

# **Eli Lilly Danmark A/S**

Lyskær 3 E, 2. tv.

2730 Herlev

CVR No. 51619811

## **Annual Report 2015**

38. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 6 June 2016

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Poul Flemming Hansen  
Chairman

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## Management's Statement

Today, Management has considered and adopted the Annual Report of Eli Lilly Danmark A/S for the financial year 1 January 2015 - 31 December 2015.

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 assets, liabilities and financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Herlev, 6 June 2016

### Executive Board

Morten Auscher  
Man. Director

### Board of Directors

Poul Flemming Hansen  
Chairman

Morten Auscher  
Man. Director

Bjarke Mollerup Bitsch

Grethe Bjerre Højlund

## Independent Auditor's Report

To the shareholders of Eli Lilly Danmark A/S

### Independent auditors report on the financial statements

We have audited the Financial Statements of Eli Lilly Danmark A/S for the financial year 1 January 2015 - 31 December 2015 which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### Management's Responsibility 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 that Management determines is necessary to enable preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We have conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation of Financial Statements that give a true and fair view 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

Our audit has not resulted in any qualifications.

### Opinion

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Eli Lilly Danmark A/S

## **Independent Auditor's Report**

### **Statement on Management's Review**

Pursuant to the Danish Financial Statements Act., we have read the Management's review. We have not performed any other procedures in addition to the audit of the Financial Statements. On this basis, it is our opinion that the information provided in Management's Review is consistent with the Financial Statements.

Copenhagen, 6 June 2016

**Ernst & Young**

**Godkendt Revisionspartnerselskab**

CVR-no. 30700228

Svend Duelund Jensen

State Authorised Public Accountant

## Eli Lilly Danmark A/S

### Company details

<b>Company</b>	Eli Lilly Danmark A/S Lyskær 3 E, 2. tv. 2730 Herlev
Telephone	45 45 26 60 00
Telefax	45 45 26 60 01
email	danmark@lilly.com
Website	www.eli-lilly.dk
CVR No.	51619811
Date of formation	31 January 1975
Registered office	Herlev
Financial year	1 January 2015 - 31 December 2015
<b>Board of Directors</b>	Poul Flemming Hansen, Chairman Morten Auscher, Man. Director Bjarke Mollerup Bitsch Grethe Bjerre Højlund
<b>Executive Board</b>	Morten Auscher, Man. Director
<b>Auditors</b>	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4 Postboks 250 2000 Frederiksberg CVR-no.: 30700228
<b>Bank</b>	BNP Paribas

## Management's Review

### Business activities and mission

The activities of Eli Lilly Danmark A/S in 2015 included the product lines: Pharmaceutical products in Denmark, Finland, Iceland and Norway as well as Animal Health products in the Nordic Area.

Our Mission: We make medicines that help people live longer, healthier, more active lives.

### Business review

For Eli Lilly Danmark A/S, the financial year 2015 was a satisfactory year, in the light of the difficult market situation and a more challenging environment with hospital owners introducing stricter conditions for market access for pharmaceuticals.

Eli Lilly Danmark A/S has in 2015 experienced significant changes. One of our biggest brands lost exclusivity, Cymbalta, and generic formulations entered the market place at a much lower price impacting our top line result. We also started a new important era of growth lead by new brands in Diabetes, Oncology and Animal Health with significant sales opportunities (near-term and long-term).

In 2015 we also made significant pipeline progress in areas of rheumatology, dermatology and oncology. We have several potential submissions, approvals and launches in 2016 and we could possibly launch up to 20 new products in the period between 2014 and 2023.

In addition to this we are very pleased with the closing of the Novartis Animal Health acquisition into the Elanco business, effective January 1st 2015. Adding incremental sales of TDKK 129,188 in 2015, and a promising pipeline of new medicines in both our two divisions: food and companion animals.

Parallel import to our markets is still an issue, but as in 2014 we have also in 2015 an aggressive price strategy competing on prices with PI-companies. As a result we have lowered the parallel import and combined with increasing market shares on our promoted products and the Novartis Animal Health acquisition, we are growing our revenue in 2015.

The annual report for 2015 showed a profit of DKK 25,121 thousand compared to a profit of DKK 11,504 thousand in 2014. Revenue increased to DKK 844,179 thousand against DKK 741,012 thousand in 2014.

At year-end 2015 the company's equity amounts to DKK 146,430 thousand against DKK 151,309 in 2014. In 2015 dividend of DKK 30,000 thousand was paid.

### Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

### Unusual risks

In management's opinion the annual report is not influenced by unusual risks.

### Net profit/loss for the year compared with previously expressed expectations

The company has fully met its previously expressed expectations of net results.

### Research and development activities

In NO, FI and DK we conduct multiple studies within Oncology, Diabetes, Neuroscience, Rheumatoid Arthritis & Psoriasis. These studies are conducted either in-house or outsourced to CROs, and we are a big contributor to our overall clinical program. The research is carried out on behalf of the Eli Lilly Group, from which the company received payments on ordinary market terms.

In 2015 the company's research and development costs in Denmark and Norway totalled DKK 12,023 thousand.

## Management's Review

### Unusual matters

It is the management's opinion that no unusual matters have affected the financial statements.

### Accounting estimates

No comments.

### Outlook 2016

We will in 2016 have a strong focus on launching new molecules in all 4 business units - Diabetes, Oncology, Biomedicine and Animal Healths - while our promising pipeline in areas of neurodegeneration and pain continues to mature.

Our market situation is still under pressure in 2016, primarily due to parallel import, generic competition and expiry of exclusivity on several key brands e.g. oncology drug, Alimta. Our greatest challenge in 2016 will continue to be to obtain access and reimbursement for our new innovative medicines. In addition, the hospital owners have implemented a stricter coordination of the commissioning of hospital medicine through the RADS and KRIS committees, and to make the coordination even stronger, these two committees will be joined to one agency early 2017.

We also see an increased political pressure on the price. LIF and the Ministry of Finance, the Ministry of Health and Danish Regions just signed a new price agreement effective may 1st 2016 reducing pricing for hospital medicine 10% over the next 3,5 years.

However, management still expects a positive result for 2016, profit estimated to DKK 32,500 thousand and forecasted revenue of DKK 750,000 thousand. Our 2016 result will be achieved through several new product launches within Oncology, Biomedicines, Diabetes and Animal Health.

### Statutory statement regarding social responsibility according to section 99a of the Danish Financial Statements Act

We do not have a local CSR policy in place, including human rights and climate impacts, for Eli Lilly Danmark A/S. More information on our corporate CSR group work can be found by clicking the link. Website:

<http://www.lilly.com/Documents/CR-update-2014.pdf>

### Statutory statement regarding gender distribution §99b of the Danish Financial Statements Act

We believe embracing diversity means understanding respecting and valuing differences. At Lilly, our commitment to diversity spans our workplace, marketplace and our relationships with suppliers. Gender distribution is part of the workplace diversity commitment. Here our goal is to keep a good balance between the genders in all management layers. See table below, per 31 December 2015:

Table – gender distribution §99b	Men	Women	Total
Danish Board	3	1 (25%)	4
Lead team	2	1 (33%)	3

Based on the statistics above, we consider all our leadership layers to be equally distributed and therefore not fund is necessary to develop a local policy for achieving an equal gender distribution.



## Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Revenue	844.179	741.012	671.363	695.994	823.792
Operating profit/loss	44.308	37.384	36.303	44.627	49.904
Net financials	-10.420	-6.848	-7.908	2.975	2.172
Profit/loss for the year	25.121	11.504	19.519	33.825	35.933
Shareholders' equity	146.430	151.309	169.805	200.285	178.960
Total assets	338.440	324.044	293.557	322.626	472.092
Number of employees	76	72	80	85	80
Ratios					
Return on assets (%)	13	12	12	14	11
Return on equity (%)	17	8	12	17	21
Equity ratio (%)	43	47	57	62	38

For definitions of key ratios, see Accounting and Valuation Principles

## Accounting Policies

### Reporting Class

The Annual Report of Eli Lilly Danmark A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

### Reporting currency

The Annual Report is presented in Danish kroner.

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## General Information

### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

The accounting value of Intangible and tangible assets are examined on a yearly basis to determine if there are any indications of impairment, other than what has been declared by regular depreciations. If this is the case, an impairment will be done to the lowest recuperation value.

## Accounting Policies

### Income Statement

#### Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

#### Other operating income

Other operating income comprise items of a secondary nature to the principal activity of the Company.

#### Cost of sales

Cost of sales comprise purchase of goods and services for resale.

#### Other external expenses

Other external expenses comprise expenses regarding sale, administration, distribution, advertising, premises, lease payments, other operation leases etc.

#### Employee expenses

Employee expenses comprise wages and salaries, pensions and social security costs.

Other employee expenses are recognised in other external expenses.

#### Amortisation and impairment of intangible and tangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	<b>Useful life</b>	<b>Residual value</b>
Goodwill	15 years	0%
Other fixtures and fittings, tools and equipment	4-5 years	0%
Leasehold improvements	5 years	0%

Profit or loss resulting from the sale of intangible and tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

The expected future earnings from goodwill is 15 years.

#### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

#### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax.

## Accounting Policies

### Balance Sheet

#### Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

An impairment test of goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

#### Tangible assets

Tangible assets are measured at cost and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

#### Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### Prepaid expenses

Prepaid expenses recognised in assets comprises prepaid costs regarding subsequent financial years.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

#### Equity

Proposed dividend for the year is recognised as a separate item in equity.

#### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Financial liabilities

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

## Accounting Policies

### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### Accounting policies Cash Flow Statement

According to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.

The cash flow statement is part of the cash flow statement in the consolidated financial statements for Lilly Holding B.V., Netherlands.

### Segment information

Segment information is provided about activity and geographically. Segmentation is in accordance with the Company's internal reporting and responsibilities. The segment figures are prepared according to the same policies as the Corporate Financial Statements.

## Explanation of financial ratios

Return on equity (%)	=	$\frac{\text{Profit/loss for the year}}{\text{Avg. equity X 100}}$
Return on assets (%)	=	$\frac{\text{Operating profit (EBIT)}}{\text{Avg. assets X 100}}$
Equity interest (equity ratio) (%)	=	$\frac{\text{Total equity}}{\text{Total assets X 100}}$

## Income Statement

	Note	2015 tkr.	2014 tkr.
Revenue	1	844.179	741.012
Cost of sales		-552.162	-492.627
Other operating income		26.981	42.422
Other external expenses		-193.237	-191.329
<b>Gross result</b>		<b>125.761</b>	<b>99.478</b>
Employee expenses	2	-80.289	-61.830
Depreciation of property, plant and equipment and intangible assets recognised in profit or loss		-1.164	-264
<b>Profit from ordinary operating activities</b>		<b>44.308</b>	<b>37.384</b>
Finance income	3	7.435	1.979
Finance expences	4	-17.855	-8.827
<b>Profit from ordinary activities before tax</b>		<b>33.888</b>	<b>30.536</b>
Tax expense on ordinary activities	5	-8.767	-19.032
<b>Profit</b>		<b>25.121</b>	<b>11.504</b>
<b>Proposed distribution of profit</b>			
Proposed dividend recognised in equity		0	-30.000
Retained earnings		25.121	11.504
		<b>25.121</b>	<b>-18.496</b>

## Balance Sheet as of 31. December

	Note	2015 tkr.	2014 tkr.
<b>Assets</b>			
Goodwill	6	12.492	0
<b>Intangible assets</b>		<b>12.492</b>	<b>0</b>
Fixtures, fittings, tools and equipment	7	205	151
Leasehold improvements	8	153	383
<b>Property, plant and equipment</b>		<b>358</b>	<b>534</b>
Deposits, investments	9	510	510
<b>Investments</b>		<b>510</b>	<b>510</b>
<b>Fixed assets</b>		<b>13.360</b>	<b>1.044</b>
Manufactured goods and goods for resale		34.760	0
<b>Inventories</b>	10	<b>34.760</b>	<b>0</b>
Short-term trade receivables		169.556	155.385
Short-term receivables from group enterprises		113.193	163.999
Other short-term receivables		4.401	0
Prepaid expenses	11	1.744	3.552
Current deferred tax	5	1.424	64
<b>Receivables</b>		<b>290.318</b>	<b>323.000</b>
<b>Current assets</b>		<b>325.078</b>	<b>323.000</b>
<b>Assets</b>		<b>338.440</b>	<b>324.044</b>

## Balance Sheet as of 31. December

	Note	2015 tkr.	2014 tkr.
<b>Liabilities and equity</b>			
Contributed capital	12	10.000	10.000
Retained earnings		136.430	111.309
Proposed dividend recognised in equity		0	30.000
<b>Equity</b>	13	<b>146.430</b>	<b>151.309</b>
Trade payables		9.485	2.859
Payables to group enterprises		146.534	133.040
Tax payables	5	3.883	3.739
Other payables		32.108	33.097
<b>Short-term liabilities other than provisions</b>		<b>192.010</b>	<b>172.735</b>
<b>Liabilities other than provisions within the business</b>		<b>192.010</b>	<b>172.735</b>
<b>Liabilities and equity</b>		<b>338.440</b>	<b>324.044</b>
Parent company	14		
Related parties	15		
Contingent liabilities	16		
Collaterals and assets pledges as security	17		
Fees for auditors elected on the general meeting	18		



## Notes

	<b>2015</b>	
<b>1. Segment information</b>		
Biomed		433.752
Oncology		155.905
Diabetes		70.500
Animal Health		184.022
<b>Total activity</b>		<b>844.179</b>
Denmark		270.486
Sweden		53.271
Iceland		14.895
Norway		247.132
Finland		258.395
<b>Total geographically</b>		<b>844.179</b>
<b>2. Employee expenses</b>		
	<b>2015</b>	<b>2014</b>
Wages and salaries	74.494	56.586
Post-employment benefit expense	5.071	4.628
Social security contributions	724	616
	<b>80.289</b>	<b>61.830</b>
<i>Total remuneration to management</i>		
Executive Board and Board of Directors	2.659	2.627
	<b>2.659</b>	<b>2.627</b>
Average number of employees	76	72
<b>3. Finance income</b>		
	<b>2015</b>	<b>2014</b>
Currency adjustment	7.292	1.406
Interest income, intra-group	143	573
	<b>7.435</b>	<b>1.979</b>
<b>4. Finance expenses</b>		
	<b>2015</b>	<b>2014</b>
Interest expenses, external	301	2.839
Currency adjustments	17.554	5.988
	<b>17.855</b>	<b>8.827</b>

## Notes

## 5. Tax for the year

	Expensed tax	Tax receivable /payable	Deferred tax asset
Balance at 1 January 2015	0	-3.739	64
Tax paid in 2015	0	3.739	0
Prepaid tax, 2015	0	6.244	0
Adjustment of prior-year taxes	0	0	0
Deferred tax asset adjustment	-1.360	0	1.360
Tax for the year	10.127	-10.127	0
Balance at 31 December 2015	<b>8.767</b>	<b>-3.883</b>	<b>1.424</b>

## 6. Goodwill

Cost at the beginning of the year	0	0
Addition during the year, incl. improvements	13.384	0
<b>Cost at the end of the year</b>	<b>13.384</b>	<b>0</b>
Depreciation and amortisation at the beginning of the year	0	0
Amortisation for the year	-892	0
<b>Impairment losses and amortisation at the end of the year</b>	<b>-892</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>12.492</b>	<b>0</b>

## 7. Fixtures, fittings, tools and equipment

	2015	2014
Cost at the beginning of the year	987	1.257
Addition during the year, incl. improvements	96	32
Disposal during the year	0	-302
<b>Cost at the end of the year</b>	<b>1.083</b>	<b>987</b>
Depreciation and amortisation at the beginning of the year	-836	-1.104
Amortisation for the year	-42	-34
Reversal of impairment losses and amortisation of disposed assets	0	302
<b>Impairment losses and amortisation at the end of the year</b>	<b>-878</b>	<b>-836</b>
<b>Carrying amount at the end of the year</b>	<b>205</b>	<b>151</b>

## 8. Leasehold improvements

	2015	2014
Cost at the beginning of the year	1.147	1.147
<b>Cost at the end of the year</b>	<b>1.147</b>	<b>1.147</b>
Depreciation and amortisation at the beginning of the year	-764	-535
Amortisation for the year	-230	-229
<b>Impairment losses and amortisation at the end of the year</b>	<b>-994</b>	<b>-764</b>
<b>Carrying amount at the end of the year</b>	<b>153</b>	<b>383</b>

**Notes****9. Deposit**

	<b>2015</b>	<b>2014</b>
Cost at the beginning of the year	510	510
<b>Cost at the end of the year</b>	<b>510</b>	<b>510</b>
<b>Carrying amount at the end of the year</b>	<b>510</b>	<b>510</b>

**10. Inventories**

*Inventories are stated as follows:*

Manufactured goods and goods for resale	34.760	0
<b>Inventories in total</b>	<b>34.760</b>	<b>0</b>

**11. Prepaid expenses**

Prepaid expenses includes: Prepaid expenses, prepaid insurance payments, salary bankaccount and credit card transactions that have not yet been cleared through the travel expense software.

Prepaid Expenses	659	108
Prepaid Insurance	302	256
Prepaid Expense - Other	751	2.749
Cash Advance Credit Card	32	439
<b>Balance at the end of the year</b>	<b>1.744</b>	<b>3.552</b>

## Notes

### 12. Contributed capital

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

The company's share capital consists of 10,000 shares of DKK 1,000 each, totalling TDKK 10,000.

### 13. Statement of changes in equity

	<u>Contributed capital</u>	<u>Proposed dividend</u>	<u>Retained earnings</u>	<u>Total equity</u>
Equity, beginning balance	10.000	30.000	111.309	151.309
Dividend paid	0	-30.000	0	-30.000
Proposed distribution of results	0	0	0	0
Profit	0	0	25.121	25.121
	<u>10.000</u>	<u>0</u>	<u>136.430</u>	<u>146.430</u>

### 14. Parent company

The company's financial statements are included in the consolidated financial statements of the parent company, Lilly Holding, BV, whose annual report is available at the parent company's office at Papendorpseweg 83,3528 BJ Utrecht, Netherlands. The parent company of the entire group is Eli Lilly and Company, P.O. Box 88665, Indianapolis, Indiana 46208-0665.

The company is fully owned by Lilly Holding, BV.

### 15. Related parties

Related parties include the parent, group entities and associates.

The company purchases goods and services from related parties.

In addition, the company sells administrative services to related parties.

During the year, the company did not enter into any significant related party transactions other than ordinary intra-group transactions.

### 16. Contingent liabilities

Rent liability for 2015 is TDKK 2,137.

Operating lease liability concerning cars and computer equipment is for 2015 TDKK 3,480.

Apart from the above, the company has not undertaken any other lease liabilities.

### 17. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

**Notes**

**18. Fees for auditors elected on the general meeting**

	<b>2015</b>	<b>2014</b>
Statutory audit	338	318
Other assurance reports	12	11
Tax consultancy	0	191
Other services	8	52
	<u>358</u>	<u>572</u>