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Entity details

Entity

Fonden Lundbeck International Neuroscience Foundation
Ottiliavej 9
2500 Valby

Central Business Registration No: 24246051

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Vaidrius Navikas, Chairman
Philip Gorwood
Tarek Ahmed Mahmoud Okasha
Christoph Correll
Xin Yu
Christopher Chen

Executive Board

Christoph Gert Michael Freiherr von der Goltz, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Fonden Lundbeck International Neuroscience Foundation for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Copenhagen, 07.05.2019

Executive Board

Christoph Gert Michael
Freiherr von der Goltz
Director

Board of Directors

Vaidrius Navikas
Chairman

Philip Gorwood

Tarek Ahmed Mahmoud Okasha

Christoph Correll

Xin Yu

Christopher Chen

Independent auditor's report

To the Board of Directors of Fonden Lundbeck International Neuroscience Foundation

Opinion

We have audited the financial statements of Fonden Lundbeck International Neuroscience Foundation for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity 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 the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018 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 the Entity'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 the Entity 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:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary 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 commentary provides the information required under the Danish Financial statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 07.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Kristoffer Sune Hemmingsen

State Authorised Public Accountant

Identification number (MNE) mne33384

Management commentary

Primary activities

The Foundation's primary activities comprises managing non-product-oriented training in the subjects of medical, pharmaceutical and medical nature, especially in neurology and psychiatry, and emphasis on increased patient quality of life and improved patient care.

Development in activities and finances

This year's profit amounts to DKK 706 thousand in 2018, compared to a profit of DKK 752 thousand in 2017.

The Foundation distributed grants of DKK 412 thousand in 2018, compared to DKK 668 thousand in 2017.

Statutory report on foundation governance

Statutory report on foundation governance, cf. section 77a of the Danish Financial Statements Act, is published on the foundation's website cf <http://linf-forum.com/lundbeckinstitute/governance>

Statutory report on distribution policy

The foundation distributed DKK 412 thousand to educational activities in 2018. Statutory report on distribution policy, cf. section 77b of the Danish Financial Statements Act, is published on foundation's website cf <http://linf-forum.com/educationalresources/instructions-to-applicants>

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Revenue		4.262.178	3.703
Other external expenses	1	<u>(3.183.470)</u>	<u>(2.652)</u>
Gross profit/loss		1.078.708	1.051
Staff costs	2	<u>(301.997)</u>	<u>(301)</u>
Operating profit/loss		776.711	750
Other financial income		34.208	67
Other financial expenses		<u>(105.031)</u>	<u>(65)</u>
Profit/loss for the year		<u>705.888</u>	<u>752</u>
Proposed distribution of profit/loss			
Provision for distributions		1.162.096	752
Retained earnings		<u>(456.208)</u>	<u>0</u>
		<u>705.888</u>	<u>752</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Other receivables		2.521.913	7
Prepayments		103.972	31
Receivables		2.625.885	38
Other investments		461.371	506
Other investments		461.371	506
Cash		2.753.222	3.635
Current assets		5.840.478	4.179
Assets		5.840.478	4.179

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital		300.000	300
Provision for distributions		1.792.928	1.043
Retained earnings		<u>1.000.000</u>	<u>1.456</u>
Equity		<u>3.092.928</u>	<u>2.799</u>
Trade payables		1.854.641	1.046
Other payables		<u>892.909</u>	<u>334</u>
Current liabilities other than provisions		<u>2.747.550</u>	<u>1.380</u>
Liabilities other than provisions		<u>2.747.550</u>	<u>1.380</u>
Equity and liabilities		<u>5.840.478</u>	<u>4.179</u>

Statement of changes in equity for 2018

	Contributed capital DKK	Provision for distributions DKK	Retained earnings DKK	Total DKK
Equity beginning of year	300.000	1.042.600	1.456.208	2.798.808
Ordinary distributions	0	(411.768)	0	(411.768)
Profit/loss for the year	0	1.162.096	(456.208)	705.888
Equity end of year	300.000	1.792.928	1.000.000	3.092.928

Notes

1. Other external expenses

500 t.DKK has been paid to the foundation's administrator in administration fee.

	2018	2017
	DKK	DKK'000
2. Staff costs		
Wages and salaries	301.997	301
	301.997	301
	Remunera- tion of manage- ment 2018 DKK	Remunera- tion of manage- ment 2017 DKK'000
Board of Directors	301.997	301
	301.997	301

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B, with optional provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is recognised in the income statement when earned. Revenue is recognised net of VAT.

Other external expenses

Other external expenses include expenses relating to the Foundation's ordinary activities.

Staff costs

Staff costs comprise the Board of Director's fee.

Other financial income

Other financial income comprises interest income and transactions in foreign currencies.

Accounting policies

Other financial expenses

Other financial expenses comprise expenses and transactions in foreign currencies.

Distribution of grants

Authorised grants

Grants are considered equity movements and are recognised as a liability at the time when the grant has been authorised by the Board of Trustees and announced to the recipient. Authorised grants not yet disbursed are recognised in non-current or current liabilities, respectively.

Reserve for future grants

In accordance with the Danish Act for Industrial Foundations, a reserve for future grants has been set up in order for the Board of Trustees to be able to donate grants during the financial year. The reserve does not have to be used, but is continuously reduced with donated grants. Every year the Annual Meeting the Board of Trustees will re-evaluate the size of the reserve.

Balance sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.