nordic A/S	Denmark	100%
ALK S.A.S.	France	100%
ALK-Abelló Arzneimittel GmbH	Germany	100%
ALK-Abelló B.V.	Netherlands	100%
ALK-Abelló Sp. z o.o.	Poland	100%
ALK Slovakia s.r.o.	Slovakia	100%
ALK-Abelló S.A., including	Spain	100%
- ALK-Abelló S.p.A.	Italy	100%
ALK AG (in liquidation)	Switzerland	100%
ALK-Abelló AG	Switzerland	100%
ALK-Abelló Ltd.	United Kingdom	100%
<b>North America</b>		
ALK-Abelló Pharmaceuticals, Inc.	Canada	100%
ALK-Abelló, Inc., including	United States	100%
- OKC Allergy Supplies, Inc.	United States	100%
ALK-Abelló Source Materials, Inc., including	United States	100%
- OKC Crystal Laboratory, Inc.	United States	100%
<b>International markets</b>		
ALK (Shanghai) Medical Technology Co., Ltd., including	China	100%
- ALK (Guangzhou) Medical Technology Co., Ltd.	China	100%
Tasfiye Halinde ALK Ilac ve Alerji Ürünleri Ticaret Anonim Sirketi (in liquidation)	Turkey	100%
<b>Subsidiaries of Falck A/S</b>		
Falck (Victoria) Pty. Ltd.	Australia	100%
Falck Pty. Ltd.	Australia	100%
Falck Fire Services BE NV	Belgium	100%
Falck Brasil 747 Participações Ltda.	Brazil	100%
Falck Fire & Safety do Brasil S.A.	Brazil	100%
Falck Global Assistance (China) Limited	China	100%

## 16. Group overview – continued

Company name	Country	Ownership
Empresa de Medicina Integral EMI S.A. Servicio de Ambulancia Prepagada – Grupo EMI S.A.	Colombia	100%
Falck Servicios Logísticos S.A.S.	Colombia	100%
Haces Inversiones y Servicios S.A.S	Colombia	100%
Falck Danmark A/S	Denmark	100%
Falck Digital Technology Denmark A/S	Denmark	100%
Falck Global Assistance A/S	Denmark	100%
Falck Healthcare A/S	Denmark	100%
MedConnect A/S	Denmark	100%
EMI Ecuador S.A.- Emergencia Medica Integral	Ecuador	100%
EMI El Salvador S.A. de C.V.	El Salvador	100%
Falck Global Assistance Oy	Finland	100%
Falck France SAS	France	100%
Falck Arbeitsgemeinschaft Rettungsdienst Plauen GmbH & Co. oHG	Germany	100%
Falck Fire Services DE GmbH	Germany	100%
Falck Notfallrettung und Katastrophenschutz gGmbH	Germany	100%
Falck Notfallrettung und Krankentransport Dortmund GmbH	Germany	100%
Falck Notfallrettung und Krankentransport GmbH	Germany	100%
Falck Notfallrettung und Krankentransport Spree-Neiße GmbH	Germany	100%
Falck Operations Services DE GmbH	Germany	100%
Falck Rettungsdienst GmbH	Germany	100%
Falck Rettungsdienst Hanse GmbH	Germany	100%
Falck Rettungsdienst Holding GmbH	Germany	100%
Falck Rettungsdienst Nord GmbH	Germany	100%
Falck India Pvt. Ltd. (India)	India	100%
Falck Servizi Industriali di Emergenza S.r.l.	Italy	100%
Falck Brann og Redningstjeneste AS	Norway	100%
Falck Global Assistance Norway AS	Norway	100%
Falck Helseformidling AS	Norway	100%
Falck Norge AS	Norway	100%
EMI Holdings Management S.A.	Panama	100%
EMI Panama S.A.	Panama	100%

Company name	Country	Ownership
Falck Fire Services Polska Sp. z.o.o.	Poland	100%
Falck IT Poland Spółka Z Ograniczoną Odpowiedzialnością	Poland	100%
Falck Medycyna Sp. z.o.o.	Poland	100%
Falck SCI Portugal – Segurança Contra Incêndios, SA.	Portugal	100%
Falck Fire Services S.R.L	Romania	100%
Falck Global Assistance Singapore Pte. Ltd.	Singapore	100%
Falck Emergency AS	Slovakia	100%
Falck Fire Services a.s.	Slovakia	100%
Falck SK a.s.	Slovakia	100%
Falck Záchranňá a.s.	Slovakia	100%
Falck Global Assistance Spain S.L.	Spain	100%
Falck SCI, S.A.	Spain	100%
Falck Servicios Sanitarios, S.L.	Spain	100%
Falck Sverige AB	Sweden	100%
Alviva AB	Sweden	100%
Falck Ambulans AB	Sweden	100%
Falck Global Assistance AB	Sweden	100%
Falck Healthcare AB	Sweden	100%
Falck Hälsopartner AB	Sweden	100%
Falck Räddningstjänst AB	Sweden	100%
Falck Global Assistance (Thailand) Ltd.	Thailand	49%
Falck Global Assistance Ltd.	Thailand	49%
Falck Eurasia B.V.	The Netherlands	100%
Falck Holding B.V.	The Netherlands	100%
Falck Sağlık AŞ	Turkey	100%
Falck Fire Services UK Limited	United Kingdom	100%
Luvtel S.A.	Uruguay	100%
Portovenus S.A.	Uruguay	16%
UCM Uruguay S.A.	Uruguay	100%
Falck Global Assistance, LLC	United States	100%
Falck HealthNet, Inc.	United States	100%

## 16. Group overview – continued

Company name	Country	Ownership
Falck Mobile Health Corp.	United States	100%
Falck Northern California Corp.	United States	100%
Falck Northwest Corp.	United States	100%
Falck Rocky Mountain, Inc.	United States	100%
Falck USA, Inc.	United States	100%

1. Associates of Lundbeckfond Invest A/S are recognised in Financial assets - Invest or Financial assets - Lundbeckfonden BioCapital
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 their direct or ultimate parent company

## 17. Accounting policies

The annual report for Lundbeckfond Invest A/S for 2023 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 is also the functional currency of Lundbeckfond Invest A/S. All amounts have been rounded to millions, unless otherwise indicated.

According to section 37(5) of the Danish Financial Statements Act investments in associates and other financial assets are recognised and measured in accordance with International Financial Reporting Standards (IFRS).

The accounting policies are unchanged from last year.

### 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 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 except in case of hedge accounting. In case of hedge accounting, such differences are recognised in the same item as the hedged item.

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 differences between the exchange rates at the time of recognition and the exchange rates at the balance sheet date or settlement are recognised in the income statement under financial items in respect of unhedged items and under the same item in respect of 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. The fair value of derivatives is determined by applying recognised measurement techniques, whereby assumptions are based on the market conditions prevailing on 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.

## 17. Accounting policies - continued

### Income statement

#### Financial items

Financial income and financial expenses comprise:

- Interest income and expenses
- 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
- Foreign currency gain and loss on financial assets and financial liabilities
- Other financial income and expenses

Interest income and expenses are accrued based on the principal and the effective rate of interest.

Dividends from subsidiaries and associates are recognised in the income statement when the right to receive such dividends has been approved. An impairment test is made if more than the comprehensive income of a subsidiary is distributed.

#### Other income

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

#### Employee costs

Employee 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.

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.

Subsequently, investments in subsidiaries that suffered an impairment are reviewed for possible reversal of the impairment at the end of each balance sheet date. Reversal of impairment is recognised in financial income.

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 are recognised at fair value. Both realised and unrealised gains and losses are recognised in the income statement under financial items.

##### Other financial assets

At initial recognition, other financial assets, that are included in the company's investment strategy, are measured at cost. Transaction costs of financial assets are expensed under financial items.

Subsequently, other financial assets are measured at fair value at the balance sheet date. Both realised and unrealised gains and losses are recognised in the income statement under financial items.

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.

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 biotech investments, is made on the basis of relevant valuation methods based on discounted cash flows or trading multiples. If the fair value cannot be determined with sufficient reliability, the investments in question are recognised at cost at recent transaction or price at financing round taking into account whether or not the companies live up to predefined value triggers/business plans.

##### 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 in an active market and are not derivative financial instruments.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, 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.



## 17. Accounting policies - continued

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities and their tax base. 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 realised, 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 subject 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 arises 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.

### 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 a Cash Flow Statement.

### Key Figure

The key figure are calculated as follows:

Return on equity: Profit for the year x 100 / Average equity

## 18. 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 Executive Management and the Board of Directors have today considered and adopted the annual report of Lundbeckfond Invest A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position at 31 December 2023 of the company and of the results of the company's operations for 2023.

In our opinion, Management review includes a true and fair account of the development in the company's operations and financial circumstances, of the result for the year and of the financial position of the company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 12 March 2024

## Executive Management

---

**Lene Skole**  
CEO

## Board of Directors

---

**Steffen Kragh**  
Chair

**Peter Schütze**  
Vice Chair

**Lars Holmqvist**

**Michael Kjær**

**Susanne Krüger Kjær**

**Svend Andersen**

**Thomas Mears Werge**

**Henrik Sindal Jensen**  
Elected by the employees

**Katja Barnkob**  
Elected by the employees

**Mikkel Helmer Nielsen**  
Elected by the employees

**Morten Egholm Aagaard**  
Elected by the employees

# Independent Auditor's Report

## To the Shareholder of Lundbeckfond invest A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Lundbeckfond Invest A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these

requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management Review

Management is responsible for Management Review.

Our opinion on the financial statements does not cover 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 Management Review and, in doing so, consider whether Management Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, 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 in Management Review.

### 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 the Company'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 the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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.

Hellerup, 12 March 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lars Baungaard  
State Authorised Public Accountant  
Mne23331

Torben Jensen  
State Authorised Public Accountant  
Mne18651