

Annual Report 2024

 LUNDBECK
FOUNDATION



Contents

Management Review

In Brief

Our business model	3
At a glance	4
Letter from the Chair and the CEO	6
The 2030 strategy: 'Bringing Discoveries to Lives'	8
Financial highlights	11
Five-year summary	12

Performance

Financial performance	13
Lundbeckfonden Strategic Ownerships	16
Lundbeckfonden Invest	25
Lundbeckfonden BioCapital	27

Partner to Society

Grants & Prizes	31
Active public voice	34

Governance

Risk management	35
Sustainability	39
Foundation Governance	43
Grant policy	46
Board of Directors	48
Management	51

Financial statements

Financial statements Lundbeckfonden Group	54
Financial statements of the Parent Foundation	126
Management statement	135
Independent Auditor's Report	136

Other reports

Sustainability Report

Our 2024 Sustainability Report provides detailed information on our sustainability efforts and responsible business behaviour.

[Read the report](#)

Find and follow us

[LinkedIn](#) [X](#) [Facebook](#) [Instagram](#)

Our 2030 strategy

Bringing Discoveries to Life

The common thread in all our commercial and non-commercial endeavours.

[Click to read highlights from the 2024 Sustainability Report](#)

Our business model



Strategic Ownerships

The Lundbeck Foundation is a long-term owner of multiple healthcare companies headquartered in Denmark. Our ambition is to position and maintain the companies as international market leaders within their industry segment. Business ownerships is a key element of the Foundation's financial and societal value creation and of building the route to market for new treatments and therapies for patients all over the world.

Asset Management

Financial investments ensure long-term financial stability and robustness, and allows the Foundation to invest in the future of healthcare and support new scientific research. The Foundation's biotech investments contribute to the financial value creation while also developing people and businesses in the Danish life science ecosystem.

Partner to Society

The Foundation grants and part...
Foundation's pu...
strategic ambit...
the brain and c...
also developing...
advancing and...
innovation and

At a glance

The purpose of the Lundbeck Foundation is to create powerful ripple effects that bring discoveries to lives through investing actively in business and science at the frontiers of their fields.

We live our purpose every day through engaged ownership of our strategic ownerships and biotech portfolio companies, all of which strive to improve patients' lives. Our investment activities enable us to continuously award significant independent research grants to advance Danish-based biomedical research with a specific focus on neuroscience. Established in 1954, the Lundbeck Foundation is one of Denmark's largest enterprise foundations, with a net wealth at the end of 2024 of DKK 72bn.

Lundbeck Foundation Annual Report 2024

Grants and Prizes

1,074 DKKm

grants awarded in 2024

Strategic Ownership

8%

stake was acquired in WS Audiology in April 2024

Invest

3,108 DKKm

generated return in 2024 primarily driven by listed equities. Total market value at 31 December 2024 amounted to DKK 24bn

BioCapital

108 DKKm

in net return for the year. Total market value at 31 December 2024 amounted to DKK 3bn

Revenue

DKK 39,675m

of which in DKKm

Lundbeck	22,004
ALK	5,537
Falck	12,134



The increase in revenue of 8% was primarily attributable to Lundbeck (+2,092m) and ALK (+713m).

Net profit

DKK 6,567m

of which in DKKm

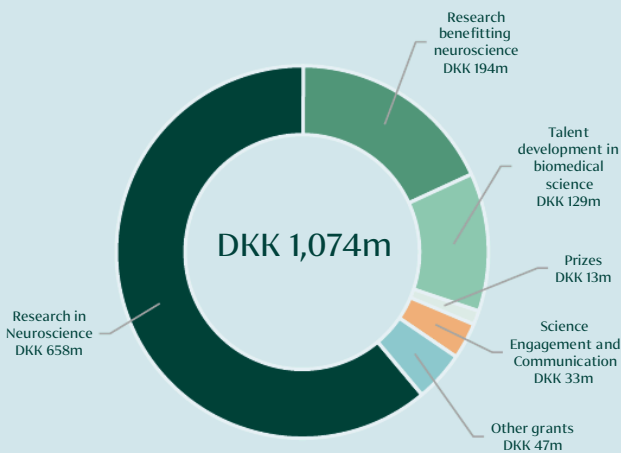
Lundbeck	3,143
ALK	815
Falck	116
Foundation	2,493



Overall profit for the Group was DKK 6,567m, corresponding to an increase of 5%, primarily attributable to Lundbeck and ALK.

In 2024, the Lundbeck Foundation continued to support outstanding biomedical research, with a strong commitment to talent development and research in basis and clinical neuroscience.

Distribution of total grants in 2024



Total payouts

632

DKK m

Grants paid out in 2024

Total support for brain research

947

DKK m

Corresponding to 88% of total grants in 2024

Number of full-time employees funded

1,012

A year with remarkable scientific

In 2024, research supported by the Lundbeck Foundation resulted in numerous scientific publications. Below examples of research highlights.

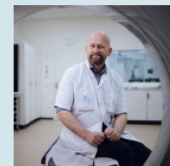
Close-up of the havoc wreaked in the brain by cocaine. Researchers from the University of Copenhagen, using a new microscope in the world, researchers from the University of Copenhagen have imaged the brain's dopamine transporter, demonstrating how cocaine binds to this transporter.



Significant depression in chemistry. Research from the University of Copenhagen Services advance our understanding of the disease, indicating the need for new treatments.

Plague emerges from stone age graves. The research team from the University of Copenhagen Centre have published new insights into plague in Scandinavia with the aid of powerful DNA analysis. The findings have blazed the trail for the closest ancestor of the modern-day plague.

... and new strategic initiatives.



Lundbeck Foundation supports new strategic initiatives and awards. In 2024, the Foundation awarded grants to support research in Disease Research and other areas. Per Borghammer, MD, PhD, is a recipient of a grant.

¹ With the Lundbeck Foundation as funding agency according to the Danish Research Council.

Letter from the Chair and the CEO

2024 was a landmark year for the Lundbeck Foundation. We delivered strong financial results and awarded an unprecedented level of grants while maintaining our commitment to business and science with the purpose of ‘Bringing discoveries to lives’.

Group revenue grew by 8% to DKK 39,675m, exceeding expectations and reaching an all-time high. Operating profit grew by 21% to DKK 4,569m, while the Foundation’s financial investment activities delivered solid returns for the year of DKK 3,108m. The profit for the year thus amounted to DKK 6,567m, an increase of 5% compared to 2023.

At the Lundbeck Foundation, we are committed to improving lives by reinvesting profits in Danish society, investing responsibly with a long-term engagement in healthcare companies and by supporting public research, focusing on neuroscience. Following our 2030 strategy, we pursue our commercial and philanthropic objectives with the ambition of creating both financial and societal value while strengthening Denmark’s position as a leading life science nation.

In 2024, our strategic ownerships continued their respective journeys towards becoming international leaders within their segments and made significant strategic moves to secure growth and development.

H. Lundbeck acquired Longboard Pharmaceuticals, a highly innovative late-stage asset that significantly

bolsters the company’s pipeline and addresses a critical unmet need in severe epilepsies. Underlined by notable pipeline progress, H. Lundbeck aims to provide growth drivers well into the next decade while continuing to deliver solid growth driven by its strategic brands.

ALK delivered solid sales growth and increased operating profit while also launching its new strategy Allergy+. In November, ALK acquired the rights to the anaphylactic nasal spray ‘Neffy’ in Europe, Canada and other markets. Furthermore, ALK achieved promising results from the Phase I part of the ongoing Phase I/II programme within peanut allergy.

Falck continued to invest in digitalisation and the development of new healthcare services. In 2024, Falck provided over nine million healthcare services and launched new strategic initiatives focused on advancing healthcare at home services.

Ferrosan Medical Devices suffered from a setback caused by a fire at its production facilities in August but managed to deliver better than expected results and continued its market expansion, supply chain renewal and product innovation activities.



Following the Annual Meeting in March 2025, Steffen Kragh was appointed Chair of the Board of Directors of the Lundbeck Foundation and Lundbeck A/S. He was appointed Chair in 2020.



Ellab saw lower-than-expected demand for its high-end validation and monitoring solutions and began implementing several initiatives to restore topline and earnings growth from 2025. In December, Ellab announced the acquisition of PharmaProcess, reinforcing its combined offering to life science customers.

In April 2024, we became minority shareholders in **WS Audiology** by partnering with T&W Medical, the family-owned company that holds majority ownership in WS Audiology, a Danish-based leading global hearing aid company that markets its care and diagnostic solutions in over 130 markets.

Despite volatile financial markets characterised by increased geopolitical instability, recession risk decreased and the Foundation's financial investment portfolio, Invest, generated solid returns, benefitting from a structured approach to balancing risks while maintaining a long-term investment horizon and a large exposure to listed equities.

Lundbeckfonden BioCapital reaffirmed its commitment to the Danish biotech sector by adding Danish quantum computing startup Kvantify to its portfolio. It also continued to support clinical development across its portfolio companies, with notable progress from NMD Pharma, Vesper Bio and Cytoki Pharma.

2024 was a significant year for our philanthropic and societal impact priorities as we continued to advance our mission to drive innovation, foster talent and

support outstanding biomedical research, particularly in basic and clinical neuroscience. All of this aimed at translating new scientific discoveries into improving the lives of patients and their families.

For the first time in the Foundation's 70-year history, our philanthropic funding surpassed the 'one billion' mark.

Throughout the year, we provided a variety of grants to support scientists and researchers at various career stages and across different research disciplines while also promoting activities to strengthen networks among scientists in Denmark. For the first time in the Foundation's 70-year history, our philanthropic funding surpassed the 'one billion' mark, totalling DKK 1,074m.

We maintained close dialogue and collaboration with Danish universities and hospitals, and we took ambitious steps towards enhancing the neuroscience community in Denmark. This included the launch of Lundbeck Foundation Parkinson's Disease Research Center (PACE) as our first large strategic initiative to strengthen the integration of basic and clinical research.

Our most prestigious award, The Brain Prize, the world's largest in brain research, was awarded in 2024 to Professors Haim Sompolinsky, Larry Abbott, and Terry Sejnowski for their groundbreaking and foundational contributions to theoretical and computational neuroscience, which have paved the way for modern artificial intelligence. The award was celebrated at a ceremony in Copenhagen attended by His Majesty The King of Denmark, who also announced his patronage of The Brain Prize.

Neurotorium, our online learning platform that translates neuroscience research into free, unbiased, high-quality and internationally reviewed educational content for clinicians, educators and anyone interested in the brain, attracted more than 450,000 visits from 189 countries.

As an enterprise foundation in Denmark with a strong commitment to healthcare, public research and neuroscience, we have a responsibility to continually inspire both science and business to push the boundaries in their pursuit of future innovations that will create economic and societal value for Denmark.

Guided by our purpose of 'Bringing discoveries to lives' we have expanded our long-term engagement in Danish healthcare and biotech business, and we have launched significant new initiatives that will strengthen public research and support the Danish scientific community, particularly in neuroscience.

The 2030 strategy: ‘Bringing Discoveries to Lives’

2024 marked the fourth year since the launch of the Foundation’s 2030 strategy, ‘Bringing Discoveries to Lives’. With the strategy, the Foundation strives to create value across five key themes.



Top-tier neuroscience

We create value when we fund Danish-based research that results in a better understanding of the brain and better prevention, diagnosis and treatment of brain diseases.

Our ambition is that, by 2030, Lundbeck Foundation-funded research will have led to a better understanding of the brain and to groundbreaking new programmes and treatments in clinical trials or on their way to the market.



Close collaboration between research and business

We create value when we invest in research talents, entrepreneurs and innovation in Danish healthcare, and when we strengthen the collaboration between universities, hospitals and companies in Denmark.

Our ambition is that, by 2030, the Lundbeck Foundation will have contributed to innovative healthcare solutions and/or started new healthcare companies in Denmark.



Active public voice

We create value when we develop and internationalise Danish healthcare research and business culture and when we improve society’s understanding of the brain and its diseases.

Our ambition for 2030 is that the Foundation has increased public understanding of the importance of brain health, improved the conditions for research in Denmark and further developed the role of enterprise foundations.



Attractive financial return

We create value when our return on investment enables us to increase grants to society and secures our financial robustness and growth.

Our ambition for 2030 is for our investment activities to deliver a competitive return better than that of relevant peers to at least double our net wealth, and double our average grants to at least DKK 1bn.

Delivering on our strategy towards 2030

The Lundbeck Foundation is an enterprise foundation engaged in a diverse range of commercial and philanthropic activities. While these activities vary greatly, they are interconnected and mutually reinforcing. The Foundation's strategy provides a clear roadmap for value creation, with specific goals and ambitions across five thematic areas. In 2024, the Foundation continued to make progress across all themes, achieving several key milestones.

Top-tier neuroscience



The Foundation's scientific focus in 2024 remained centred on the tremendous complexity of the brain, one of humanity's most challenging scientific topics. The lack of basic knowledge about the brain - both in terms of its normal functioning and its disorders - underscores the pressing need for new insights. By 2030, the Foundation therefore aims to double its average annual grants to at least DKK 1bn, with a strategic focus on neuroscience to generate knowledge that can improve prevention, diagnosis and treatment of brain disorders.

In 2024, the Foundation awarded DKK 1,074m. Of this total, 88% was dedicated to neuroscience research across all levels - from PhD students to professors - through strategic programmes, open calls and talent development initiatives. These efforts aim to generate knowledge that benefits patients, doctors and

therapists while further strengthening Denmark's neuroscience community.

In 2024, the Foundation launched its first strategic initiative to integrate basic and clinical research for better prevention, diagnosis and treatment of brain diseases. As part of this vision, it awarded DKK 223m to establish the **Lundbeck Foundation Parkinson's Disease Research Center (PACE)** at Aarhus University Hospital. With a vision to be a world-leading translational research centre, it will focus on Parkinson's disease and other Lewy body disorders, aiming to discover and validate innovative treatments for clinical trials within 10 years.

Additionally, the Foundation partnered with the Novo Nordisk Foundation and the LEO Foundation to establish the **Center for Pharmaceutical Data Science Education**, integrating data science disciplines into pharmaceutical science education.

A core priority for the Foundation is nurturing the next generation of neuroscience researchers. **The Neuroscience Academy Denmark (NAD)** offers young scientists opportunities to explore neuroscientific topics and connect with peers in the field. Building on the success of NAD, the Foundation awarded DKK 222m in 2024 to double the initial cohort of 48 PhD students recruited since the programme's start in 2021, with an additional 48 PhD students joining over the next three years.

The open knowledge platform **Neurotorium**, which develops and shares educational materials about the brain and its diseases, continued to grow strongly. In 2024, the platform attracted more than 450,000 visits from 189 countries only two years after its launch in 2022 and up from 180,000 visits in 2023. All content is curated by an international board of renowned neurologists and psychiatrists, ensuring high-quality resources.

Professors Larry Abbott, Terrence Sejnowski and Haim Sompolinsky were awarded **The Brain Prize** for their pioneering contributions to computational and theoretical neuroscience and for advancing our understanding of the principles that govern the brain's structure, dynamics and the emergence of cognition and behaviour. The Brain Prize was again complemented by a series of seminars as part of the Foundation's global scientific outreach programme.

Close collaboration between research and business



Healthcare innovation and entrepreneurship require a strong connection between the scientific research community and the commercial business world. This

dynamic is evident in the world's most innovative healthcare ecosystems, where talents seamlessly transition between science and business. However, this journey can be challenging in Denmark. Strengthening the dialogue and collaboration between Denmark's academic research institutions and the local biotech

began implementing its sustainability programme, starting with a co-created pilot initiative on recruitment and company building for its portfolio companies.

Financially, 2024 mirrored the challenges of 2022 and 2023, with depressed public markets impacting company valuations and complicating fundraising across biotech. Despite this, the portfolio performed well with several successful fundraises and many positive clinical updates.

Active public voice



The Foundation's ambition is to enhance public understanding of the importance of brain health, improve the conditions for research in Denmark and the development of the enterprise

foundation model as a responsible and sustainable business ownership framework. To achieve this, the Foundation engages in a variety of activities spanning communication, partnerships and public affairs across its entire value chain.

One notable example from 2024 was the launch of a whitepaper aimed at strengthening Denmark's vibrant ecosystem for life sciences, research, innovation and economic growth. This initiative was carried out in collaboration with Axcelfuture, Kromann Reumert and the Novo Nordisk Foundation. The whitepaper included a catalogue of proposed legislative amendments designed to attract international talent and scientists to Denmark. These recommendations have since been incorporated into the official guidelines of the

"Virksomhedsforum for globale risici" (a corporate advisory forum on global risks) as well as the Danish government's Life Science Strategy and Strategy for Entrepreneurship.

Attractive financial returns



The investment activities of the Foundation are split into three categories: Lundbeckfonden Strategic Ownerships (Lundbeck, ALK, Falck, FeMD, Ellab and WS Audiology),

Lundbeckfonden Invest (financial investments) and Lundbeckfonden BioCapital (biotech investments).

The overarching ambition for all investment teams toward 2030 is to deliver annual financial returns that exceed those of market peers. This includes doubling the Foundation's net wealth by 2030 and growing the Foundation's philanthropic grants to an average of at least DKK 1bn annually by 2030 while ensuring long-term financial robustness.

Building on the momentum from 2023, solid returns were delivered in 2024, with the Foundation's total wealth increasing to approximately DKK 72bn from DKK 59bn at the end of 2023.

Leading healthcare companies



The engaged ownership of Danish healthcare companies lies at the core of the Foundation's value creation. These companies develop products and treatments that benefit patients

worldwide while generating financial returns that enable new investments in science and business development. As part of the 2030 strategy, the Foundation set a clear goal of expanding its portfolio to include five to eight strategically owned Danish healthcare companies by 2030.

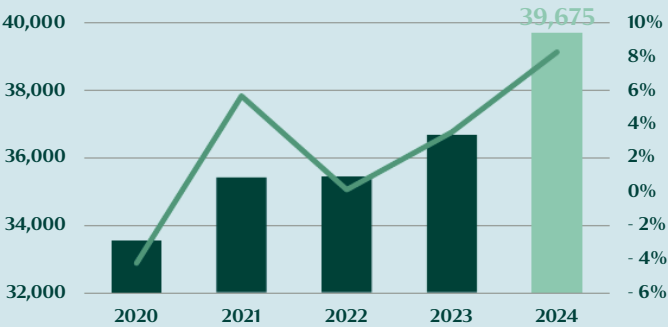
In 2024, the Foundation acquired a minority stake in WS Audiology, a global leader in the hearing aid industry. The company helps millions of people regain and enjoy their hearing, employs over 12,500 people and generates an annual turnover of close to DKK 20bn. WS Audiology joins a strategic ownership portfolio that already includes majority stakes in Lundbeck, ALK and Falck, as well as significant minority stakes in Ferrosan Medical Devices (FeMD) and Ellab.

The Foundation's ambition is to grow and develop its ownerships on a global scale, helping these companies become leaders in their respective industrial segments while bringing innovations, products and treatments to patients worldwide.



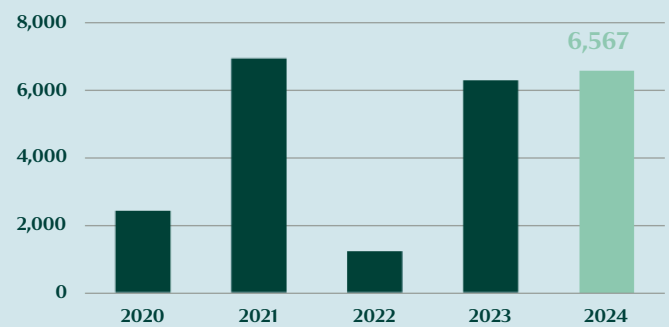
Financial highlights

Revenue (DKKm) and revenue growth (%)



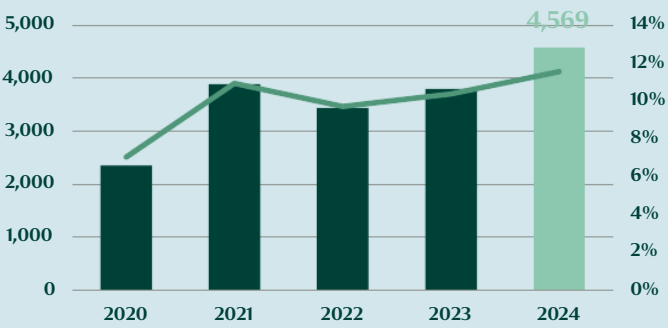
Revenue reached DKK 39,675m representing a growth of 8.2% compared to 2023

Profit for the year (DKKm)



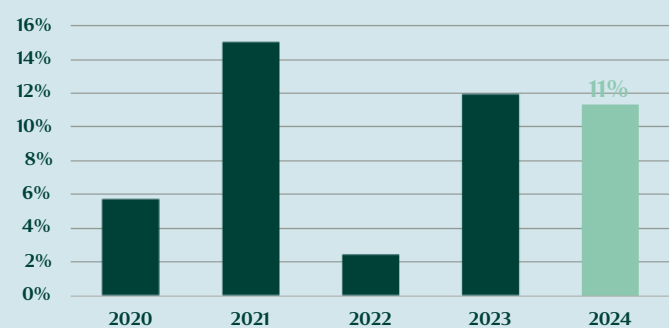
Profit for the year increased from DKK 6,273m to DKK 6,567m

Operating profit (DKKm) and operating profit margin (%)



Operating profit increased from DKK 3,790m in 2023 to DKK 4,569m, representing a profit margin of 11.5%

Return on equity (%)



Return on equity decreased from 11.9% in 2023 to 11.3%



Five-year summary

DKKkm	2024	2023	2022	2021	2020
Revenue	39.675	36.659	35.426	35.403	33.520
Operating profit	4.569	3.790	3.427	3.872	2.340
Profit for the year	6.567	6.273	1.211	6.928	2.415
Lundbeckfonden's share of profit	5.068	5.159	-126	5.880	1.998
Financial items, Invest etc.	3.102	2.832	-1.430	4.608	1.244
Financial items, BioCapital	108	772	-565	-141	-6
Net financial items	3.420	3.200	-1.662	3.872	653
Grants awarded	1.074	592	550	803	600
Dividends from subsidiaries	481	545	1.286	343	563
Cash flow from operating activities	5.598	5.584	3.974	4.569	5.635
Cash flow from investing activities	-17.263	-1.731	-2.096	-1.368	-1.131
Cash flow from operating and investing activities (free cash flow)	-11.665	3.853	1.878	3.201	4.504
Cash flow from financing and grant-making activities	11.491	-2.348	-1.610	-4.840	-3.494
Subsidiaries' acquisitions	15.862	101	1.079	680	-
Investments in intangible assets	1.134	298	516	255	171
Investments in property, plant and equipment	1.157	800	912	738	606
Equity	61.043	55.146	50.164	49.422	42.852
Lundbeckfonden's share of equity	50.280	45.859	41.571	41.621	36.108
Total assets	105.427	81.732	77.633	78.022	74.563
Debt to financial institutions and others	21.635	8.625	9.669	9.310	12.549
Net wealth	71.739	58.807	51.608	67.114	64.411

DKKkm
Key figures
Revenue growth
Operating profit margin
Return on equity
Average number of employees (FTE)

For the definitions of key figures, please see note 36.

Financial performance

In 2024, the Lundbeck Foundation Group delivered record revenue of DKK 39,675m, and Group profit for the year amounted to DKK 6,567m.

Ahead of the Foundation’s expectation of Group revenue between DKK 37bn and DKK 39bn, Group revenue amounted to DKK 39,675m, largely thanks to Lundbeck, which delivered record revenue of DKK 22,004m.

Group operating profit, at DKK 4,569m (DKK 3,790m), was negatively impacted by transaction and integration costs of DKK 420m related to Lundbeck’s acquisition of Longboard Pharmaceuticals and impairment of product rights (MAGLi) of DKK 547m. Adjusted for this, Group operating profit was well ahead of expectations, which were between DKK 4.6bn and DKK 5.2bn.

Grants totalled DKK 1,074m (DKK 592m), which was the highest level ever awarded.

Operating Activities

Reported revenue for the year increased to DKK 39,675m (DKK 36,659m), largely thanks to Lundbeck and ALK, which delivered record revenue of DKK 22,004m (+11%) and DKK 5,537m (+15%), respectively.

Revenue at Falck increased by DKK 221m, corresponding to an increase of 2% on 2023.

Gross profit was DKK 24,192m, versus DKK 20,931m in 2023. The increase was primarily attributable to Lundbeck, where gross profit increased by DKK 2,347m. Gross profit at ALK and Falck increased by DKK 517m and DKK 253m, respectively.

The Group’s gross margin was 61%, up from 57% in 2023.

Research and development (R&D) costs increased to DKK 5,102m (DKK 4,155m), corresponding to an increase of DKK 947m, of which DKK 547m relates to the MAGLi impairment.

Overall sales and distribution costs increased to DKK 10,087m (DKK 9,317m), driven by higher costs at Lundbeck of DKK 664m. Overall sales and distribution costs represented 25% of total revenue in 2024 (25%).

Overall administration costs amounted to DKK 4,006m (DKK 3,663m), with the increase largely attributable to Falck and Lundbeck.

The Foundation’s own net administration and operating costs amounted to DKK 166m versus DKK 162m in 2023.

Revenue		
DKKm	2024	2023
Lundbeck	22,004	19,912
ALK	5,537	4,824
Falck	12,134	11,913
Other business	0	10
Total	39,675	36,659

Revenue

+8%

Group operating profit

+21%

Net wealth

+22%



Total operating costs thus amounted to DKK 19,195m versus DKK 17,135m in 2023.

Other operating items, net, amounted to an expense of DKK 428m (expense of DKK 6m). In 2024, other operating items, net, included transaction and integration costs of DKK 420m related to Lundbeck's acquisition of Longboard.

Group operating profit increased to DKK 4,569m (DKK 3,790m). The improvement was primarily attributable to ALK, which saw increases of DKK 425m. Additionally, operating profit in 2023 was negatively affected by a loss of DKK 229m related to Dysis (portfolio company of BioCapital).

Operating profit

DKKm	2024	2023
Lundbeck	3,270	3,195
ALK	1,091	666
Falck	460	388
Lundbeckfonden	-166	-162
Other business	-86	-297
Total	4,569	3,790

Investment activities

The Foundation's investment activities saw a profit of DKK 3,006m compared to a profit of DKK 3,570m in 2023.

The investment portfolio in Invest generated a profit of DKK 3,108m versus a profit of DKK 2,832m in 2023. The return was primarily driven by listed equities.

Meanwhile, the Foundation's BioCapital portfolio delivered a net profit totalling DKK 108m (DKK 772m). Profit in 2024 and 2023 was positively impacted by the valuation of the private portfolio on the back of clinical progress and selected positive market developments, which compensated for decreases in the value of the publicly listed portfolio.

The Group's profit share in the strategic minority ownerships (associates) amounted to a loss of DKK 210m (loss of DKK 34m).

Tax

The effective tax rate of 16% (10%) was below the Danish income tax rate primarily due to deductible grants recognised directly in equity and Lundbeck's reversal of an uncertain tax position related to a tax audit closed in 2024. In 2023, the effective tax rate was impacted by deductible grants recognised directly in equity and the Foundation's utilisation of tax assets – in accordance with the accounting policy – not being recognised.

Net effective tax rate of the three strategic subsidiaries was 19% (19%) impacted by reversal of the uncertain tax position, cf. above.

Net results and grants

In 2024, overall profit for the Group was DKK 6,567m (DKK 6,273m). The Foundation's share of Group profit was DKK 5,068m (DKK 5,159m).

The Foundation awarded a total of DKK 1,074m (DKK 592m) in grants in 2024.

Assets

Total assets at 31 December 2024 amounted to DKK 105,427m versus DKK 81,732m at the end of 2023. The increase was primarily driven by Lundbeck's acquisition of Longboard.

Intangible assets amounted to DKK 46,634m at 31 December 2024 (DKK 26,086m). Product rights accounted for DKK 30,066m (DKK 14,903m) including the addition related to the acquisition of Longboard of DKK 16,453m. Amortisation and impairment of product rights amounted to DKK 1,980m (DKK 1,711m). Goodwill at year-end amounted to DKK 14,285m (DKK 9,977m).

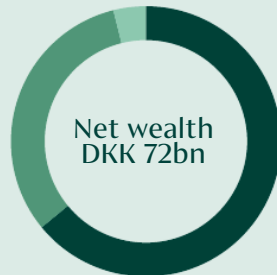
The Foundation's financial assets at 31 December 2024 amounted to DKK 25,290m (DKK 24,423m), equivalent to an increase of DKK 867m compared to year-end 2023.

Cash and bank balances at 31 December 2024 amounted to DKK 5,907m (DKK 6,080m).

Equity and liabilities

Total Group equity at 31 December 2024 amounted to DKK 61,043m (DKK 55,146m), reflecting an increase of

Distribution of net wealth



Net wealth

DKKm	Value	Contribution to net wealth 2024
Strategic ownerships	47,459	11,349
Invest	23,779	3,092
BioCapital	2,884	-56
Grants, corporate functions, etc.	-2,383	-1,453
Net wealth	71,739	12,932

The strategic ownerships' contributions to net wealth differed from the contribution recognised and measured in accordance with the accounting policies of the Lundbeck Foundation Group. The fair value of the Foundation's net assets is based on market prices, where available - for ALK and Lundbeck - and, for other companies, an estimated fair value based on a trading-multiple model.

related to Longboard's long-term incentive program and transaction costs associated with the acquisition.

Total cash flow from investment activities amounted to an outflow of DKK 17,263m (outflow of DKK 1,731m). Excluding the purchase and sale of financial assets, cash flow from investment activities was an outflow of DKK 17,983m (outflow of DKK 1,103m), of which DKK 15,862m (DKK 101m) relates to acquisition of businesses.

In 2024, the total cash flow from grants paid and dividends paid to non-controlling interests amounted to an outflow of DKK 845m (outflow of DKK 680m). Furthermore, cash flow from financing activities included a net inflow of DKK 12,414m (net outflow of DKK 1,618m) related to proceeds from taking out loans from financial institutions, etc.

In 2024, the Group's net wealth increased by DKK 13bn or 22%

Net cash flow in 2024 amounted to an outflow of DKK 174m (inflow of DKK 1,505m). At the end of 2024, the Group's cash balance totalled DKK 5,907m versus DKK 6,080m at the end of 2023.

Net wealth

At 31 December 2024, the Group's net wealth amounted to DKK 71,739m (DKK 58,807m). Net wealth was significantly affected by the increase in Lundbeck's and ALK's share price and the profit in Lundbeckfonden Invest, which had positive effects of DKK 5,741m, DKK 5,197m and DKK 3,094m, respectively.

Outlook

The financial performance of the Group depends on developments in the commercial activities of Lundbeck, ALK and Falck, as well as returns generated by the Foundation's investment activities, including strategic ownerships (Ferrosan Medical Devices, Ellab and WS Audiology) and the biotech portfolio. Returns provided by 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.

DKKbn	2025 outlook	2024
Revenue	42.0 – 43.0	39.0
Operating profit	6.2 – 6.6	4.0

For 2025, Group revenue is expected to reach between DKK 42bn and DKK 43bn. Group operating profit is expected to be between DKK 6.2bn and DKK 6.6bn. The expected increase in Group revenue and operating profit compared to 2024 is related to expected higher revenue and improvements at all subsidiaries.

Lundbeckfonden Strategic Ownerships

Strategic ownerships' portfolio includes six listed and private healthcare companies headquartered in Denmark.

Long-term value creation

The Foundation is a long-term owner of healthcare companies based in Denmark which are either global leaders in their respective market segments or striving for leadership positions. The Foundation invests in both public and private companies and can take minority as well as majority ownership positions. The ambition is to own between five and eight companies in this category by 2030. The Foundation is therefore looking to invest in companies rooted in Denmark with the potential to become global leaders in their fields.

The Foundation's aim is to develop both small- and large-scale healthcare companies and help them become global leaders. The Foundation is able to do this because skills have been built in the field of healthcare throughout the Foundation's entire existence. Over the past decades, the Foundation has established itself as a competent and engaged owner.

As an enterprise foundation, the Foundation takes a long-term approach to the strategic ownerships and can ensure the right conditions for these companies to become global leaders in their fields. The enterprise foundation model is a strong, sustainable type of ownership that ensures long-term value creation, keeps companies in Danish ownership as long as possible and contributes to society by - in the case of the Foundation

- awarding grants to Danish-based biomedical sciences research. The Foundation wishes to spread the unique potential of the enterprise foundation model to more Danish healthcare companies.

What we invest in

- Healthcare companies headquartered in Denmark
- Companies leading in their field, or with the potential to become a leader
- Companies delivering financially attractive returns that could contribute to growing the Foundation's net wealth long term

The portfolio

After the acquisition of an 8% stake in WS Audiology in 2024, the portfolio now consists of:

- Majority-owned strategic ownerships
 - H. Lundbeck
 - ALK Abelló
 - Falck
- Minority-owned strategic ownerships
 - Ferrosan Medical Devices
 - Ellab
 - WS Audiology



Global pharmaceutical specialising in the development of innovative therapeutic disorders.

Year of investment

Ownership 69%

Partner



Leading global development of a wider range of allergy products and services to meet the unique needs of allergy patients.

Year of investment

Ownership 40%

Partner



Global supplier of healthcare emergency services to help people live healthy lives.

Year of investment

Ownership

Partner Kirkbi &



H. Lundbeck A/S

Lundbeck is a global pharmaceutical company specialised in developing innovative treatments for brain diseases. The Lundbeck Foundation owns 69% of the share capital and 76% of the votes.

2024 was a transformative year for Lundbeck that laid the foundation for a promising future. Lundbeck generated its highest revenue ever while further strengthening its pipeline of innovative and promising late-stage assets.

At the beginning of 2024, Lundbeck launched the Focused Innovator Strategy to support its purpose of advancing brain health and transform lives by aiming to secure mid-term growth, lead with focused innovation and deliver on sustainable profitability. With the Focused Innovator Strategy, Lundbeck has further narrowed its focus with the aim of winning in neuro-rare and specialist-treated disease areas.

In 2024, Lundbeck began the largest capital reallocation programme in the company's history. The programme will allow Lundbeck to optimise the business and fund its growth ambitions. Throughout 2024, Lundbeck had a disciplined focus on maximising its existing resources through investments. This way Lundbeck improved its profitability while investing more in R&D and key brands, i.e. the launches of Rexulti® for agitation associated with dementia in Alzheimer's disease (AADAD) and Vyepti® for migraine prevention.

During the year, Lundbeck continued its 'Let the patient speak' events focusing on innovative ways to integrate patients' perspectives into the development programmes. The idea is that Lundbeck invites patients and caregivers to share their perspectives, ultimately helping Lundbeck to incorporate insights into innovation and integrated evidence generation efforts.

Executing the R&D strategy

In 2024, Lundbeck continued to build its pipeline as the engine for sustainable growth. In January 2024, Lundbeck's AMULET Phase II trial with amlenetug (anti -synuclein mAb Lu AF82422) showed convincing trends of slowing Multiple System Atrophy (MSA). Lundbeck is committed to addressing the unmet needs of MSA patients with amlenetug, and in November 2024 Lundbeck launched a Phase III trial to further assess the efficacy and safety of amlenetug in the treatment of MSA.

In March 2024, Lundbeck's potential first-in-class therapy for migraine prevention, the Lu AG09222 (anti-PACAP mAb) programme, entered an advanced clinical stage with a clinical Phase IIb dose-finding trial. This trial will assess the efficacy and safety of

subcutaneously administered Lu AG09222 in migraine prevention and aims to establish the optimal dose for future global pivotal trials.

In June 2024, the U.S. Food and Drug Administration, FDA, accepted a supplemental new drug application, sNDA, filing for brexpiprazole in combination with sertraline for the treatment of adults with post-traumatic stress disorder (PTSD). The FDA plans to host a Psychopharmacologic Drugs Advisory Committee meeting to seek input on issues related to the sNDA. If the application is approved, the brexpiprazole and sertraline combination treatment would be the first FDA-approved pharmacological treatment for PTSD in more than 20 years. In June, Lundbeck also initiated a first trial with Lu AGI3909 (anti-ACTH) in patients with Cushing's disease (CD). Lu AGI3909 is also being tested in congenital adrenal hyperplasia (CAH).

In October 2024, Lundbeck initiated the first clinical trial of its CD40L blocker, Lu AG225I5, in patients. The proof-of-concept (PoC) trial will evaluate the efficacy, safety and tolerability of Lu AG225I5 as a potential treatment for Thyroid Eye Disease, an autoimmune disease causing a debilitating, disfiguring and potentially blinding periocular condition. In addition, Lundbeck announced positive results from the SUNRISE Phase III pivotal trial of Vyepti® (eptinezumab) in migraine prevention. Based on the trial results, Lundbeck plans to initiate discussions with relevant regulatory authorities with the aim of making Vyepti® available for people suffering from migraine across Asia.

¹ Rexulti®/Rxulti® (depression/schizophrenia), Brintellix®/Trintellix® (depression), Abilify Maintena®/Asimtufii® (schizophrenia) and Vyepti® (prevention of migraine)



Revenue (DKKm)

22,004

unique 5-HT_{2C} superagonist mechanism of action, positions Lundbeck to address significant unmet needs in severe epilepsies across DEEs including Dravet and Lennox-Gastaut syndromes.

Bexicaserin has shown encouraging anti-seizure effects to date in preclinical and clinical studies, with its next-generation superagonist mechanism specifically targeting 5-HT_{2C} receptors, supporting bexicaserin's potential to offer a highly differentiated and best-in-class profile. It complements perfectly Lundbeck's late-stage internal pipeline and the Focused Innovator ambition to build a neuro-rare franchise and reestablish Lundbeck's strong presence in the epilepsy space.

Financial performance

Sales

In 2024, Lundbeck achieved a record revenue of DKK 22,004m (DKK 19,912m), with all regions contributing to growth. The revenue of Lundbeck's strategic brands increased by 20%, reaching DKK 16,462m, representing 75% of total revenue and with all four products showing double-digit growth rates. Approximately 64% of the strategic brand growth can be attributed to the strong performance of Vyepti in the U.S. and Europe and Rexulti® in the U.S.

The U.S. constituted 51% of total revenue in 2024 and represented Lundbeck's largest market. Revenue growth in the U.S. was mainly driven by increasing market share as well as the continued demand uptake of Rexulti® following the AADAD approval and the strong performance of Vyepti®, which continues to grow in

market share and momentum, offset by the erosion of mature brands. Europe and International Operations also saw robust revenue growth driven by higher sales across all strategic brands.

Operating profit

Cost of sales decreased by 6% to DKK 4,230m in 2024, mainly driven by lower amortisation costs due to the fully amortised product rights of one of Lundbeck's products, offset by an increase in the cost of goods sold associated with the higher revenue. The gross margin was 80.8%, representing an increase of 3.3 percentage points compared to last year.

Sales and distribution costs were DKK 8,146m in 2024, an increase of 9% compared to 2023. The development reflects the strong revenue growth, offset by continued investments in sales and promotional activities in strategic brands such as Rexulti® and Vyepti® in the U.S., including preparation for PTSD commercialisation for Rexulti® pending FDA review and the global roll-out of Vyepti®. Furthermore, sales and distribution costs in 2024 were negatively impacted by the recognition of restructuring and integration costs. Sales and distribution costs corresponded to 37.0% of revenue in 2024 compared to 37.6% in 2023.

Administrative expenses increased by 11% to DKK 1,437m, corresponding to 6.5% of total revenue and in line with 2023. The main drivers of the increase are higher legal costs primarily due to DKK 150m of legal provisions for ongoing litigations recognised in the second quarter of 2024.

Operating profit (DKKm)

3,270

Net profit (DKKm)

3,143

Number of employees (FTEs)

5,694



ALK-Abelló A/S

ALK is a global specialty pharmaceutical company focused on allergy and allergic asthma. ALK markets allergy immunotherapy (AIT) and anaphylaxis treatments for people with allergy. The Lundbeck Foundation owns 40% of the share capital and 67% of the votes.

2024 was a rewarding year for ALK. ALK delivered on its short-term targets and established a new strategic framework for the long-term development of ALK, including entry into new disease areas. ALK continued to build on its growth momentum and accelerated revenue growth to 15% in local currencies. Operating profit increased by 65% in local currencies and exceeded DKK 1bn for the first time, driven by top-line growth, margin expansion and efficiencies.

Growth was powered by an inflow of new patients with moderate to severe, uncontrolled allergies. ALK estimates that 2.6 million people, an increase of 200,000, were treated with ALK's products in 2024 - an important step towards the ambition of helping five million people yearly by 2030.

To define ALK's journey of sustained growth and earnings improvements towards 2028 and beyond, ALK launched the new Allergy+ strategy and new long-term

financial targets in June 2024. The implementation of the strategy is progressing well and is starting to deliver the desired results. Key achievements in 2024 included approval of the house dust mite tablet for children, progress in food allergy, the licensing agreement for neffy® in the field of anaphylaxis, an expansion of the addressable markets in respiratory allergy, and efforts to calibrate ALK's business platform to focus on high-potential growth levers.

Transformative neffy® deal

In emergency treatment of acute allergic reactions (anaphylaxis), ALK entered into a potentially transformative license agreement with US-based ARS Pharma in 2024. Against an upfront payment of DKK 1bn and future milestone payments and sales royalties, ALK was granted exclusive rights to commercialise the neffy® adrenaline nasal spray world-wide, except for the USA, Australia, New Zealand, Japan and China.

EURneffy® (the trade name for neffy® in Europe) has obtained market authorisation in the EU, and ALK expects to start launching the product in key markets from the second half of 2025 once local market access negotiations are completed. Filings for regulatory approvals have recently been submitted in the UK – Europe's largest anaphylaxis market – and in Canada, the world's third largest anaphylaxis market. neffy® also has potential in other markets e.g. some of the countries in Asia, the Middle East and Latin America.

ALK expects neffy® and other future needle-free innovations to transform anaphylaxis treatment and

substantially expand the currently under-served markets. ALK estimates that neffy® holds a long-term annual peak sales potential in anaphylaxis of up to DKK 3bn in the licensed territories, where the product will be an important add-on to ALK's portfolio, which covers the already marketed autoinjector Jext® and a next-generation autoinjector (the Genesis project), currently in late-stage development. With this portfolio, ALK is the only company offering both needle-free solutions and autoinjectors to the market.

Under the agreement with ARS Pharma, ALK further gains exclusive rights to any new indications in the licensed territories, enabling ALK to address new, adjacent disease areas. In 2025, ARS Pharma plans to begin a Phase IIb clinical trial in people with acute flare due to chronic urticaria.

Positive results in food allergy

During 2024, ALK progressed its activities in food allergy. ALK reported positive interim results from its Phase I/II clinical trial for the peanut tablet. Data showed that the tablet was safe and well tolerated across multiple doses. No severe adverse effects and no cases of treatment emergent anaphylaxis were reported.

The development has now advanced to Phase II for dose finding and efficacy, and the first patients have already initiated treatment. Phase II involves around 125 patients in North America and is scheduled to complete in 2026 after which ALK intends to advance the peanut tablet programme into Phase III after which it can be



Revenue (DKKm)

5,537

Operating profit (DKKm)

1,091

Net profit (DKKm)

815

Number of employees (FTEs)

2,789

largest market, Germany, and other key markets.

Subject to approval, the HDM tablet is also projected to become available for young children in the first half of 2025 in Canada and the USA

Subject to approval, ALK's tree tablet could also become available for children and adolescents from mid-2025 in Europe and Canada. By then, all of ALK's respiratory tablets will be approved for all age groups – children, adolescents and adults – in key markets.

Focus and priorities

Focus and priorities have been top of the agenda for the past year. In 2024, optimisation and prioritisation initiatives were implemented across ALK to reduce complexity and scale for future growth. Initiatives involved manufacturing and quality optimisations as well as downsizing of operations in certain markets with limited immediate growth prospects for allergy immunotherapy (AIT). The organisation in China was also adjusted to the new expected timeline for the ACARIZAX® launch. More than 200 positions were made redundant, and ALK expects the optimisation initiatives to generate savings of more than DKK 300m with effect from 2025.

The savings allow ALK to pursue Allergy+ priorities more rigorously – by investing in the pipeline, strengthening the footprint in high-growth markets, and supporting the launches of the children indications and neffy®, among other initiatives – while also improving earnings.

Financial performance**Sales**

2024 revenue increased by 15% in local currencies to DKK 5,537m (DKK 4,824m), reflecting continued growth across Europe and International markets. Europe was the key growth driver with double-digit growth in tablet SCIT/SLIT-drops and Jext® sales. Exchange rates had an immaterial impact on reported revenue. Following gain in market share in Germany and other key markets, ALK consolidated its position as market leader in European AIT in 2024.

Operating profit

Cost of sales increased by 11% in local currencies to DKK 1,985m (DKK 1,789m). The gross profit of DKK 3,552m (DKK 3,035m) yielded an improved gross margin of 64% (63%), mainly reflecting volume growth, changes to the sales mix, improved pricing and production efficiencies. As expected, these positive factors were somewhat offset by inflationary pressure on the cost base and minor one-off costs related to optimisation activities in product supply.

Capacity costs increased by 4% in local currencies to DKK 2,464m (DKK 2,371m). As planned, R&D expenses decreased by 14% in local currencies to DKK 531m (DKK 618m), reflecting last year's completion of late-stage clinical trials. Sales and marketing expenses were up 10% in local currencies to DKK 1,564m (DKK 1,422m) in support of continued growth. Administrative expenses increased 12% in local currencies to DKK 369m (DKK 331m), mainly linked to costs for the Allergy+ strategy.



Falck A/S

Falck delivers preventive, acute and rehabilitative healthcare services to supplement and support established healthcare systems. The Lundbeck Foundation owns 58% of Falck.

2024 was another year of progress and results in line with expectations for Falck. Falck delivered organic revenue growth and improved operating profit while still increasing its investments in digitalisation and the development of new healthcare solutions. In addition, Falck advanced on its sustainability targets. During the year, most business units improved on operational efficiency, and continuing this trajectory remains high on the agenda. The full-year financial results were in line with expectations, as revenue amounted to DKK 12,134m and operating profit was DKK 460m.

In the European region, revenue was flat despite a negative impact from contract changes in Falck's European ambulance operations. The contract changes were compensated for by strong organic growth in the Individual Care segment. The largest growth contribution came from stronger demand for Falck's pay-on-use based services within both healthcare and travel and security assistance for corporate customers. Another contribution came from higher subscription revenue from healthcare services within Individual Care.

For the Americas region, strong revenue in 2024 was driven by significant organic growth mainly in Individual but to some extent also in Societal Care. In Societal Care US, growth was positively impacted by both higher pay-on-use activity and, in particular, efforts to improve revenue collection, which led to more revenue being recognised per ambulance trip. In addition, a partial reversal of a fully written-down receivable from a large player in the US had a positive impact on revenue. In Individual Care LATAM, strong organic growth was driven by a solid uptake of subscribers throughout the year. In both segments, annual indexation of prices also contributed to growth.

Strategic ambitions with Care for More '27

The corporate strategy – Care for More '27 – is the foundation on which Falck wants to further strengthen its ability to deliver significant healthcare impacts for individuals and society at large. 2024 was another year of progress on Falck's strategic direction, building on the achievements of previous years. During the year, Falck made progress on key digitalisation initiatives such as platform consolidation, robotic process automation, customer self-services and generative AI as well as the development of stronger financial management systems together with enhanced cybersecurity measures. These impacts will materialise as operational efficiencies and improved customer solutions from 2025 onwards.

Compared to a few years ago, Falck stands stronger and more focused in its stronghold markets, which include several European countries, California in the US and

In 2024, Falck has updated its business segmentation within Europe and the Americas. This has been done with the introduction of Individual Care and Societal Care, thereby creating a consistent approach between the two regions:

• Europe consists of:

- Societal Care Europe - Emergency response ambulance and fire services as well as patient transport services to public-sector customers
- Individual Care Europe - Services that target individual non-emergency needs such as mental or physical health, patient transport as well as travel and security assistance
- Industrial Fire services – Preventive and emergency response fire services for corporate customers

• Americas consists of

- Societal Care US – Ambulance service operations targeting public-sector customers. Healthcare at home services are currently being developed and piloted
- Individual Care LATAM – “Doctors-on-demand” services for individual subscribers and insurance holders



Revenue (DKKm)

12,134

Operating profit (DKKm)

460

Net profit (DKKm)

116

Number of employees (FTEs)

18,890

Driving digitalisation and innovation

Since 2023, Falck has invested significantly in the digitalisation and innovation of sustainable healthcare solutions. Digitalisation is a key driver in Falck's pursuit of improving operational efficiency and cybersecurity. That is why the investment programme is considerable in terms of financial resources. Altogether, Falck invested DKK 213m in digitalisation initiatives during 2024.

Alongside the digitalisation investments, Falck has made investments in the introduction of new healthcare at home solutions with Mobile Care in the US and AcuCare in Denmark during 2024. The purpose of these services is to reduce acute incidents, ambulance emergencies and hospitalisations through new ways of organising healthcare systems. The feedback from patients receiving home treatment has been extremely positive with reports of improved health, a sense of security and greater flexibility. Based on these results, Falck is encouraged to further mature the market in 2025 in the US and elsewhere.

Falck awarded large ambulance contract

Before the close of 2024, Falck was awarded a major ambulance contract in Catalonia, Spain. As a result, Falck will increase its current presence in Catalonia by approximately 50%, employ around 2,200 employees compared to about 1,400 today and double the revenue volume. The new agreement is expected to commence within one year.

Financial performance

Sales

In 2024, revenue increased to DKK 12,134m (DKK 11,913m) corresponding to reported growth of 1.9%. This was mainly driven by organic growth of 1.0%, largely by the Americas and by a combination of subscription growth, higher pay-on-use activity and price increases. M&A activities, mainly due to the acquisition of MedConnect A/S in Q4 2023, contributed 0.5 percentage points to reported growth, while foreign exchange effects contributed 0.4 percentage points.

Operating profit

Cost of services decreased to DKK 9,218m (DKK 9,253m) despite the increase in revenue. This was driven by reduced contract volume in Societal Care Europe from contracts with a higher OPEX ratio than the business segments that contributed the revenue growth. This resulted in positive mix effects. Together with operational efficiency improvements and price increases, this had a significant positive impact on the OPEX ratio.

Sales and administrative expenses increased to DKK 2,404m (DKK 2,230m). Almost half of the increase was due to salary inflation, while DKK 60m of the increase was attributable to investments in digitalisation. Year to date, these investments amounted to DKK 213m (DKK 153m). Finally, the increase was also driven by costs for the continued sales push in LATAM and by costs related to the launch of healthcare at home services in both Europe and the Americas. Overall, the SG&A ratio increased to 19.8% (18.7%).

Ferrosan Medical Devices, Ellab and WS Audiology

In April 2024, the Lundbeck Foundation acquired an 8% stake in WS Audiology, a global leader in the hearing aid industry. This became the third minority owned strategic ownership of the Lundbeck Foundation.

Ferrosan Medical Devices

Ferrosan Medical Devices (FeMD) is an international medical device company that develops and manufactures medical devices used in surgical care. FeMD's biomaterial devices are gelatine-based adjunctive haemostatic agents used by clinical professionals in the operation room to control intraoperative bleeding in a fast and effective manner, allowing surgeons to carry out surgery.

The portfolio of haemostatic devices includes three formulations, flowable matrices, sponges and powder. The devices are sold under the trademarks SURGIFLO™, SPONGOSTAN™ and SURGIFOAM™, and are all marketed and distributed in more than 100 countries through FeMD's partnership with Ethicon, Inc. (part of Johnson & Johnson).

In addition, FeMD develops and produces handheld biopsy devices used by physicians for breast cancer diagnostics. These are developed and distributed in collaboration with a global partner.

Today, FeMD manufactures the second-generation biopsy device at its manufacturing site in Poland.



Ferrosan Medical Devices' Surgiflo kit

Since 1947, FeMD has developed and manufactured surgical haemostatic devices for use by healthcare professionals. Today, FeMD has approximately 500 employees; 360 employees at the headquarters in Søborg, Denmark, and 140 employees in Szczecin, Poland.

The Lundbeck Foundation owns 30% of FeMD in a partnership with Kirk Kapital and ATP.

Ellab

Ellab is the market leading player within high-end validation, monitoring and calibration solutions, including field services primarily to life science customers where accurate and complete documentation is essential.

Ellab serves both small and large companies, including the top 40 pharma and top 20 biotech companies in the world. The company designs, develops and manufactures high-precision equipment and software for temperature, pressure and humidity validation and monitoring.

Ellab has solutions for applications such as sterilisation, freeze drying, environmental chamber testing, depyrogenation, warehouse mapping, pasteurisation and many more. The product portfolio comprises a comprehensive range of wireless data loggers, thermocouple systems, wireless environmental monitoring systems, calibration equipment, software solutions and accessories.

Ellab was established in Denmark in 1949. Today, Ellab is headquartered in Hillerød, Denmark, and has a worldwide presence, with R&D and production in Denmark, and 24 sales and service centres and over 500 distributors around the globe. Ellab has close to 800 employees, of which approximately 225 are in Denmark.

The Lundbeck Foundation owns 34% of Ellab in a partnership with Novo Holdings.

WS Audiology

WS Audiology (WSA) is a global leader in the hearing aid industry. The company was created through a merger between the family-owned Widex and EQT-owned Sivantos in 2019 and was until April 2024 owned by T&W Medical (51%) and EQT (49%). T&W Medical is owned by the founding families of Widex, Tøpholm and Westermann. In April 2024, T&W Medical entered an agreement with the Lundbeck Foundation whereafter T&W Medical's 51% stake in WSA was transferred to a company - CN8 - where T&W Medical owns 85% and the Lundbeck Foundation owns 15%. The Lundbeck Foundation has through CN8 an indirect ownership of 8% in WSA.

Widex dates back to 1956 and Sivantos actually dates back to 1878 and was originally part of Siemens.

WSA has its global headquarters in Lynge, Denmark, and has 7 production sites around the world, R&D hubs in Denmark, Germany, Singapore and India and global sales from 45 offices. WSA operates under several brands, Widex and Signia being the most well-known.

The mission of WSA - Wonderful Sound for All - is to address the growing challenge of hearing loss. With industry-leading innovation, a diverse portfolio of solutions and a strong global presence, WSA is very well positioned to help more people than any other hearing aid manufacturer.

WSA currently produces around 1/3 of all hearing aids in the world and has close to 12,600 employees, of which a little over 1,000 are in Denmark.

The Lundbeck Foundation owns 8% of WSA in a partnership with T&W Medical and EQT.



Widex SmartRIC



Lundbeckfonden Invest

Invest generates returns with the primary purpose of securing sufficient reserves to protect the long-term ownership of the Foundation's strategic ownerships and to maintain philanthropic grant activities. The financial investments are spread across a diversified investment portfolio.

2024 was another volatile year for financial markets with continued geopolitical instability and turbulence on the political front.

Despite an uncertain world, 2024 in general was a very good year for financial markets as recession risk decreased and central banks started to cut interest rates. A traditional '60/40 portfolio' – which sees investments allocated 60% to equities and 40% to bonds – would have experienced a return of nearly 14% over the full year, as equities in particular experienced strong gains, though credit and bonds also delivered a solid performance. Against this backdrop, Invest delivered a solid return of 14%.

Global equities performed strongly (18% in USD, 26% in DKK), albeit a story of two tales: The US and rest of the

world. US equities continued the rally from 2023, fuelled by still strong labour markets, firm consumer confidence, solid growth and central bank easing. The S&P 500 index yielded a total return of 25% (USD) for the year, and the tech-loaded NASDAQ index increased almost 30%. As was the case for 2023, the "Magnificent 7" stocks contributed significantly, accounting for almost half of the S&P 500's total return. The Trump victory in November further ignited equity markets on the back of expectations of a turbo-charged US economy from "America First" initiatives.

Europe's economies on the other hand had a challenging year, with its two largest economies, Germany and France, facing significant headwinds. The overall situation in Europe is characterised by sluggish growth, political instability and mounting economic pressures. Inflation fell below the European Central Bank's target of 2% for the first time in over three years, spurring a series of rate cuts in response and to address concerns about economic growth within the Eurozone. The STOXX Europe 600 index increased 10%.

Finally, the world's second-largest economy, China, is grappling with an economic slowdown and facing significant challenges as it navigates through a period of reduced growth, financial strain and weak housing markets.

Consumers, however, are holding up well overall, helped by falling interest rates, savings and very low

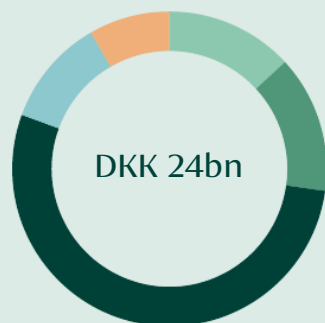
unemployment figures. The US labour market remained very strong throughout most of 2024, and European labour markets proved resilient despite weak growth, with historically low unemployment rates underscoring continued market tightness.

Invest generated a return of DKK 3,108m in 2024, versus DKK 2,832m in 2023 primarily driven by listed equities, which generated a return of DKK 2,387m, or 21%.

Return on the investment portfolio

Invest generated a return of DKK 3,108m in 2024, versus DKK 2,832m in 2023. The return was primarily driven by listed equities with a return of DKK 2,387m, or 21% – but lagging the benchmark return of 24% due to only moderate exposure to the US and US tech. Industrial and financial sector investments earned the largest positive returns in absolute terms, while consumer discretionary had a negative impact on the year. FLSmidth delivered a total return of 25% and hence contributed significantly to absolute return.

Investment portfolio



Assets	Market value (DKKm)		Return (%)	
	31.12.2024	31.12.2023	2024	2023
Bonds and liquid funds	3,467	3,022	5.6%	7.0%
Credit etc.	2,840	3,245	11.7%	11.2%
Listed equities	12,817	12,266	20.5%	21.5%
Private equities	2,851	2,554	9.3%	-0.5%
Real assets	1,804	1,913	-0.1%	0.1%
Total	23,779	23,000	14.1%	13.0%

Invest Portfolio

The majority (58%) of the assets are managed internally by the investment team. Real asset investments are mainly invested via partnerships (Obel-LFI Ejendomme A/S and LFI Silva Investments A/S), while private equity is fully outsourced.

The investment philosophy is centred around a long-term fundamental investment focus with a balanced approach to risk, quality and valuation. All investments undergo a thorough due diligence process and investments are selected based on absolute return potential and risk assessment.

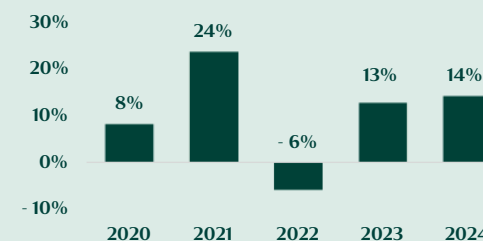
Invest prefers quality companies whose revenues undergo secular growth driven by forces that will likely be in place for an extended period. Examples include energy transition, IT technology and healthcare. Invest also seeks investments in cyclical quality companies with deep intrinsic value.

Long-term investment returns

Invest entered 2024 with a pro-risk portfolio construction and selective approach to risk taking, thus continuing to tilt investments towards cases with a high margin of safety supplemented by risk management using derivatives. In 2024, Invest has added quality exposure within cyclical and defensive segments of the equity market.

Invest maintained its long-term track record in 2024 with annual total returns of 7% and 10% over three and five years, respectively – materially higher than the

Return past five years (%)



benchmark returns of 4% and 6%, respectively. The accumulated five-year return for Invest is thus 62% compared to the benchmark return of 31%.

The long-term returns endorse the investment philosophy of investing in high quality companies across different sectors with a goal of generating attractive long-term return without compromising strong near-term risk management



Lundbeckfonden BioCapital

BioCapital is the Foundation's evergreen life science venture capital fund. The fund creates and finances biotech companies based on pioneering research with the potential to deliver significant innovation to patients in areas of high unmet medical need.

2024 was an eventful year for Lundbeckfonden BioCapital and for our portfolio companies. During 2024 we continued to focus on the local Danish biotech ecosystem and the year saw us close a new seed investment into the Danish quantum computing company Kvantify. While not a traditional biotech opportunity, the investment builds on local excellence in quantum research, which has the potential to revolutionise drug discovery over the coming years. 2024 was also the year when we started to execute on our sustainability programme by co-creating and testing a recruitment and company building programme with three of our portfolio companies generating tools and learnings that will be shared more widely across our portfolio in the coming years.

From a financial perspective, the year continued the trend from 2022 and 2023 with depressed public markets putting pressure on company valuations, in turn complicating fundraising activities for both public

2024 was a year of execution, which saw the initiation of several key clinical proof-of-concept studies, setting the scene for a busy 2025 with important value inflection points. 2024 was also the year when we started to apply our sustainability programme as we pilot tested our new initiative to support and guide our portfolio companies on their sustainability journey.

and private companies across the biotech industry. Despite these challenges our portfolio continued to perform well with several successful private as well as public fundraises and many positive clinical updates.

NMD Pharma continued to build momentum by initiating two Phase II studies in 2024 and the company is now undertaking three concurrent Phase II studies in separate neuromuscular indications, a remarkable

achievement for a private biotech company. Following the success of last year's Phase IIa trial in Myasthenia Gravis, the company initiated a Phase IIb study in the same indication and in November the company launched a Phase II study in Charcot-Marie-Tooth Disease Type 1 and 2, a hereditary neurological disorder with no approved treatment affecting motor and sensory functions and resulting in progressive loss of muscle tissue and touch sensation.

Several other companies from the Danish portfolio, including IO Biotech, Vesper Bio and Cytoki Pharma, made substantial progress on advancing their clinical pipeline. At a pre-planned interim review of IO Biotech Phase III melanoma study, the Independent Data Monitoring Committee (IDMC) confirmed that the study should continue without modifications with the primary endpoint of progression-free survival (PFS) expected during 2025. During a productive year, the company also provided positive updates from ongoing Phase II trials in patients with non-small cell lung cancer and head and neck cancer.

Meanwhile, Vesper Bio completed a Phase I study in healthy volunteers with their lead programme VES001, a small-molecule sortilin inhibitor with the potential to become a disease-modifying treatment for certain inherited forms of Frontotemporal Dementia (FTD). The study confirmed that dosing of VES001 is safe and leads to an increase in progranulin levels, a key biomarker of target engagement. The company initiated a Phase IIa study in presymptomatic carriers in late 2024. Sortilin inhibitors also have potential as disease modifying



revenues of USD 10m, an increase of 164% from the same quarter last year. The company also announced a label expansion in the existing heart failure indication and raised up to USD 125m in debt and royalty financing to fund expansion of the commercial activities.

Other companies from our international portfolio also raised capital in 2024. **Lexeo Therapeutics** raised USD 95m in equity financing, extending their runway into 2027, while Enliven Therapeutics took advantage of positive results from a Phase I study of their lead programme by raising USD 95m in a private investment in public equity (PIPE).

Lexeo, Enterome, Trevi, Aura and **Enliven** all provided positive clinical updates from ongoing trials. During the year, **Lexeo** presented positive clinical data from two separate clinical studies. In an October update, the company reported that administration of LX1001, a gene therapy encoding APOE2, resulted in positive biomarker responses in Alzheimer's patients. In an update earlier in the year, the company had reported a positive effect on biomarkers of heart structure and function of LX2006 in Friedreich Ataxia Cardiomyopathy, an inherited neuromuscular disorder. **Enterome** presented data from a Phase I/II mono-therapy study with an off-the-shelf B-cell vaccine in indolent non-Hodgkin lymphoma at the 2024 American Society of Hematology (ASH) meeting demonstrating a high rate of objective responses and benign side effect profile.

In December, **Trevi** reported data from an abuse liability study, a key regulatory requirement, confirming that

their lead product, Haduvio™, has less abuse potential than the reference compound butorphanol, a schedule IV-controlled substance. Later during the same month, the company announced a positive outcome from the pre-planned sample size re-estimation for the ongoing Phase IIb study in chronic cough in idiopathic pulmonary fibrosis (IPF), an important milestone in the study. **Enliven** reported initial results from an ongoing Phase I study in Chronic myeloid leukaemia. The data demonstrated a favourable tolerability profile and provided evidence of activity in heavily pre-treated patients, confirming the possible best-in-class potential of ELVN-001. The company also initiated a Phase I study of a second pipeline programme, ELVN-002, in patients with HER2+ cancers.

Aura Biosciences provided an update on the first 13 patients in a Phase I study in Non-Muscle-Invasive Bladder Cancer, emphasising multiple complete clinical responses after a single low dose of belzupacap sarotalocan (bel-sar). The study highlights that the company's platform may be applicable to non-ocular malignancies. The company also provided an end of study report on their Phase IIb study in choroidal melanoma confirming positive data from earlier interim readouts. An ongoing Phase III study is expected to read out in 2026.

Finally, **Folium Science's** CRISPR-based product BiomElix® One was approved by Brazil's Ministry of Agriculture (MAPA) for use as an animal feed additive and included in their Positive List of Feed Ingredients.

There was also disappointing news from the portfolio. **Spero Therapeutics** announced a Phase II failure of SPR720 and subsequent termination of the programme.

In other news, **Reneo Therapeutics** completed their reverse merger with **OnKure Therapeutics**. This followed the clinical failure of Reneo's lead programme in late 2023. The new company will trade under the name **OnKure Therapeutics**. In December, the company released initial data from the Phase I study of the lead compound OKI-219, a mutation-specific PI3K inhibitor.

Financial results

The net return for the year was DKK 108m, versus DKK 772m in 2023. The positive result reflected an increase in the valuation of the private portfolio driven by clinical progress and selected positive market developments during the year partly offset by a negative share price development during the year in the US public biotech market.

At year-end, the BioCapital portfolio comprised 21 companies, of which eight were listed. The fair market value of the portfolio was DKK 2,884m at 31 December 2024, compared to DKK 2,886m at the end of 2023. The complete portfolio is listed to the right and on the following pages.

Public Portfolio Companies (continued)



Lexeo Therapeutics is progressing a pipeline of gene therapy programmes based on the company's AAV10 platform. The lead programme targets treatment of the cardiomyopathy that occurs in patients suffering from the genetic disorder Friedrich's ataxia (FA).



OnKure Therapeutics is developing best in class PI3K inhibitors for the treatment of solid tumours. Lead programme is currently in Phase I.

scPharmaceuticals

scPharmaceuticals is marketing a proprietary subcutaneous furosemide formulation for heart failure diuresis that is delivered via an easy-to-operate, on-body infusion pump.



Spero Therapeutics is a multi-asset, clinical-stage pharmaceutical company, focused on identifying, developing and commercialising novel treatments for multi-drug resistant (MDR) bacterial infections.



Trevi Therapeutics is engaged in the late-stage development of Haduvio™ (nalbuphine ER) for the treatment of chronic cough for patients with idiopathic pulmonary fibrosis.

Private Portfolio Companies



Akamis Bio is a clinical stage company developing gene-based, immuno-oncology treatments for solid tumours, using its proprietary, intravenously administered T-SiGn virus platform.

CYTOKI

Cytokine Pharma is a biotechnology company focused on serious diseases caused by epithelial injury with unmet medical needs. The company's lead programme is a long-acting interleukin-22 for use in metabolic and inflammatory disease, and other pathologies related to epithelial tissue injury. Cytokine is running a Phase II study in obesity and type 2 diabetics.

DANIA TX

Dania Therapeutics is a discovery stage company developing first in class small molecule drugs to treat Acute Myeloid Leukaemia (AML) and other cancers.



Dysis markets high-resolution, digital colposcopes with an adjunctive map overlaid on a live image of the cervix to help with identification of the most relevant biopsy sites when cancerous and pre-cancerous cervical cancer lesions are suspected. Dysis' activity has been divested in 2025.



Enterome

Enterome is pioneering the development of novel microbiome-inspired peptide drugs. Enterome is in Phase II studies in several oncology indications.

Private Portfolio Companies (continued)



SNIPR Biome is a clinical-stage company developing new therapies based on the CRISPR gene technology. The company's technology enables gene therapy of the microbiome or precision killing of bacteria. The lead clinical product is designed to prevent bloodstream infections caused by fluoroquinolone-resistant E. coli.



Vesper Bio is developing new products focused on central nervous system and peripheral diseases. The lead programme, targeting frontotemporal dementia, is currently in Phase II clinical development.



SORRISO

Sorriso is developing gastrointestinal tract-restricted antibodies to treat inflammatory bowel disease (IBD) and other inflammatory diseases. The lead candidate is in Phase II development.

VarmX

VarmX is a clinical stage company developing a novel reversal agent to safely and effectively restore haemostasis in case of bleeding or emergency surgery in patients taking oral factor Xa inhibitors.



Grants & Prizes

The Lundbeck Foundation’s ambition is to make Denmark a frontrunner in the field of neuroscience by funding Danish-based research that promotes an improved understanding of the brain as well as better prevention, diagnosis and treatment of brain disorders. The Foundation also supports activities to improve collaboration between research and business.

In the Foundation’s strategy from 2020, one of the main goals was to bring discoveries to lives by supporting a research environment that strengthens the collaboration between basic and clinical research, with the aim of better prevention, diagnosis and treatment of brain diseases. In 2024, the Foundation, together with Aarhus University, initiated Lundbeck Foundation Parkinson’s Disease Research Center (PACE) as the first major strategic initiative. The Neurohub will strengthen the integration of basic and clinical research.

DKKm	
Prizes	13
Talent development in biomedical science	129
Research benefitting neuroscience	194
Research in neuroscience	658
Science engagement and communication	33
Other grants	47
Total grants in 2024	1,074

Other grants include donations of DKK 138,105 to descendants.

Besides strategic initiatives, the Foundation continued its support of outstanding biomedical research, with a strong commitment to talent development and research in basic and clinical neuroscience.

Alongside research grants and prizes, the Foundation supported activities to strengthen and facilitate networks between scientists, as well as to increase awareness about the brain and the importance of brain health among the Danish population.

The total grant sum amounted to DKK 1,074m, versus DKK 592m in 2023. The grant sum reflected a commitment to strategic initiatives of DKK 500m.

In the relevant open calls during 2024, the Foundation implemented the new model for the Foundation’s coverage of indirect costs agreed between six private foundations and the eight Danish universities.

In 2025, discussions are continuing with Danish universities and hospitals on Neurohubs and national

strategic initiatives supporting translational research in neuropsychiatry.

Strategic programmes

A neurohub is a centre where basic and clinical research are co-located.

National strategic initiatives involve two or more research centres with complementary competencies working towards a common goal.

Both aim to solve complex research problems that require interdisciplinary approaches.

Lundbeck Foundation Parkinson's Disease Research Center (PACE)

In 2024, the Foundation initiated the first of a number of larger strategic initiatives and awarded DKK 223m to the Lundbeck Foundation Parkinson's Disease Research Center (PACE) at Aarhus University Hospital with Professor Per Borghammer as leader of the multidisciplinary NeuroHub.

Neuroscience Academy Denmark (NAD)

The Foundation awarded the Neuroscience Academy a grant of DKK 222m to expand the group of 48 PhD students recruited since the programme started in 2021 with an additional 48 PhD students to start over the next three years. The PhD programme is differentiated from standard PhD programmes by adding an initial year with rotations between Danish neuro-research laboratories. The aim of the Academy is to enhance the neuroscience PhD level and, by working between universities, strengthen the coherence of Danish neuroscience research activities.

Center for Pharmaceutical Data Science Education

The Foundation has awarded DKK 43m and together with the Novo Nordisk Foundation and LEO Foundation awarded DKK 123m in total to establish the Center for Pharmaceutical Data Science Education, the aim of which is to integrate data science disciplines into the pharmaceutical science education in order to equip candidates and PhDs to master both "data and drugs".

The additional grants were distributed across the following categories:

Grants supporting research in neuroscience

Grants in this category support research aimed at solving a fundamental problem in neuroscience or research into brain-related diseases. The grants were:

- **LF Collaborative Projects** focus on complex, basic or clinical neuroscience projects that require collaborative efforts. DKK 120m was awarded to 5 projects. The supported projects included studies in brain cancer, AI in mental health and schizophrenia risk genes.
- **LF Projects Challenge-Young** was awarded DKK 12m to investigate the use of virtual-reality-augmented technologies in adolescents with auditory hallucinations. The project is integrated as a subproject in the "Best for You-DK" programme.
- Startup grants to support recruiting international or industry-based scientists to Danish universities. DKK 16m was awarded to two grantees.
- **Imaging platform at University of Copenhagen** was granted DKK 2m.
- **Centre for Music in the Brain** was awarded DKK 10m.

Grants supporting research with the potential to benefit neuroscience

Grants in this category broadly support research or technologies where the applicant can propose a potential benefit for neuroscience and therapies for nervous system disorders. The major grants were:

Lundbeck Foundation Parkinson's Disease Research Center (PACE)



Professor and Senior Consultant
Per Borghammer

The vision is to build a world-leading translational research centre based at Aarhus University Hospital (AUH).

The centre will focus on Parkinson's Disease and other Lewy body disorders with the aim of discovering and validating novel innovative tools, biomarkers and disease-modifying mechanisms, all of which can be translated into clinical trials within a 10-year timeframe.

"To realise our high ambitions, we will be building a top-tier research environment with international collaborations of a multidisciplinary nature and with a strong focus on talent attraction and development," says Per Borghammer, Professor and Senior Consultant, Department of Nuclear Medicine & PET centre, Aarhus University Hospital and Aarhus University.



- **LF Fellows** are talented, young researchers who wish to establish or expand their own independent research groups in Denmark. DKK 50m was awarded to five scientists: two in neuroscience (pain processing and genetics in mental disorders), and three in other areas (cellular stress, chromatin repair and cancer).

Prizes

The Brain Prize is the world's largest international neuroscience prize, dedicated to scientists who have made an outstanding contribution to neuroscience. The DKK 10m Brain Prize 2024 was awarded to Professors Larry Abbott, Terrence Sejnowski and Haim Sompolsky (all US) for their pioneering contributions to the field of computational and theoretical neuroscience and seminal contributions to our understanding of the principles that govern the brain's structure, dynamics and the emergence of cognition and behaviour.

His Majesty The King presented The Brain Prize to the 2024 winners at an awards ceremony in Copenhagen.

Brain Prize outreach activities bring the outstanding science behind each year's Brain Prize to the scientific community. Six webinars on "Neural Circuits of the Mind: Frontiers of Computational Neuroscience" were organised and chaired by the Brain Prize winners together with 14 other leading scientists who provided in-depth insights. A series of Brain Prize plenary lectures were also given at several international meetings. A film collection covering the winners' scientific journey, patient case stories and educational films was also produced.

The Scientific Enrichment Prize is a personal prize of DKK 100,000, awarded in 2024 to Professor Bjørn Ebdrup, Psykiatrisk Center Glostrup, for his cross disciplinary research using quantitative measures and biomarkers to improve treatment of psychosis. He also pays active attention to diversity and lived experiences when recruiting members to his research team.

The Young Investigator Prize of DKK 1m, for promising researchers under the age of 40, was awarded to Professor and biotech entrepreneur PhD Andreas Hougaard Laustsen-Kiel, Technical University of Denmark, for his contribution to antibody engineering technologies and pioneering work in developing engineered human antibodies as snake bite antivenom combined with an exceptional innovation mindset resulting in eight startup companies.

Five **Talent Prizes** of DKK 300,000 each for promising young researchers under the age of 30 were awarded to PhD fellow Eva Havers-Borgersen, Rigshospitalet (linking women's diseases to heart disease); postdoc Mathias Maagaard Blem, Zealand University Hospital (minimising postoperative pain); MD, PhD student Adile Orhan, Zealand University Hospital (improving outcomes for cancer patients); PhD fellow Drummond E-Wen Joe McCulloch, Rigshospitalet (Scanning brains on psychedelic drugs) and PhD student Haidar M. Al-Khazali, Rigshospitalet (locating the headache on/off switch).

Science education and communication

The Foundation supports science education projects at high school level and above that help to promote a better understanding of the brain and brain disorders as well as science communication projects to promote a better understanding of brain disorders and their consequences. In 2024, the Foundation granted DKK 33m to 21 projects, including DKK 9m for the exhibition "SUPER-krop" at Experimentarium and support for the Alzheimer's Association's activities following the television broadcast "The Dementia Choir".

In addition, more than 30 scholarships were awarded by seven scientific societies through grants totalling DKK 6m.

Other activities

Frontier Grants serve a dual purpose by supporting advanced research ideas to a stage where they can become attractive for investors while at the same time supporting the training of the lead scientists. Four grants totalling DKK 20m were awarded to explore a new obesity drug, gene therapy, treatment of pancreatic cancer and stem cell therapy for Parkinson's disease.

Neurotorium is an open, online platform (www.neurotorium.org) launched in 2022 that is aimed at clinicians and educators of clinicians, covering topics about the brain and its diseases and attracting more than 450,000 visits in 2024.

The scientific content is governed by a board of internationally renowned neurologists and psychiatrists.



Active public voice

The ambition for our active public voice is to enhance public understanding of the importance of brain health, improve the conditions for research in Denmark and the development of the enterprise foundation model as a responsible and sustainable business ownership framework.

Advancing Brain Health Awareness

Raising public awareness about the importance of brain health requires accessible and relevant knowledge. To this end, the Foundation updated its “Hjernerapporten 2.0”, an expanded version of the original 2021 report, after dialogue with patient organisations. The report sheds light on the prevalence and economic burden of brain diseases in Denmark.

In 2024, the Foundation contributed to the international Brain Awareness Week by hosting several public meetings in Copenhagen and Aarhus, featuring leading Danish neuroscientists Professor Søren Dinesen Østergaard, Associate Professor, Ole Köhler-Forsberg, Professor Bjørn Ebdrup, and Associate Professor Lise Glenthøj, sharing their insights on the themes; dementia, schizophrenia and stroke, and updating the audience on the latest scientific developments.

The concept was mirrored at Folkemøde 2024 (The Democracy Festival of Denmark), where Professor Peter Lund Madsen on behalf of the Foundation moderated several debates on brain health with invited guest speakers on the stage, including Associate Professor Dea Siggaard Stenbæk, MD and PhD Mathias Ebbesen Jensen, Craftsperson and Psychologist Anne Kirketerp, Specialist in Child and Adolescent Psychiatry Jeppe Plesner, and Freja Sangild Boysen, Founder of Social Space, a non-profit organisation working to improve young people's mental health.

Also, on Kulturnatten (Copenhagen Culture night October 2024), the Foundation organised two highly attended events at Panum, the Faculty of Health and Medical Sciences at Copenhagen University, inviting the public to learn more about addiction and dopamine, featuring Professor Ulrik Gether. The evening also included a creative ‘drawing lab’ for children, providing an engaging approach to learn about healthy brain habits.

Emphasis on Talent Development

In 2024, the Lundbeck Foundation prioritised talent development. In collaboration with the Novo Nordisk Foundation, the Foundation published and launched a white paper addressing the barriers faced by highly educated international talents moving to Denmark to continue their scientific careers. The study, conducted by Axcel Future (now Erhvervslivets Tænketaank), was supplemented by legal insights from the law firm Kromann Reumert.

Attracting and nurturing the next generation of scientists is essential for sustaining a vibrant, world-leading research community and for positioning Denmark as a stronger international hub for healthcare and neuroscience research. This focus aligns with the Danish government's strategies for entrepreneurship and life sciences, which emphasise talent attraction.

Supporting Innovation and Entrepreneurship

In 2024, the Foundation joined a partnership with the Danish Ministry of Business and Financial Affairs and other enterprise foundations to enhance entrepreneurial environments within Denmark's key industries. A thriving innovation ecosystem within biotech is critical for establishing Denmark as a leading life sciences nation.

Promoting the Enterprise Foundation Model

The enterprise foundation ownership model was also a key topic at the Folkemøde 2024. The Foundation joined a panel with politicians, an advisor, and Danish Chamber of Commerce CEO Brian Mikkelsen to explore how this model could benefit more companies. Additionally, Lene Skole participated in a debate with the CEO of TrygFonden on fostering growth for publicly listed companies.



Risk management

The Lundbeck Foundation's risk management framework provides a systematic approach to identifying, monitoring, managing and reporting risks and opportunities in a changing environment.

The Lundbeck Foundation strives for a reasonable balance between value creation and risk exposure in its work to deliver on its longer-term strategic targets.

Risk assessment is an important part of the Foundation's business procedures, allowing it to respond appropriately to changing circumstances and to integrate risk management into the development of the Foundation's strategy. The risk management framework includes a 'top-down' as well as a 'bottom-up' approach to risk mapping, which identifies key risks that the Foundation faces.

The most important risks relate to the business risks of the Foundation's strategic ownerships – particularly the subsidiaries – as well as the financial risks related to its portfolio of other investments. Assessing and mitigating these risks is important for long-term value creation, as well as for the ability of the Foundation and its subsidiaries to execute on the strategy.

As a foundation with significant positions in the Danish business and research communities, reputational risk is

an important factor. In relation to grant-making, there is a strong governance framework in place to cover these activities, setting high standards designed to protect the Foundation from excessive risk.

Risk assessment and management

As a business owner and investor, risks are a natural and integral part of the Foundation's activities. However, by incorporating risk management at both entity and group level into the risk assessment framework, and by balancing its capital allocation, the Foundation mitigates risk to what it considers to be an acceptable level.

The Foundation is faced with several types of risks, including business, operational, cyber and market risks – including fluctuations in interest rates, share prices, exchange rates and credit spreads – as well as reputational risks. Through understanding of its ownerships and of its own internal operations, other investments and grant activities, the Foundation aggregates the various risk factors and identifies the most important ones in terms of probability and potential impact.

A risk analysis report – including proposed mitigating actions – is prepared and submitted biannually to the Foundation's Board of Directors. More frequently, updates on exposure to risk factors, such as industry and geographical concentrations, are submitted to the Investment Committee, which meets on a quarterly basis. The Foundation's Management Team monitors

the development of current and potential risks on an ongoing basis.

The overall risk level is assessed in the risk reports. The Foundation has a long-term horizon for its activities, and the current strategy spans until 2030. Similarly, the Foundation takes a long-term view on potential risks and risk management, spanning at least 10 years.

Diversification across the Foundation's different investments and activities is a central part of the Foundation's approach to risk management, and this adjusted continuously, depending on the risk assessment, to ensure that there are sufficient financial resources to support the Foundation's activities.

The most recent risk assessment exercise resulted in the identification of a range of strategic, operational, financial, political and reputational risks that could potentially pose a threat to the Foundation. A key priority for the subsequent work has been to ensure that no single risk can materially damage the Foundation, and that the Foundation would be able to continue its operations and strategy should any one or more of the risk factors materialise. To ensure this is the case, each of the risks identified has an assigned owner who is responsible for actively managing and mitigating the risk.

The key risks that have been identified are presented in the table on pages 37-38, together with details of the mitigation measures that have been put in place.

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 counterparty 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 Foundation'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 2024, no investments were identified as being in violation of the ESG principles.

Risks related to IT security

In recent years, several major cyber-attacks have been launched against companies and organisations around the world.

Each of the ownerships and the Foundation rely on their IT platforms to run their businesses and the Group owns various types of intellectual property rights. Consequently, the Group is a potential target for cyber-attacks or industrial espionage, and it is a strategic priority to continuously improve cyber-security.

As IT platforms differ across the Group, cyber-security is managed by each company and the Foundation separately. Each has programmes designed to improve resilience against cyber-attacks. In addition, cyber-risk awareness campaigns are conducted regularly throughout each organisation to minimise risks resulting from phishing emails and similar threats.

Risk reporting and management

The Foundation's risk reporting and management framework is illustrated in the figure to the right.





Risks and Mitigation (1/2)

Risk	Distress in the Foundation's strategic ownerships The strategic ownerships account for 66% of the Foundation's total net wealth	Research and development risk in pharmaceutical subsidiaries	Supply, Quality & Product Safety in pharmaceutical subsidiaries	Financial market crisis The financial investment of the Foundation's total net wealth
Context	Poor performance, ultimately resulting in value destruction of the Foundation's shareholdings in the companies	Lack of a successful pipeline in pharmaceutical subsidiaries will limit long-term growth in the companies and result in value destruction	Disruption of production and supply, and loss of licenses Defects in product quality or safety, and potential loss of license to manufacture or sell pharmaceuticals	Financial losses due to fluctuations in stock prices and possible economic recession
Mitigation	Engaged ownership with a focus on: • The overall strategy and key activities • Board and executive management composition to ensure the right competencies • A sound capital structure to support the strategy • Good governance with delegation of duties • Representation on the boards • Diversification through several different companies • The companies' own risk management procedures and their mitigating actions	High quality research and development with a focus on: • New, innovative drugs in areas with unmet medical needs • Ongoing evaluation of the product pipelines, regulatory requirements and product benefits Active involvement through: • Board and executive management composition to ensure the right competencies • Representation on the scientific committees in the subsidiaries • A sound capital structure to support research and development	Supply chain and production resilience: • Initiatives to ensure resilience in production and supply chain include monitoring, production forecasting, safety stock supply of key products, alternative supply strategy, long-term contracts, reducing manufacturing complexity and management of key third parties Rigorous Pharmacovigilance system, policies, procedures and surveillance to ensure quality and safety of products	Diversified portfolio Close monitoring of financial risks in the portfolio and possible hedging and adjustment Limits on market and company valuations through investment policies



Risks and Mitigation (2/2)

Risk	Misuse of grants	Geographical exposure to the USA Group exposure to the US market is nearly 38% of total revenue	Price pressure in the healthcare sector Group exposure to healthcare accounts for 62% of the Foundation’s total net wealth	Legal and compliance
Context	Fraud or scientific misconduct by grant recipients	Exposure to the USA through the strategic ownerships and investments	Regulation or market dynamic that lowers the prices for drugs	Non-compliance with industry standards and Loss, expiration or infringement of intellectual property rights Regulatory changes may impact profit and level of grants
Mitigation	Transparent grants allocation processes Peer reviews by external scientists Status reports and budget follow-ups Code of conduct signed by grant recipients	Ongoing monitoring of exposure to the USA and adjustment of exposure Hedging against exchange rate risk (USD) and financing of companies in USD (strategic subsidiaries)	Limit on exposure to pharmaceutical companies in the Foundation’s liquid investment portfolio Focus in pharmaceutical companies on: • Innovation and generating strong clinical data • Cooperation with healthcare authorities to document the value of the companies’ products • Stringent process for managing price changes	Code of Conduct, Compliance training the employees Whistle-blower system Internal reviews and monitoring compliance with laws and standards Policies and processes for intellectual property rights Close monitoring and response to legislative proposals

Sustainability

Sustainability is embedded in the Lundbeck Foundation’s purpose, strategy, business model and activities. Through the 2030 strategy, ‘Bringing Discoveries to Lives’, the Foundation has articulated a clear commitment to making a positive and sustainable impact on society. This strategy drives sustainable outcomes in health, innovation, economic growth and good governance.

The Foundation strives to improve lives through healthcare innovation, with a specific focus on neuroscience. Over the years, it has grown to become one of Denmark’s largest enterprise foundations, managing close to DKK 72bn. Its commitment to sustainable development is rooted in its founding principles, strategy and business model. Sustainability is viewed both as a responsibility and a license to operate - now and in the future - as well as an opportunity to drive long-term value creation.

At the core of the Foundation’s business model is the principle that its ownerships and investments generate dividends and profits that are reinvested into society. In 2024, the Foundation awarded DKK 1,074m in grants, compared to DKK 592m in 2023, and contributed DKK 195m in investments to the Danish life science ecosystem. As a Group, the Foundation employed close to 34,000 people in 2024, reached more than 19 million patients, and invested more than DKK 5bn in research and development. As a long-term owner, the Foundation aims to support sustainable business development and initiatives.

Research indicates that companies with enterprise foundation ownership achieve higher environmental, social and governance (ESG) performance, maintain ESG activities even during financial crises, and commit to more significant emission reductions in the post-Paris Agreement period.

In 2024, the Foundation conducted a double materiality assessment based on its business model as both an investor and a long-term owner. This assessment enabled the Foundation to identify key impacts, risks and opportunities from a sustainability perspective. These insights will shape the Foundation’s sustainability priorities, policies, actions and targets moving forward and is preparing to collect material data points to ensure it can report in accordance with the Corporate Sustainability Reporting Directive (CSRD).

Lundbeck and ALK have reported according to CSRD for 2024.



The Foundation's commitment to society

The purpose, business model and 2030 strategy of the Foundation provide a strong platform and clear direction for its societal impact, focusing on health, innovation, economic growth and good governance. The Foundation's commitment to society can be viewed through its alignment with four key Sustainable Development Goals (SDGs).

Sustainability through the Foundation's different activities

The Foundation's role as a societal partner presents both unique opportunities and significant responsibilities. Its societal impact, risk and opportunities are evident throughout its diverse activities.

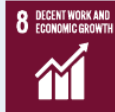
Activity: Strategic ownerships

The Foundation is the engaged owner of three international healthcare companies, generating group revenue of more than DKK 39bn and employing close to 34,000 people. Furthermore, the Foundation has three minority strategic ownerships.

The strategic ownerships entail a responsibility to foster sustainable economic growth, create jobs and be a responsible employer, ensuring a healthy and inclusive working environment. The Foundation remains committed to supporting long-term development and helping its companies achieve global leadership in their fields while emphasising innovation and social aspects



The Foundation's philanthropic and commercial activities, developing top-tier neuroscience and leading healthcare companies, supports SDG 3 - especially sub-target 3.4 regarding treatment of non-communicable diseases and mental health.



As part of its engaged ownership and responsible asset management, the Foundation contributes to SDG 8 through the sub-targets 8.1 - GDP growth - and 8.5 - Decent work for all men and women.



Long-term ownerships, biotech investments, and support for collaboration in research are key components of the Foundation's impact on society, with a clear link to SDG 9 and sub-target 9.5 of encouraging innovation and research development.



The footprint of the Lundbeck Foundation is primarily defined by the companies it owns, the investments it makes, and the recipients of its grants. The basis for promoting sustainable development is good governance in line with SDG 16, contributing to effective, accountable, and inclusive organisations.

such as talent development, employee engagement, equality and diversity.

Sustainability is a cornerstone of the Foundation's ownership model. While decisions are ultimately made by the companies' boards and leadership teams, the Foundation actively encourages the integration of sustainability measures and initiatives, as reflected in their respective reporting. Through its board representation, the Foundation advocates for sustainability agendas and ensures compliance with its sustainability policy's minimum standards.

All six strategic ownerships have greenhouse gas reduction targets that are either approved by, in the process of being approved by, or aligned with the Science Based Targets initiative. This framework provides a defined path for reducing emissions. The Foundation also leads initiatives to facilitate knowledge sharing and promote sustainable practices across its ownerships, including efforts to improve access to healthcare.

Activity: Financial investments

The Foundation's financial investments ensure economic stability and enable the sustainable distribution of dividends to society through grants and partnerships. Investment decisions are guided by the principle that responsible and ethical companies create both financial and societal value.

The Foundation's investment policy incorporates environmental, social and governance (ESG) factors in



to make sustainability reporting as relevant and efficient as possible for early-stage biotech companies, enabling them to meet key responsibility expectations and regulatory requirements without undue burden.

The Foundation will continue to expand and implement its sustainability programme in the coming years.

Activity: Supporting new knowledge

Brain diseases affect over 3 billion people worldwide, causing significant personal and socio-economic challenges. Despite these impacts, brain health remains an under-prioritised research area. Addressing this is at the core of the Foundation’s purpose.

In 2024, the Foundation dedicated DKK 947m - 88% of its total grants - to neuroscience research. This funding supported studies on topics ranging from psychoses to neurodegenerative disorders, resulting in over 602 scientific publications and several strategic initiatives. The Foundation also integrates impact measurement into its grant requirements to enhance the translation of research into tangible patient outcomes.

In its grant activities, the Foundation is committed to integrity, transparency and accountability. The Foundation aims to support world-class scientific research that drives positive outcomes and advances the frontiers of knowledge. Best practices - such as the Danish Code of Conduct for Research Integrity - and environmental, social and governance (ESG) considerations are integrated into the Foundation’s grant processes.

Applications are handled and evaluated through a rigorous assessment process, which includes peer reviews conducted by international third-party expert panels. These panels operate in compliance with the Foundation’s principles of impartiality, ensuring a fair and transparent evaluation

Activity: Disseminating knowledge

Bringing scientific discoveries to treatments for patients and the dissemination of knowledge to clinicians, patients, business and the wider society is crucial, as is close collaboration between research and business.

One example of the Foundation’s work in 2024 in this regard is the online platform Neurotorium, which offers curated educational materials on neurology and mental health. In 2024, it attracted more than 450,000 visits from 189 countries.

Activity: Improving conditions for the life science ecosystem

The Foundation actively works to build partnerships that support its mission of driving positive societal change. By fostering a vibrant Danish healthcare research and business culture, the Foundation enhances understanding of the brain and destigmatises brain diseases, improving the well-being of patients and their families while reducing societal costs.

The Foundation also strengthens Denmark’s position as a global hub for healthcare research and business through collaborations between science and industry, talent development and funding access. Additionally,

the Foundation advocates for greater public awareness of enterprise foundations and their unique ability to combine financial and societal value.

Other ESG initiatives

Gender diversity

The Foundation is committed to building gender equality and diversity and inclusion across all areas. The Foundation’s 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’).

Gender diversity in the Lundbeck Foundation

Members of the Board of Directors
Board of Directors, underrepresented gender
Members of the Management Team
Management Team, underrepresented gender

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

In the short term, the Board of Directors strives toward complying with the guidelines. Currently, the board expects this target will be realised by 2027.

defined gender-balance targets for its board of management. Falck's senior management consists of 40% women. Lundbeck's and ALK's senior management consist of 35% and 45% women, respectively. Furthermore, the subsidiaries reported individual targets in their 2024 annual reports and defined individual policies concerning gender balance at other management levels.

Reducing the Foundation's greenhouse gas emissions

Climate change is among the most pressing global challenges. While the Foundation's primary purpose is advancing health, it recognises its responsibility to promote environmentally sustainable practices.

The Foundation's climate impact is primarily driven by scope 3 activities. The approach to handling scope 3 emissions will be further developed based on the results of the double materiality assessment carried out in 2024, which will be reflected in the 2025 reporting.

In 2024, emissions from international travel totalled 332 tonnes of CO₂. To offset these emissions, the Foundation purchases high-quality carbon credits. While carbon offsetting is not a comprehensive solution, it complements ongoing efforts to establish measurable and concrete emission reduction targets, which will be further developed in 2025.

ESG Governance at the Lundbeck Foundation

Good governance is central to integrating sustainability considerations into day-to-day business decisions and strategy. As owner, investor and philanthropist, the

Foundation has many opportunities and a responsibility to promote sustainable practices both inside and outside its organisation. The Foundation does this with a clear governance model based on four key principles (see next page for more information):

- Compliance with Danish recommendations on good governance
- Board director independence
- Transparency in reporting and grant decisions
- Internal checks and balances in decision-making

The Foundation has implemented a clear sustainability governance framework that is anchored in the Board of Directors with the CEO having overall responsibility and clear responsibilities distributed throughout the organisation.

Moreover, the Foundation has developed eight policies to guide key activities: grant administration, investments, communication, tax, remuneration and sustainability policy. The sustainability policy applies to the Foundation, grant recipients, investments and ownerships, encouraging the strategic ownerships and direct investments to pursue ambitious sustainability agendas. The goal is for the Foundation to fulfil a role in business and society in a way that is environmentally, socially and financially sustainable. All policies can be found on the Foundation's website. The Foundation has also implemented a whistleblower system, which can be used by external and internal parties in case of concerns involving legal or other serious risks. The whistleblower system can also be accessed via the Foundation's website. No cases were reported in 2024.

Foundation Governance

The Lundbeck Foundation values transparency and integrity and operates with a clear governance model and relevant policies that define the operating model for the Foundation's broad range of commercial investments and philanthropic grant activities.

Enterprise foundations play an important role in Danish society. As majority owners of some of Denmark's largest business corporations, but also a significant philanthropic contributor, enterprise foundations can influence social and economic development in Denmark. Such influence comes with responsibility.

The Foundation is committed to transparency and has defined a clear governance model that seeks to comply with two sets of principles issued by two Danish governance committees. Firstly, The Committee on Foundation Governance, which issues recommendations for the governance of enterprise foundations. Secondly, the Danish Committee on Corporate Governance, which guides the listed companies in Denmark. As an enterprise foundation and the majority owner of two listed companies, both sets of recommendations are relevant and used as guiding principles by the Foundation.

The Foundation follows the recommendations issued by The Committee on Foundation Governance, with two exceptions:

- **Board members' tenure:** In accordance with the statutes of the Foundation, Board members serve for one year, which reflects the rules issued by The Danish Committee on Corporate Governance rather than the rules issued by The Committee on Foundation Governance, which recommends a tenure of two to four years.
- **CEO bonus model:** The Board of Directors has decided to incorporate a bonus model into the remuneration of the CEO who is also the CEO of the Foundation's holding company, Lundbeckfond Invest A/S. The bonus model is based on several elements, including the financial results of the subsidiaries and the financial investment activities. The bonus elements are determined relevant to ensure alignment between the CEO's remuneration and the Lundbeck Foundation Group's short and long-term development.

For a full overview of the Foundation's compliance with the Recommendations on Foundation Governance, cf. section 77a of the Financial Statements Act, please use the following link: (<https://www.lundbeckfonden.com/en/foundationgovernance>).

The Foundation follows the recommendations issued by The Danish Committee on Corporate Governance where relevant, with two exceptions:

The Lundbeck Foundation's

Compliance

- As an enterprise foundation, the Foundation follows the recommendations:
 - 1) Recommendations on Foundation Governance
 - 2) Recommendations on Corporate Governance
- Where the Foundation does not explicitly stated and explained

Independence

- The Foundation is headed by the Chair, are independent. Foundation's subsidiaries
- Former executives of the Foundation's Board of Directors
- In each strategic subsidiary, the one board member elected according to the Foundation's subsidiaries

Transparency

- The Foundation publishes its annual report
- All key policies and governance website
- Major decisions on philanthropic website, social media and the media

Checks and balances

- The Foundation's organisation and concentration of decision-making
- The majority of all grant-making international experts to ensure

- **Diversity policy:** The Foundation has not formulated a concrete diversity policy, but principles and priorities are stated in the Sustainability Policy, which is available on the Foundation's website.
- **Audit Committee and internal audit function:** As an independent foundation with no shareholders, financial information is only shared in the Annual Report. Its strategic subsidiaries share information on a quarterly basis. The Foundation has chosen not to have an Audit Committee or internal audit function, whereas the subsidiaries have set up Audit Committees.

For a full overview of the Foundation's compliance with the Recommendations on Corporate Governance, please use the following link:
(<https://www.lundbeckfonden.com/en/corporategovernance>).

The Foundation's governance principles are described more fully on the Foundation's website and in the box on the previous page.

The Board of Directors

The Lundbeck Foundation is managed by the Board of Directors in collaboration with the CEO. The Board members are presented on pages 48-49.

The Board's primary responsibilities are to:

- Decide the Foundation's strategy
- Make decisions of major significance or of an exceptional nature
- Make final decisions on the allocation of grants
- Supervise the organisation to ensure the Foundation is managed appropriately and in accordance with applicable laws and the Foundation's statutes
- Approve the Foundation's policies for investments, communication, remuneration, etc.
- Appoint the Foundation's CEO

The Board of Directors meets a minimum of four times each year and holds an annual seminar to review, discuss and refine the strategy.

The Board has set up two committees and the Grants and Prizes Panel with members from the Board of Directors to prepare the meetings of the Board of Directors. The two committees are the Research and Prize Committee and the Investment Committee. The



Board member's attendance at meetings in 2024

Steffen Kragh, Chair of the Foundation and Lundbeckfond Invest A/S and member of the Investment Committee
Søren Skou, Deputy Chair of the Foundation and Lundbeckfond Invest A/S and member of the Investment Committee since 12 March 2024
Lars Holmqvist, Chair of the Investment Committee
Michael Kjær, member of the Research Committee
Susanne Krüger Kjær, Chair of the Research Committee
Svend Andersen, member of the Investment Committee
Thomas Mears Werge, member of the Research Committee
Henrik Sindal Jensen, employee representative from H. Lundbeck A/S
Katja Barnkob, employee representative from ALK-Abelló A/S
Mikkel Helmer Nielsen, employee representative from Falck A/S
Morten Egholm Aagaard, employee representative from Falck A/S
Peter Schütze, former Deputy Chair of the Foundation and Lundbeckfond Invest A/S and member of the Investment Committee, stepped down on 12 March 2024

Attended Did not attend Conflicted

two committees and the panel meet on a regular basis to prepare and discuss issues related to the Foundation's grants and prizes, and investments, respectively.

Active involvement in strategic ownerships

The Foundation is long-term strategic shareholder of several companies: Lundbeck, ALK, Falck, Ferrosan Medical Devices, Ellab and WS Audio. It monitors their performances and contributes to value creation as a

Grant governance

The Board of Directors has established a Research and Prize Committee and appoints three committee members from among its members elected according to the statutes. The Committee meets four times a year or as required by special circumstances.

The basic criteria for the allocation of research funding are the scientific content of the application, the qualifications of the applicant, and the academic environment at the host institution, all of which must be of a high international standard.

The Foundation seeks to ensure the consistent and equal assessment of all applications. Consequently, all significant applications must be peer reviewed by experts. In addition to the Research and Prize Committee, the Board of Directors has established the Selection Committee to oversee The Brain Prize – as well as four permanent evaluation panels: the Grants and Prizes Panel, the Talent Panel, the Internationalisation Panel and the Scientific Enrichment Panel. Please see page 47 for information about the committees and panels.

Furthermore, ad hoc evaluation panels with international experts are established as required to assess personal and strategic applications. The members of the committees and panels must comply with the Foundation's impartiality rules.

The Research and Prize Committee and the Grants and Prizes Panel report to the Board of Directors. The

Selection Committee for The Brain Prize reports to the Board of Directors through the Research and Prize Committee to ensure that its recommendations comply with the provisions for The Brain Prize.

The Board of Directors decides on the allocation of grants in accordance with statutory requirements. However, the Foundation has developed a model that has been approved by the Danish Business Authority whereby the Board, as part of its decision-making on the allocation of grants, can issue a grant mandate to a panel formed by the Board of Directors to implement the Board's grant decisions.

The following panels allocate grants under a grant mandate:

- The Talent Panel evaluates LF Postdocs, LF Clinical Postdocs, LF Ascending Investigators and LF Experiments
- The Internationalisation Panel evaluates scientific meetings and conferences, visiting professorships and senior researcher sabbaticals

The Board of Directors has also issued a grant mandate to the CEO to implement the Board's decisions on Frontier Grants.

In general, assessment procedures for applications and recommendations are adjusted on an ongoing basis to accommodate the development and implementation of new initiatives.

Distribution of responsibility

The Senior Vice President, Grants & Prizes, Director of Science, is responsible for managing day-to-day operations in the Grants & Prizes department.

The Board of Directors approves all the Foundation's prizes before they are awarded.

Investment governance

The Board of Directors has established an Investment Committee and appoints four committee members from among its members elected according to the statutes. The Committee meets four times a year or as required by special circumstances.

The Committee is responsible for preparing decisions and recommendations for consideration and approval by the Board of Directors, and for ensuring that the Board of Directors is informed of all material matters.

Supervision of the Foundation's investment activities delegated to the Investment Committee in accordance with the investment policy, which is described in the Risk Management section on page 35.



Grant policy

Statutory report cf. section 77b of the Financial Statements Act

In accordance with the statutes of the Lundbeck Foundation, the Foundation has two primary objectives:

- a. To consolidate and expand the activities of the Lundbeck Group
- b. To make distributions for the purposes mentioned in article 6 of the statutes

At the annual strategy seminar, the Board takes a position on the overall strategy and grant policy. The grant objectives of the Foundation are divided into the following categories:

- Social causes
- Research
- Cultural purposes
- Relatives of the Founder
- Employees of the Lundbeck Group
- Subsidiaries

The Foundation may, in accordance with its statutes prescribed charitable objectives, donate grants to a wide range of different charitable purposes, and the Foundations' founder has granted great flexibility to the Board of Directors to decide upon the Foundation's grants, including to decide upon which of the charitable purposes to support, as well as the individual donation terms. The Board of Directors therefore each year carefully considers which grants are to be made, including which of the charitable categories that are to be supported in light of the flexibility that the Foundation's statutes provides.

The grant objectives listed under section 6 in the statutes are categorised as follows:

Statutes	Grant objective
Article 6a (Relatives of the Founder)	The Foundation may make grants to descendants of the parents of the founder.
Article 6b (Employees of the Lundbeck Group)	The Foundation may provide financial support to, and otherwise make distributions to, employees of the Lundbeck Group, including for training and education, for holidays and for other purposes. The Foundation may also make distributions at any other time of the year, such distributions will only be made if approved by the Board of Directors. Mr Hans Lundbeck, manufacturer.
Article 6c (Research)	The Foundation may grant honorary awards to physicians, scientists and other persons who have made significant contributions to the medical or scientific field.
Article 6d (Research)	The Foundation may grant support for scientific purposes, primarily for support of research in the medical field.
Article 6e (Subsidiaries)	The Foundation may support special research projects within the Lundbeck Group.
Article 6f (Research)	The Foundation may grant support to hospitals and for disease prevention.
Article 6g (Research)	The Foundation may provide support for training and education in the medical field.
Article 6h (Research)	The Foundation may make grants for nurses.
Article 6i (Social causes)	The Foundation may distribute up to 3% of the profit for the year, before tax, to support old and/or sick people, as well as those in need.
Article 6j (All categories)	The Foundation may support other purposes, as decided by the Board of Directors, up to 3% of the total annual distributions in each calendar year.

The aim of the grant activities is to fulfil the Foundation's grant strategy as based on the grant objectives set out in the statutes' section 6. The grant strategy is an integral part of this grant policy.

The Board of Directors has overall responsibility for the allocation of all grants. The Board of Directors has decided that the previously mentioned objectives should be met mainly through support for research in biomedicine with a focus on strengthening Danish neuroscience. The Board of Directors may decide on grants based upon recommendations from committees/expert panels or issue a grant mandate to an expert panel that will make the final decisions within certain grant programmes. Grants for the support of research are primarily awarded to projects invited through open calls for applications. Grants may also be awarded without calls for applications.

Committees

To facilitate grant and prize activities within the aforementioned categories, the Foundation has established two committees that serve as advisory bodies and submit recommendations for decisions to the Board of Directors.

Research and Prize Committee

This committee comprises the three members of the Board of Directors who are appointed for their research expertise according to the statutes. The CEO and the Senior Vice President, Grants & Prizes, Director of Science, neither of whom are members of the Research and Prize Committee, assist this committee. The

members of the Research and Prize Committee, who are also members of the Grants and Prizes Panel (see below), are tasked with the following:

- Advising and submitting recommendations for decisions to the Board of Directors regarding applications, prize nominations and strategic research policy issues
- Supervising the implementation of the Foundation's strategy within grants and prizes

The selection committee for The Brain Prize

The selection committee for The Brain Prize reviews the nominations for The Brain Prize. Its members, all of whom are external and independent of the Foundation, represent the highest possible level of expertise within the field of brain research, bringing to the committee relevant and comprehensive knowledge about the international scientific world.

Expert panels

The Foundation has set up four expert panels to evaluate applications and make decisions on grants.

The Grants and Prizes Panel

This panel comprises the three members of the Board of Directors appointed for their research expertise according to the statutes as well as three external experts from within the field of neuroscience. The panel evaluates applications for LF Fellows, LF Professors and LF Collaborative Projects, and submits recommendations for decisions to the Board of Directors.

The Talent Panel

This panel comprises 14 external experts spanning the field of biomedical research. The panel evaluates applications for LF Postdocs, Early-Career Clinician Scientist grants, LF Ascending Investigators and LF Experiments. The panel makes decisions on grants according to a grant mandate issued by the Board of Directors.

The Internationalisation Panel

This panel comprises two of the three members of the Board of Directors appointed for their research expertise according to the statutes as well as the Senior Vice President, Grants & Prizes, Director of Science, and the Senior Grant Manager. The panel evaluates applications for meetings, visiting professorships and senior researcher sabbaticals. The panel makes decisions on grants according to a grant mandate issued by the Board of Directors.

The Scientific Enrichment Prize Panel

This panel comprises three members with experience handling diversity policies in a variety of research environments. The panel evaluates nominations for the Lundbeck Foundation Scientific Enrichment Prize and submits a recommendation for approval by the Board of Directors.

General terms and conditions for research grants

All grant recipients must comply with the Lundbeck Foundation's General Terms and Conditions for Research Grants.



Board of Directors



Steffen Kragh
Chair

Considered independent

Born 1964
Male
Danish
Elected 2013



Søren Skou
Deputy chair

Considered independent

Born 1964
Male
Danish
Elected 2024



Lars Holmqvist

Considered independent

Elected 2024

Board committee(s)	Member of the Investment Committee	Member of the Investment Committee	Chair of the Investment Committee
Shareholdings	20,000 B-shares in H. Lundbeck A/S and 8,000 shares in ALK-Abelló A/S		75,000 B-shares in H. Lundbeck A/S
Other board and management positions	· President & CEO of Egmont Foundation and Egmont International Holding A/S · Chair of companies in the Egmont group · Deputy chair of Tryg A/S, Tryg Forsikring A/S and Nordic Bioscience Holding A/S	· Chair of Danish Crown AmbA, C.W. Obel A/S, Controlant hf., VTG GmbH, Skyborn Renewables GmbH, Bygma Group A/S, HES International B.V. and Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping · Deputy Chair of Nokia Oyj · Senior Advisor, Blackrock Global Infrastructure Partners	· Chair of the board of Biovica International AB · Member of the boards of H. Lundbeck A/S, ALK A/S and Vitrolife AB (Sweden)
Education and competencies	MSc and MBA Expertise within strategy, economics, finance and accounting, capital markets, securities and funding, legal and regulatory matters of importance to financial business, corporate management and financial business management, including IT	MBA (honors) from IMD), Graduate Diploma in Business Administration and Graduate, A.P. Møller Maersk Shipping School Experience within management, strategy, transformation, M&A, logistics & supply chain and green transition	Degree in Business Administration Experience in management, finance, sales and marketing in international life science companies, including medtech and pharmaceutical companies



Svend Andersen

Considered independent

Born 1961
Male
Danish
Elected 2020



Susanne Krüger Kjær

Considered independent

Born 1955
Female
Danish
Elected 2014



Thomas Mears Werge

Considered dependent

Born 1955
Male
Danish
Elected 2014

Board committee(s)	Member of the Investment Committee	Chair of the Research and Prize Committee	Member of the Research and Prize Committee
Shareholdings		1,029 shares in ALK-Abelló A/S	
Other board and management positions	Investor and advisor	- Professor, MD, DMSc. (Department of Gynaecology), Rigshospitalet, University of Copenhagen - Head of Research, Unit of Virus, Lifestyle and Genes, Danish Cancer Institute - Member of the Board of Johannes Clemmesens Research Foundation - Member of the Human Papillomavirus Prevention and Control Board - Scientific reviewer for AIRC Direzione Scientifica - Visiting professor, Johns Hopkins University, Baltimore, USA	- Professor, Director Inst. Biol. Psychiatry, Mental Health Services, Copenhagen University Hospital - Board member of National Genome Centre, and Member of the Strategic Research Council, Copenhagen University Hospital - Principal Investigator, NIH & EU Initiatives on disorders - Expert Witness (WADA) CAS, Court of Arbitration for Sport, Lausanne (CH)
Education and competencies	BSc in Economics and Business, and Graduate Diploma in Business Administration, Sales & Marketing and Organisation Extensive international leadership experience in several pharmaceutical sectors with a proven track record of creating sustainable value	MD and DMSc Substantial scientific output within oncology. Skills in research development, clinical cancer epidemiology, research evaluation and innovation. Longstanding experience within international research management	B.Sc. Biochemistry; M.Sc. Mol. Oncology; PhD, Molecular Neuroscience Substantial scientific output on Psychiatry and Neurosciences. Skills in Genetics and epidemiology of complex traits and disorders. Longstanding experience in large-scale, international initiatives



Henrik Sindal Jensen

Born 1969
Male
Danish
Elected 2022



Katja Barnkob

Born 1969
Female
Danish
Elected 2022



Mikkel Helmer Nielsen

Ele

Employee elected	Elected by the employees of H. Lundbeck A/S	Elected by the employees of ALK-Abelló A/S	Elected by the employees of Falck A/S
Shareholdings	1,655 B-shares in H. Lundbeck A/S	480 shares in ALK-Abelló A/S	
Other board and management positions	· Senior Director in Corporate Business Development & Licensing	· Senior Project Director · Member of the Board of ALK-Abelló A/S	· Head of Technology, Fire
Education	PhD Neuroscience (University of Copenhagen) MSc Molecular Biology and BSc Chemistry (University of Aarhus)	MSc Biochemistry	Certified Business Economist (CBEcon) Lieutenant Firefighter Graduate Certificate in Business Administration



Management



Lene Skole

Born 1959
Female
Danish
Joined 2014



Arne Due-Hansen

Born 1962
Male
Danish
Joined 2022



Christian Elling

Management position	Chief Executive Officer	Senior Vice President, Strategic Ownerships	Senior Vice President, BioCapital
Shareholdings	61,270 B-shares in H. Lundbeck A/S and 23,000 shares in ALK-Abelló A/S	NA	NA
Board positions	Chair of the board of Ørsted A/S and deputy chair of the boards of H. Lundbeck A/S*, ALK-Abelló A/S*, Falck A/S* and Nordea Bank Abp * Board positions included in the position as CEO of the Lundbeck Foundation	Chair of the board of Cresco Capital Services A/S and deputy chair of the boards of Obel-LFI Ejendomme A/S and CN8 A/S Member of the boards of Ferrosan Medical Devices Group, Ellab Group, WS Audiology A/S and LFI Silva Investments A/S	Chair of the boards of SNIPR Holdings ApS, SNIPR ApS and CytoKi Pharma ApS Member of the boards of IO Biotech, Inc and NM Pharma A/S



Jan Egebjerg

Born 1962
Male
Danish
Joined 2019



Peter Rothausen

Born 1972
Male
Danish
Joined 2018



Søren Christiansen

Management position	Senior Vice President, Grants & Prizes, Director of Science	Senior Vice President, Financial Investments and Head of Invest	Senior Vice President, Finance & People
Shareholdings	NA	NA	NA
Board positions	Member of the board of CNS A/S		



Consolidated financial statements



Financial statements

Lundbeck Foundation Group

Contents

Income statement	55
Balance sheet	56
Cash flow statement	58
Statement of changes in equity	59
Notes	60

Notes

1. Basis of preparation	60	25. Provisions	
2. Revenue	61	26. Bank debt, bond debt and borrowings	
3. Employee costs	62	27. Contract liabilities	
4. Incentive programmes	64	28. Other payables	
5. Depreciation, amortisation and impairment	67	29. Adjustment for non-cash operating items	
6. Fees to auditors appointed at the annual meeting	67	30. Working capital changes	
7. Other operating items, net	67	31. Acquisitions and divestments	
8. Financial items	68	32. Financial risks and financial instruments	
9. Tax on profit for the year	69	33. Contractual obligations, contingent assets and liabilities, and collaterals	
10. Grants	70	34. Related parties	
11. Intangible assets	71	35. Group overview	
12. Property, plant and equipment	76	36. Material accounting policy information	
13. Right-of-use assets	78	37. Events after the balance sheet date	
14. Biological assets	79		
15. Investments in associates	79		
16. Financial assets	80		
17. Deferred tax	83		
18. Inventories	85		
19. Trade receivables	85		
20. Contract assets	86		
21. Liquidity	86		
22. Capital base	87		
23. Other reserves	87		
24. Non-controlling interests	88		



Income statement

For the period 1 January – 31 December

DKKm	Note	2024	2023
Revenue	2	39,675	36,659
Cost of sales	3-5	-15,483	-15,728
Gross profit		24,192	20,931
Research and development costs	3-5	-5,102	-4,155
Sales and distribution costs	3-5	-10,087	-9,317
Administrative expenses	3-6	-4,006	-3,663
Other operating items, net	7	-428	-6
Operating profit		4,569	3,790
Share of net profit of associates accounted for using the equity method	15	-210	-34
Financial income	8	5,456	5,413
Financial expenses	8	-2,036	-2,213
Profit before tax		7,779	6,956
Tax on profit for the year	9	-1,212	-683
Profit for the year		6,567	6,273
Profit attributable to:			
Lundbeckfonden		5,068	5,159
Non-controlling interests	24	1,499	1,114
Profit for the year		6,567	6,273
Grants authorised, gross	10	1,074	592

Statement of comprehensive

For the period 1 January – 31 December

DKKm
Profit for the year
Actuarial gains/losses
Tax
Items that will not subsequently be reclassified to the income statement
Currency translation reserve:
Currency translation, foreign subsidiaries
Currency translation concerning additions to net investment
Hedging of net investments in foreign subsidiaries
Deferred gains/losses on cash flow hedge, exchange rate
Deferred gains/losses on cash flow hedge, interest rate
Deferred gains/losses on cash flow hedge, price
Exchange gains/losses, hedging (transferred to revenue)
Tax on other comprehensive income
Items that may subsequently be reclassified to the income statement
Other comprehensive income for the year, net of tax
Total comprehensive income for the year
Attributable to:
Lundbeckfonden
Non-controlling interests
Total comprehensive income for the year



Balance sheet

At 31 December, Assets

DKKm	Note	2024	2023
Goodwill		14,285	9,977
Product rights		30,066	14,903
Brands		514	514
Customer contracts		88	131
Other intangible assets		1,681	561
Intangible assets	11	46,634	26,086
Property, plant and equipment	12	6,031	5,515
Right-of-use assets	13	1,724	1,717
Biological assets	14	333	317
Tangible assets		8,088	7,549
Investments in associates	15	4,418	2,619
Financial assets	16	24,990	23,887
Deferred tax	17	1,250	1,470
Income tax		145	198
Other financial assets		432	410
Other non-current assets		31,235	28,584
Non-current assets		85,957	62,219

DKKm

Inventories

Trade receivables

Other receivables

Prepayments

Contract assets

Income tax

Receivables**Securities****Cash and bank balances****Current assets****Assets**



Balance sheet

At 31 December, Equity and liabilities

DKKm	Note	2024	2023
Capital base	22	4,937	4,357
Other reserves	23	2,891	2,337
Retained earnings		42,452	39,165
Lundbeckfonden's share of equity		50,280	45,859
Non-controlling interests' share of equity	24	10,763	9,287
Total equity		61,043	55,146
Payable grants		1,738	1,382
Provisions	25	1,139	935
Deferred tax	17	5,680	2,475
Income tax		186	230
Debt to financial institutions and bond debt	26	19,085	6,533
Lease liabilities	26	1,373	1,323
Contract liabilities	27	45	46
Other payables	28	462	439
Non-current liabilities		29,708	13,363

DKKm
Payable grants
Provisions
Income tax
Debt to financial institutions and bond debt
Lease liabilities
Contract liabilities
Other payables
Current liabilities

Liabilities

Equity and liabilities

Cash flow statement

For the period 1 January – 31 December

DKKm	Note	2024	2023
Operating profit		4,569	3,790
Adjustment for non-cash operating items	29	4,074	3,370
Adjustments related to acquisition of business	31	-2,756	-
Working capital changes	30	-459	-1,213
Cash flows from operating activities before financial receipts and payments and tax		5,428	5,947
Financial receipts		1,315	737
Financial payments		-402	-419
Income tax paid		-743	-681
Cash flows from operating activities		5,598	5,584
Acquisition of businesses	31	-15,862	-101
Divestment of businesses	31	1	-
Investments in intangible assets	11	-1,134	-298
Investments in property, plant and equipment	12	-1,157	-800
Investments in biological assets	14	-	-33
Disposal of intangible assets and property, plant and equipment		169	129
Investments in associated companies		-2,002	-1,778
Investments in financial assets measured at fair value through profit or loss		-5,550	-6,029
Sale of financial assets measured at fair value through profit or loss		7,293	7,175
Proceeds from securities and other financial assets		979	4
Cash flows from investing activities		-17,263	-1,731
Cash flows from operating and investing activities (free cash flow)		-11,665	3,853

DKKm
Proceeds from loans and issue of bonds
Repayment of loans and lease liabilities
Purchase of treasury shares in subsidiaries
Sale of treasury shares in subsidiaries
Capital increase
Settlement of exercised share options and warrants
Dividends paid to non-controlling interests
Authorised grants paid
Cash flows from financing and grant-making activities
Cash flows from operations
Net cash flow for the year
Cash at 1 January
Unrealised exchange rate adjustments for the year
Cash at 31 December

Statement of changes in equity

For the period 1 January – 31 December

DKKm	Capital base	Other reserves	Retained earnings	Lundbeck-fonden's share of equity	Non-controlling interests' share of equity	Total equity
Equity at 1 January 2024	4,357	2,337	39,165	45,859	9,287	55,146
Profit for the year	-	-	5,068	5,068	1,499	6,567
Other comprehensive income	-	554	-178	376	181	557
Comprehensive income	-	554	4,890	5,444	1,680	7,124
Grants for the year, net	-	-1,060	-	-1,060	-	-1,060
Provision for future grants	-	1,060	-1,060	-	-	-
Non-controlling interests' share of dividends	-	-	-	-	-213	-213
Purchase of treasury shares in subsidiaries	-	-	-32	-32	-14	-46
Sale of treasury shares in subsidiaries	-	-	2	2	4	6
Change in non-controlling interests	-	-	11	11	-11	-
Incentive programmes	-	-	37	37	21	58
Valuation adjustment of repurchase obligation of treasury shares	-	-	4	4	3	7
Other adjustments	-	-	4	4	1	5
Tax related to items recognised directly on equity	-	-	11	11	5	16
Other transactions	-	-	-1,023	-1,023	-204	-1,227
Increase of capital base	580	-	-580	-	-	-
Equity at 31 December 2024	4,937	2,891	42,452	50,280	10,763	61,043

DKKm	Capital base
Equity at 1 January 2023	4,162
Profit for the year	-
Other comprehensive income	-
Comprehensive income	-
Grants for the year, net	-
Provision for future grants	-
Non-controlling interests' share of dividends	-
Purchase of treasury shares in subsidiaries	-
Sale of treasury shares in subsidiaries	-
Change in non-controlling interests	-
Incentive programmes	-
Repurchase obligation of treasury shares	-
Other adjustments	-
Tax related to items recognised directly on equity	-
Other transactions	-
Increase of capital base	195
Equity at 31 December 2023	4,357

Note 1

Basis of preparation

Reporting entity

Lundbeckfonden (the Lundbeck Foundation) is domiciled in Denmark. The Foundation’s registered office is at Scherfigsvej 7, 2100 Copenhagen. These consolidated financial statements comprise the Parent Foundation and its subsidiaries.

Basis of accounting

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act. The consolidated financial statements were approved by the Board of Directors on 12 March 2025.

Details of the Group’s accounting policies are included in this note and note 36 Material accounting policy information.

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in Danish kroner (DKK), which is also the functional and presentation currency of Lundbeckfonden (the Parent Foundation). All amounts have been rounded to the nearest DKK million, unless otherwise indicated.

Principal accounting policies

Apart from the general accounting policies, which are described in note 36 Material accounting policy information, some other relevant information is

specified in each of the individual notes to the consolidated financial statements. The accounting policies have been applied consistently in the preparation of the consolidated financial statements for all the years presented.

Use of judgements and estimates

In preparing the consolidated financial statements, Management has made estimates and judgments that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised prospectively. Management believes that the following accounting estimates, assumptions and judgments are significant to the consolidated financial statements.

Changes in material accounting policy information

New and amended standards adopted by the group
Effective 1 January 2024, a number of amendments to the accounting standards were implemented.

None of the amendments have a material impact on the accounting policies and/or on the consolidated financial statements. Consequently, no material changes to the accounting policies or retrospective adjustments have been made as a result of adopting these standards and amendments.

New standards and amendments issued but not yet effective

A number of new standards and amendments are effective for annual periods beginning after 1 January 2024 though not mandatory for annual reporting periods ending on 31 December 2024. Earlier application is permitted; however, the new or amended standards have not been early adopted by the Group.

Principal accounting policies	Key accounting estimates, assumptions and judgements
Provision for discounts and rebates	Estimate of discounts and rebates in the USA
Income tax and deferred income taxes	Judgement and estimate of deferred tax assets and liabilities and provision for uncertain tax benefits
Intangible assets	Judgement and estimates when determining the carrying amounts in connection with acquisitions Estimate of the value-in-use methodology for impairment of intangible assets
Inventory	Judgment and estimate of the provision for obsolescence
Financial assets	Estimate of fair value of unlisted investments
Provisions and contingent assets and liabilities	Estimate of ongoing legal disputes, environmental provisions, litigations and investments
Business combinations	Judgement is particularly involved in the assessment of whether or not the net assets acquired are identifiable intangible assets recognition, and fair value measurement of assets acquired, liabilities assumed and contingent liabilities assessment, management considers the underlying economic substance of the items



Note 2

Revenue

DKKm	2024	2023
Europe	17,504	16,080
North America	15,143	14,428
Rest of the world	7,028	6,151
Total	39,675	36,659
Brain diseases (Lundbeck)	22,004	19,912
Allergy treatment (ALK)	5,537	4,824
Ambulance Europe, Ambulance US, Fire Services, Employee and Labour Market services, Consumer and Technical services and Community Health services (Falck)	12,134	11,913
Other	-	10
Total	39,675	36,659

Revenue includes:	2024	2023
Sale of goods	26,813	24,064
Rendering of services	12,035	11,795
Downpayments and milestone payments	-	7
Royalties	827	793
Total	39,675	36,659
Revenue in Denmark	3,919	4,049

Brain diseases (Lundbeck)

DKKm
Abilify LAI franchise*
Brintellix®/Trintellix®
Cipralex®/Lexapro®
Rexulti®
Vyepti®
Other pharmaceuticals
Revenue by product
Other revenue
Effects from hedging
Total

* Abilify long-acting injectable (LAI) franchise comprises following products

Allergy treatment (ALK)

DKKm
SCIT/SLIT-drops
SLIT-tablets
Other products and services
Total



Note 2
Revenue - continued

Falck		
DKKm	2024	2023
Societal Care	6,405	6,598
Individual Care	4,628	4,202
Industrial Fire services	1,109	1,120
Eliminations	-8	-7
Total	12,134	11,913

Note 3
Employee costs

DKKm
Wages and salaries
Share-based payments
Pensions
Other social security costs
Severance and other costs from restructuring activities
Total

The year's employee costs are specified as follows:

- Cost of sales
- Research and development costs
- Sales and distribution costs
- Administrative expenses
- Other operating items, net
- Included in the cost of assets

Total
Average number of full-time employees during the year
Number of employees at year-end

DKKm
Remuneration in the Group including remuneration for board members
Total remuneration to key management of Lundbeckfonden
Total remuneration (fees) to the Board of Directors of Lundbeckfonden
Total
Key management, Lene Skole, CEO
Salary
Cash bonus
Pension
Non-cash benefits (company car and telephone)



Note 3

Employee costs - continued

Fees to Board of Directors, DKK '000	Membership	Board fee	Commit- tees	5 d
Steffen Kragh	Chair of the Foundation and Lundbeckfond Invest A/S and member of the Investment Committee	1,080	270	
Søren Skou	Deputy Chair of the Foundation and Lundbeckfond Invest A/S and member of the Investment Committee since 12 March 2024	580	217	
Lars Holmqvist	Chair of the Investment Committee	360	405	
Michael Kjær	Member of the Research Committee	360	370	
Susanne Krüger Kjær	Chair of the Research Committee since 27 March 2023	360	505	
Svend Andersen	Member of the Investment Committee	360	270	
Thomas Mears Werge	Member of the Research Committee since 27 March 2023	360	370	
Henrik Sindal Jensen	Employee representative from H. Lundbeck A/S	360	-	
Katja Barnkob	Employee representative from ALK-Abelló A/S	360	-	
Mikkel Helmer Nielsen	Employee representative from Falck A/S	360	-	
Morten Egholm Aagaard	Employee representative from Falck A/S	360	-	
Peter Schütze	Former Deputy Chair of the Foundation and Lundbeckfond Invest A/S and member of the Investment Committee, stepped down on 12 March 2024	140	53	
Gunhild Waldemar	Former Chair of the Research Committee, stepped down on 27 March 2023	-	-	
Total		5,040	2,460	

Note 4

Incentive programmes

Lundbeckfonden

The Executive Management of Lundbeckfonden participates in a short-term incentive programme that provides an annual bonus for the achievement of pre-determined targets. Bonuses under the programme amounted to DKK 4.0m in 2024 (DKK 4.3m in 2023), which was equivalent to 100% of the maximum, and will be paid out with a delay of 12 months.

In addition, Lundbeckfonden has incentive programmes to be able to attract and retain skilled and qualified employees. The costs related to the programmes are recognised as employee costs when there is certainty about the amount due and the time of payment.

Subsidiaries

To attract, retain and motivate key employees and align their interests with those of the shareholders, a number of incentive programmes have been established in Lundbeck, ALK and Falck. The Group uses short-term incentive programmes that provide an annual bonus for the achievement of pre-determined targets for the financial year, as well as long-term, equity-based and debt-based programmes, as described below.

Lundbeck

Lundbeck uses equity- and cash-settled programmes.

Equity-settled programmes

As from 2023, Lundbeck has established a performance share units (PSU) programme in substitution for the previous restricted share units (RSU) programme for Lundbeck's Registered Executive Management and key employees, as part of Lundbeck's recurring long-term

incentive programme. The general terms and conditions for the PSU programme are similar to those applying to the RSU programme. In 2024, Registered Executive Management and some key employees were granted PSUs. The total number of options granted to the above-mentioned employees are disclosed below. The price of the granted shares is referenced to the price of B-shares. The participants were selected based on job level. All the PSUs/RSUs vest three years after grant. Vesting is subject to the Board of Directors' decision on vesting, to Lundbeck achieving certain strategic and financial targets specified by the Board of Directors and to continuing employment with the Group during the vesting period. The fair value of PSUs and RSUs has been calculated based on the share price reduced by an expected dividend yield of 2.00% p.a. The fair value is disclosed below for each date of grant. At 31 December 2024, a total of 1.4 million shares (1.1 million in 2023) were outstanding for key management, including all ongoing programmes.

PSU and RSU programmes 1)	2024	2023	2022	2021	2020
Number of persons included in the programme	215	166	176	139	1
Total number of PSUs/RSUs granted	2,165,649	1,738,514	1,592,060	801,365	695,514
Number of PSUs/RSUs granted to the registered Executive Management	470,009	407,514	385,659	173,905	149,614
Vesting date	01.02.27	01.02.26	01.02.25	01.02.24	01.02.23
Fair value at the date of grant, DKK	31.07	28.29	28.43	47.24	51.00

Cash-settled programmes

In 2024, the cash-settled programmes consisted of performance cash units (PCUs) and restricted cash units (RCUs). The cash-settled programmes cannot be converted into shares as this programme is settled in cash.

In 2023, the Group established a PCUs programme for a few key employees in the subsidiaries. Previously, a restricted cash units (RCU) programme was applied. The general terms and conditions for the PCUs program are similar to those applying to the RCUs programme. The price of the granted PCUs is referenced to the price of shares. At 31 December 2024, the PCUs granted to the key employees, totaled 18,842 PCUs (39,152 PCUs for the 2023 programme). All PCUs/RCUs will vest 3 years after the grant. Vesting is subject to the Board of Directors' decision on vesting, to Lundbeck achieving certain strategic and financial targets specified by the Board of Directors and to continuing employment with the Group during the vesting period. The size of the amount depends on the value of the Lundbeck share on the vesting date. The fair value at the time of the initial grant was DKK 31.07 per PCU (DKK 28.29 per PCU for the 2023 programme).

Fair value, liability and expense recognised in the income statement

The PSUs/RSUs granted are recognized in profit or loss for 2024 and 2023 at an expense corresponding to the fair value at the time of grant for the part of the vesting period attributable to each one. The total expense

1) Lundbeck introduced a performance share units (PSU) programme in 2023. Consequently, information for 2023 comprises details on PSUs and prior information comprises details on RSUs. Comparative figures for 2020 and 2021 have been restated to reflect the result of the share split completed on 8 June 2022.

Note 4

Incentive programmes - continued

after grant. Vesting of share options and performance share units is conditional upon certain targets being met and upon the participant not having resigned. Target achievement is met upon fulfilment of strategic key performance indicators. In case performance is below the threshold there will be no units vesting, and if above target, a multiplier is applied that can increase the vesting by up to 100%. Vesting of restricted stock units is conditional upon continued employment.

The exercise of share options is possible in the trading windows following the release of annual and interim reports conditional upon the share option holder not having resigned at the time of exercise. For performance share units and restricted stock units, the final transfer of ownership takes place at vesting three years after the grant.

For the 2023 and 2024 plans, a cap applies to the maximum total value gain from share options, performance shares, and restricted stock units at exercise and/or vesting, respectively, granted in a calendar year. The cap is four times the annual base salary at the time of award of the share options, performance share units, and restricted stock units concerned.

Expensed in the income statement

In 2024, the total cost of share-based payments included a financial expense of DKK 3m due to the exercise and cash settlement of share options (2023: financial income of DKK 0.1m). The total cost included DKK 22m related to adjustment in the share options and performance share units (2023: DKK 8m).

Specification of outstanding share options, performance share units, and restricted stock units:

Units	Share options				Ma
	Board of Management	Other key employees	Total	Weighted average exercise price, DKK	
1 January 2024	487,811	766,268	1,254,079	95	
Additions	49,945	116,286	166,231	126	
Exercised/settled	-105,535	-588,280	-693,815	92	
Cancellations	-	-	-	-	
31 December 2024	432,221	294,274	726,495	95	
Total number of vested share options			103,656		
Average remaining life at year-end (years)			4.3		
Exercise prices at year-end (DKK)			76-148		
1 January 2023	590,120	638,740	1,228,860	82	
Additions	397,661	86,657	484,318	86	
Exercised/settled	-192,320	-241,899	-434,219	48	
Change in Board of Management ¹⁾	-307,650	307,650	-		
Cancellations	-	-24,880	-24,880	106	
31 December 2023	487,811	766,268	1,254,079	95	
Total number of vested share options			451,150		
Average remaining life at year-end (years)			2.6		
Exercise prices at year-end (DKK)			59-144		

The Board of Directors decided for two trading windows in 2024 to settle share options by cash and a total of 616,647 share options were exercised and total cash payments amounted to DKK 33m. For two trading windows in 2024 the Board of Directors decided to settle share options by shares and a total of 77,168 share options were exercised.

In 2023, the Board of Directors decided for two trading windows to settle share options by cash and a total of

434,219 share options were exercised and total cash payments amounted to DKK 14m. The Board of Directors decided not to open two trading windows for exercise in 2023.

¹⁾ In relation to the resignation of the previous CEO in 2023, it was agreed that he kept his outstanding share options and the related outstanding costs were accelerated, while outstanding performance share units were cancelled.

Note 4

Incentive programmes - continued

Outstanding share options, performance share units and restricted stock units have the following characteristics:

Plan	Share options				Performance share units		Performance share units	
	Units	Exercise price, DKK	Vested as per	Exercise period (years)	Units	Vested as per	Units	Vested as per
2021 Plan	103,656	126	01.03.2024	2		01.03.2024		
2022 Plan	126,080	152	01.03.2025	2	119,300	01.03.2025		
20213Plan	84,433	104	01.04.2026	4	150,330	01.04.2026		
2023 Plan, special	323,519	82	01.06.2026	4				
2023 Plan, special							21,925	01.03.2026
2023 Plan, special							130,072	01.11.2026
2024 Plan	88,807	126	01.04.2027	4	137,022	01.04.2027		
31 December 2024	726,495				406,652		151,997	

Fair value of share options, performance share units, and restricted stock units granted

Share options

Fair value at grant date is measured in accordance with the Black & Scholes model for valuation of share options, using the following assumptions:

Performance share units

In 2024, performance share units have been granted at DKK 126 per share (2023: DKK 104 per share).

Restricted stock units

No restricted stock units were granted in 2024. In 2023, restricted stock units were granted at DKK 105 and DKK 77 per share for the respective 2023 plans.

	2024 Plan	2023 Plan	2023 Special plan
Average share price (DKK)	126	104	82
Expected exercise price (DKK)	126	104	82
Expected volatility rate, based on the historical volatility	40% p.a.	36% p.a.	38% p.a.
Expected option life	5 years	5 years	5 years
Expected dividend per share	-	-	-
Risk-free interest rate	2.29% p.a.	2.57% p.a.	2.73% p.a.
Calculated fair value of granted share options (DKK)	48	37	31



Note 5

Depreciation, amortisation and impairment

DKKkm	2024	2023
Depreciation, amortisation and impairment are specified as follows:		
Cost of sales	2,387	2,613
Research and development costs	641	83
Sales and distribution costs	109	132
Administrative expenses	153	124
Other operating items, net	-15	-11
Total	3,275	2,941

The amounts include gains and losses on disposal of intangible and tangible assets.

Note 6

Fees to auditors appointed at the annual meeting

DKKkm	2024	2023
Administrative expenses include fees to the Group auditors appointed at the annual meeting in the amount of:		
Statutory audit	26	24
Assurance engagements other than audit	5	1
Tax advisory services	2	3
Other services	2	3
Total	35	31

PwC audits the consolidated financial statements of the Lundbeck Foundation and a majority of the subsidiaries' financial statements.

The fee for non-audit services provided to the Group by PricewaterhouseCoopers Statsautoriseret

Revisionspartnerselskab, Denmark, consisted of limited assurance of the sustainability statements, consultancy services, other assurance services and other accounting and tax advisory services.

Note 7

Other operating items, net

DKKkm
Transaction costs related to acquisitions and divestments
Change in value of biological assets and related land
Gain on sales of assets, net
Redundancy and restructuring costs, etc.
Other operating income
Total

See note 31.1 for information on transaction costs related to acquisitions and divestments and integration costs.



Note 8

Financial items

DKKm	Lundbeck, ALK and Falck		BioCapital		Invest etc.		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Financial income								
Interest on financial assets measured at amortised cost	299	116	-	-	-	-	299	116
Interest on financial assets measured at fair value through profit or loss	-	-	-	-	269	333	269	333
Interest on receivables from associates	-	-	11	4	-	-	11	4
Dividends from portfolio investments	-	-	-	-	353	287	353	287
Gains on financial assets at fair value through profit or loss	392	4	753	1,331	3,248	3,317	4,393	4,648
Fair value adjustment of contingent considerations	60	4	-	-	-	-	60	4
Exchange gains	26	3	-	-	18	6	44	9
Other financial income	7	3	-	-	20	5	27	8
Total financial income	784	130	764	1,335	3,908	3,948	5,456	5,492
Financial expenses								
Interest on financial liabilities measured at amortised cost	342	195	-	-	40	13	382	208
Interest component, discounted liabilities	39	31	-	-	-	-	39	31
Losses on financial assets at fair value through profit or loss	14	25	656	522	735	1,066	1,405	1,603
Fair value adjustment of contingent considerations	39	10	-	-	-	-	39	10
Exchange losses	56	212	-	-	10	9	66	221
Losses from divestment of enterprises	15	2	-	-	-	-	15	2
Other financial expenses	69	59	-	41	21	28	90	130
Total financial expenses	574	534	656	563	806	1,116	2,036	2,204
Net financials	210	-404	108	772	3,102	2,832	3,420	3,288

Note 9

Tax on profit for the year

DKKm	2024	2023
Current tax	773	673
Prior-year adjustment, current tax	9	34
Prior-year adjustment, deferred tax	-3	-65
Change of deferred tax for the year	360	17
Change of deferred tax as a result of changed income tax rates	-	1
Total tax for the year	1,139	660
Tax for the year is composed of:		
Tax on profit for the year	1,212	683
Tax on other comprehensive income	-57	-23
Tax on other transactions in equity	-16	-
Total tax for the year	1,139	660
Tax on other comprehensive income, DKKm	2024	2023
Actuarial gains/losses	1	-5
Currency translation, foreign subsidiaries	6	4
Currency translation on additions to net investments in foreign subsidiaries	12	4
Value adjustment of interest-hedging instruments	-1	-5
Deferred gains/losses on cash flow hedge, price	-3	-17
Adjustment, deferred exchange gains/losses, hedging	-83	26
Exchange gains/losses, hedging (transferred to the hedged items)	11	-30
Total tax on other comprehensive income	-57	-23

Uncertain tax positions

The Group operates in a multinational tax environment. Complying with tax rules can be complex as the interpretation of legislation and case law may not always be clear or may change over time. In addition, transfer pricing disputes with tax authorities may occur. Management's judgments are applied when estimating the expected outcome of disputes or interpretational uncertainties. Provisions for uncertain tax positions are determined by using the 'most probable outcome' or

'single best estimate' method depending on the type of uncertainty.

The net accrual for uncertain tax positions amounts to DKK 321m (DKK 595m at 31 December 2023). Management believes that the accrual is adequate. However, the actual obligation may differ from the accrual made and depends on the outcome of litigations and settlements with the relevant tax authorities.

Explanation of the Group's effective tax rate relative to the

Profit before tax
Calculated tax, 22%
Tax effect of:
Differences in income tax rates of foreign subsidiaries from the
Non-deductible/non-taxable items and other permanent differ
Research and development activities (tax credits)
Foreign-derived intangible income benefit
Prior-year tax adjustments etc., total effect on operations
Non-deductible losses/non-taxable gains on shares and other
Change in valuation of net tax assets
Deduction for grants
Reversal of UK tax provision ¹⁾
Pillar Two top-up tax
Other taxes and adjustments
Effective tax for the year

Explanation of the Group's effective tax rate relative to the

Profit before tax
Calculated tax, 22%
Tax effect of:
Differences in income tax rates of foreign subsidiaries from the
Non-deductible/non-taxable items and other permanent differ
Non-capitalised tax losses etc., for the year
Research and development activities (tax credits)
Foreign-derived intangible income benefit
Prior-year tax adjustments etc., total effect on operations
Change in valuation of net tax assets
Deduction for grants
Other taxes and adjustments
Change of deferred tax as a result of changed income tax rat
Effective tax for the year

¹⁾ The amount of DKK 283m in 2024 primarily reflects the reversal of an uncer

Note 10

Grants

DKKm	2024	2023
LF Professorships	-	80
LF Collaborative Projects	120	-
LF Projects	300	98
LF & NIH Brain Initiative	222	-
LF Start-Up Programme	16	-
Research in neuroscience	658	178
LF Ascending Investigators	84	68
LF Experiment	60	63
LF Postdocs	44	41
LF Projects	2	-
LF Visiting Professor, LF Sabbatical leave & LF Larger international meetings and conferences	4	2
Pioneer centre	-	80
Research benefitting neuroscience	194	254
LF Early-Career Clinician Scientists	23	16
LF Fellowships	50	61
LF Pre-Graduate Scholarships	7	7
LF Projects	47	-
Universitetshospitalernes Center for Sundhedsfaglig Forskning	2	2
Talent development in biomedical science	129	86

DKKm
The Brain Prize
LF Talent Prizes
LF Young Investigator Prize
Prizes
LF Frontier grants, Neurotorium, LF Investigator Network & L
Other grants & purposes §6J
Other purposes
Science Education & Communication and Diversity
Grants authorised, gross
Descendants
Reversed grants/repayments
Grants for the year, net

Donations to descendants amounted to DKK 138,105 (DKK 196,200 in 2023).

Note 11

Intangible assets

DKK m	Goodwill	Product rights	Brands	Customer contracts	Other intangible assets	Total
Cost at 1 January 2024	11,810	32,638	514	233	3,659	48,854
Currency translation	349	1,305	-	-11	19	1,662
Additions on acquisitions	3,970	16,453	-	7	118	20,548
Additions	-	-	-	-	1,134	1,134
Disposals	-	-306	-	-	-131	-437
Cost at 31 December 2024	16,129	50,090	514	229	4,799	71,761
Amortisation and impairment at 1 January 2024	-1,833	-17,735	-	-102	-3,098	-22,768
Currency translation	-11	-615	-	6	-11	-621
Amortisation	-	-1,433	-	-45	-117	-1,595
Impairment	-	-547	-	-	-2	-551
Amortisation and impairment on disposals	-	306	-	-	110	422
Amortisation and impairment at 31 December 2024	-1,844	-20,024	-	-141	-3,118	-25,127
Carrying amount at 31 December 2024	14,285	30,066	514	88	1,681	46,634

Other intangible assets includes intangible assets in progress, and individual development projects running for short-term periods. In 2024, ALK has entered a Collaboration, License and Distribution Agreement with ARS Pharmaceuticals Operations Inc. where the asset of DKK 994m is not ready for use due to pending regulatory and other approvals.

Note 11

Intangible assets - continued

DKKm	Goodwill	Product rights	Brands	Customer contracts	Other intangible assets	Total
Cost at 1 January 2023	11,877	33,025	514	250	3,478	49,144
Currency translation	-138	-499	-	-17	-4	-658
Reclassifications/transfers	-	-	-	-	-	-
Additions on acquisitions	71	-	-	-	40	111
Additions	-	112	-	-	186	298
Disposals	-	-	-	-	-41	-41
Cost at 31 December 2023	11,810	32,638	514	233	3,659	48,854
Amortisation and impairment at 1 January 2023	-1,840	-16,284	-	-59	-3,009	-21,192
Currency translation	7	260	-	4	4	275
Amortisation	-	-1,584	-	-47	-118	-1,749
Impairment	-	-127	-	-	-	-127
Amortisation and impairment on disposals	-	-	-	-	25	25
Amortisation and impairment at 31 December 2023	-1,833	-17,735	-	-102	-3,098	-22,768
Carrying amount at 31 December 2023	9,977	14,903	514	131	561	26,096

Other intangible assets includes individual development projects running for short-term periods.

Note 11

Intangible assets - continued

probable change in any key assumptions would result in impairment losses.

The impairment test for 2023 did not result in recognition of any impairment losses on goodwill.

Methodology used for Lundbeck

At 31 December 2024, goodwill related to Lundbeck amounted to DKK 9,832m.

Goodwill has been tested at an aggregated level for Lundbeck as one cash-generating unit (CGU).

In the impairment test of the CGU, based on the fair value less cost of disposal, the market price of Lundbeck is compared with its carrying amount.

Methodology used for ALK

At 31 December 2024, goodwill related to ALK amounted to DKK 561m.

Goodwill has been tested at an aggregated level for ALK as one CGU.

In the impairment test of the CGU, based on the fair value less cost of disposal, the market price of ALK is compared with its carrying amount.

Methodology used for Falck

At 31 December 2024, goodwill related to Falck amounted to DKK 3,892m.

Impairment tests are carried out per business segment which is the lowest level of cash-generating units (CGUs) to which the carrying amount of intangibles, i.e.

goodwill and customer contracts, can be allocated and monitored with any reasonable certainty.

Impairment tests are carried out on the business segments Societal Care Europe, Individual Care Europe, Industrial Fire services, Societal Care US and Individual Care LATAM.

Impairment test of the Falck brand

The carrying amount of the Falck brand is tested at Falck Group level based on Falck Group-wide cash flows (aggregated cash flows determined for each CGU), less the total carrying amount of the goodwill and other non-current assets. The impairment test shows significant headroom from comparing the value in use to the carrying amount of all assets in the Falck Group.

Key assumptions in the impairment test

The recoverable amounts for the CGUs are determined based on the value-in-use.

In the impairment tests, the discounted values of the future net cash flows of each of the CGUs value-in-use are compared with their carrying amounts. The value-in-use is calculated using certain key assumptions for the expected future cash flows and applied discount factor.

The cash flow projections are grounded in financial budgets and business plans approved by Management. These projections involve judgement and estimates, which, while based on experience, carry some uncertainty. To calculate the present value, discount rates are applied using a weighted average cost of capital (WACC), which incorporates both estimates and external sources.

The value-in-use calculation comprises the following key assumptions:

- Revenue growth in the forecast period
- EBIT margin before special items
- Net working capital
- Discount rates
- Growth rate in terminal period

Falck's climate related transition plans are not assessed to impact the future operating margins of the cash-generating units materially.

Revenue growth

Revenue growth projections in the financial forecast for 2025-2029 are estimated based on current operations and the expected market development for the individual CGU.

For Societal Care Europe, a few large contracts have been lost or changed in 2023 and 2024, but in the longer term the key strategic focus on key European markets is unchanged. Growth from other geographic areas and from pursuing new business opportunities is expected to compensate for the lost or changed contracts.

For Individual Care Europe, an increase in revenue is expected through organic growth and launch of new products in line with the development in 2024.

For Industrial Fire services, moderate growth rates are expected and this is in line with Falck's strategy plan.

For Societal Care US, a flat revenue development is assumed as the impact from exit of contracts is

Note 11

Intangible assets - continued

For Individual Care LATAM, an increasing EBIT margin before special items is expected mainly due to an increased number of subscribers.

Net working capital is based on historical experience for each CGU and thus increases on a linear basis as the level of activity increases.

Discount rates and terminal growth

The discount rates for 2024 impairment testing purposes are based on a calculation of weighted average cost of capital (WACC).

The cost of equity is calculated using Capital Asset Pricing Model (CAPM). The beta applied at year-end 2024 is obtained from comparable peers. Market risk premiums have been added based on observed market data.

The cost of debt is based on Falck's debt margin plus the risk-free interest to Falck's spread plus the risk-free interest of the countries in which the CGU operates.

The terminal growth rates are equal to the International Monetary Fund (IMF) projections of inflation in 2029.

Carrying amounts and key assumptions

The carrying amount of goodwill and customer contracts, and the key assumptions used in the impairment testing at 31 December are presented for each CGU:

2024, DKKm	Carrying amount			Forecasting p
	Goodwill	Customer contracts	Total	Total growth (avg.)
Societal Care Europe	541	-	541	1.4%
Individual Care Europe	2,363	81	2,444	6.6%
Industrial Fire services	196	-	196	4.2%
Societal Care US	310	-	310	1.1%
Individual Care LATAM	482	7	482	12.8%
Total	3,892	88	3,980	

2023, DKKm	Carrying amount			Forecasting p
	Goodwill	Customer contracts	Total	Total growth (avg.)
Societal Care Europe	347	-	347	4.5%
Individual Care Europe	2,432	131	2,563	6.5%
Industrial Fire services	348	-	348	-0.7%
Societal Care US	287	-	287	1.5%
Individual Care LATAM	499	-	499	12.3%
Total	3,913	131	4,044	

Impairment testing of other intangible assets

Other intangible assets in use with indefinite useful lives are tested for impairment if there is any indication of impairment. Furthermore, prior impairment losses are reviewed for possible reversal at each reporting date.

Lundbeck

Material product rights

Vyepti®

The eptinezumab product rights (Vyepti®), which is an investigational monoclonal antibody (mAb) for migraine prevention targeting the calcitonin gene-related peptide (CGRP), were acquired in 2019. The value of those product rights was DKK 13,421m at the time of

acquisition. At 31 December 2024, the carrying amount of the Vyepti® product rights, net of amortisation, amounted DKK 10,154m (DKK 10,667m at 31 December 2023). The remaining amortisation period of the Vyepti® product rights is around 11 years.

Rexulti®

Rexulti® is a prescription medication used as an adjunctive therapy to antidepressants for the treatment of Major Depressive Disorder (MDD) and as a treatment for adults with schizophrenia in certain markets. Rexulti® is co-marketed in a partnership collaboration with Otsuka Pharmaceuticals Co., Ltd. The carrying amount of the Rexulti® product rights, net of

Note 11

Intangible assets - continued

At 31 December 2024, the carrying amount was DKK 1,324m (DKK 1,871m at 31 December 2023) and refers to Lu AGI2947, the remaining molecule from the acquisition, as described in the impairment testing outcome below. Lu AGI2947 is not yet commercialised, consequently amortisation has not commenced.

Bexicaserin

Bexicaserin is a novel 5-HT_{2C} agonist in development for the treatment of seizures associated with Developmental and Epileptic Encephalopathies (DEEs), including Dravet syndrome, Lennox-Gastaut syndrome, and other rare epilepsies, acquired in December 2024 along with the Longboard acquisition. See note 2 Business combination.

In the impairment tests of product rights, based on the value-in-use, the discounted expected future cash flows for the specific asset tested are compared with the carrying amount of the intangible asset. The expected future cash flows are based on a forecast period, which is the period used by Management for decision-making, with due consideration of patent expiry.

The assumptions used in the impairment test are based on benchmarked external data and historical trends. The key parameters in the calculation of the value-in-use are revenue, earnings, working capital, discount rate and the preconditions for the cash flow period.

Significant assumptions and estimates are applied to the discounted expected future cash flows from the product rights. The assumptions are based on experience, external source of information and industry-relevant observations for each product right.

The four category elements in the table below are considered when determining the key parameters for the value-in-use calculation.

- **Financial elements:** Prices, rebates, quantities, patient population, market shares, competition, fill rates, prescription rates and Lundbeck costs (including promotion costs)
- **Market elements:** Healthcare reforms, price reforms, market access, pharma restrictions, launch success, product positioning, competing pharmaceuticals and generics on the market
- **R&D elements:** R&D spend, collaborations, pipeline success rate, product labelling and liaison with regulatory bodies
- **Other elements:** Supply chain effectiveness and strength and abilities of partners

The calculation of the value-in-use for product rights is based on a weighted average discount rate pre-tax of 7.75% (8.64% in 2023).

2024 testing outcome

Lundbeck

During 2024, an impairment loss of DKK 547m was recognised, as a result of the negative read-out of a Compound of MAGLi family (Lu AG06474 and Lu AGI2947) that was acquired in 2019 through a business combination. Management decided to close the development of the molecule Lu AG06474 after readout, as results did not support additional studies, resulting in the individual asset being impaired presented as research and development costs in the income

statement. At 31 December 2024, no impact is expected for Lu AGI2947.

The carrying amount of the family of compounds recognised as product rights prior to impairment was DKK 1,871m. As of 31 December 2024, the remaining gross carrying amount to DKK 1,324m, exclusively related to Lu AGI2947.

Sensitivity analysis

Management performed a sensitivity analysis, considering a 5% decrease in growth rate or a 0.5 percentage point decrease in the after-tax discount rate. These scenarios resulted in additional impairment losses of DKK 170m and DKK 160m, respectively. For other product rights, the headroom would have continued to be positive.

Besides the impairment loss disclosed above, for other product rights not yet commercialised, no impairment was observed in 2024.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. The method and types of assumptions used preparing the sensitivity analyses did not change compared to the prior period. The potential changes in key assumptions are considered within historic variations experienced by the Group and thus considered reasonably possible.

ALK

Impairment testing in 2024 resulted in an impairment of production and administrative software of DKK 2m

Note 12

Property, plant and equipment

DKK m	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments and assets under construction	Total
Cost at 1 January 2024	6,467	3,317	2,670	200	1,293	13,947
Currency translation	34	27	10	-1	7	77
Reclassifications/transfers	125	34	90	-	-249	100
Additions on acquisitions	11	2	2	2	2	19
Additions	88	70	357	17	625	1,157
Disposals	-49	-62	-295	-50	-	-456
Disposals on divestments	-	-	-11	-	-	-11
Transferred from right-of-use assets	131	160	121	3	-298	117
Cost at 31 December 2024	6,807	3,548	2,944	171	1,380	14,850
Depreciation and impairment at 1 January 2024	-3,718	-2,365	-2,199	-150	-	-8,432
Currency translation	-3	-16	-8	1	-	-25
Depreciation	-207	-196	-178	-15	-	-596
Impairment	-8	-3	-1	-	-	-12
Depreciation and impairment on disposals	24	29	170	41	-	264
Disposals on divestments	1	33	23	-	-	57
Transferred from right-of-use assets	-	-	-74	-	-	-74
Depreciation and impairment at 31 December 2024	-3,911	-2,518	-2,267	-123	-	-8,819
Carrying amount at 31 December 2024	2,896	1,030	677	48	1,380	6,031
Carrying amount of property, plant and equipment provided as loan collateral	562	-	-	-	-	562

Note 12

Property, plant and equipment - continued

DKKm	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Prepayments and assets under construction	Total
Cost at 1 January 2023	6,237	3,097	2,520	187	1,315	13,356
Currency translation	-11	-10	3	1	-6	-13
Reclassifications/transfers	163	202	96	-	-441	12
Additions	54	76	227	17	426	790
Disposals	-37	-48	-190	-8	-1	-284
Transferred from right-of-use assets	61	-	14	3	-	78
Cost at 31 December 2023	6,467	3,317	2,670	200	1,293	13,947
Depreciation and impairment at 1 January 2023	-3,539	-2,222	-2,112	-142	-	-8,015
Currency translation	-1	8	-2	-	-	5
Depreciation	-200	-199	-145	-15	-	-559
Impairment	-	-	-10	-	-1	-11
Depreciation and impairment on disposals	33	48	80	7	1	169
Transferred from right-of-use assets	-11	-	-10	-	-	-21
Depreciation and impairment at 31 December 2023	-3,718	-2,365	-2,199	-150	-	-8,432
Carrying amount at 31 December 2023	2,749	952	471	50	1,293	5,513
Carrying amount of property, plant and equipment provided as loan collateral	497	-	-	-	-	497

Note 13

Right-of-use assets

DKKm	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2024	2,523	1,103	3,626
Currency translation	21	25	46
Re-measurement	46	7	53
Additions on acquisitions	25	-	25
Additions	281	215	496
Disposals	-175	-77	-252
Transferred to property, plant and equipment	-	-117	-117
Cost at 31 December 2024	2,721	1,156	3,877
Depreciation and impairment at 1 January 2024	-1,265	-644	-1,909
Currency translation	-13	-20	-33
Depreciation	-342	-188	-530
Depreciation and impairment on disposals	155	72	227
Disposals on divestments	18	-	18
Transferred to property, plant and equipment	-	74	74
Depreciation and impairment at 31 December 2024	-1,447	-706	-2,153
Carrying amount at 31 December 2024	1,274	450	1,724

DKKm
Cost at 1 January 2023
Currency translation
Re-measurement
Additions on acquisitions
Additions
Disposals
Transferred to property, plant and equipment
Cost at 31 December 2023
Depreciation and impairment at 1 January 2023
Currency translation
Depreciation
Depreciation and impairment on disposals
Transferred to property, plant and equipment
Depreciation and impairment at 31 December 2023
Carrying amount at 31 December 2023

Amounts recognised in the income statement, DKKm

Expenses relating to short-term leases, not capitalised
Expenses related to low value leases, not capitalised
Interest expenses relating to lease liabilities
Depreciation

The total cash outflow from recognised lease agreements amounted to DKK 612m (DKK 523m in 2023) and includes repayment of lease liabilities and interest.

For disclosures of the lease liabilities, see note 26.3 Lease liabilities.

Note 14

Biological assets

DKKm	2024	2023
Fair value at 1 January	317	289
Currency translation	15	7
Reclassifications/transfers	-	-20
Additions	-	33
Change in fair value	1	8
Fair value at 31 December	333	317

Biological assets comprise forestry activities in Scotland. The fair value of the biological assets was based on a calculation of the present value (by level 3 input from the fair value hierarchy) of future expected cash flows from the forests. The cash flows were calculated based on harvesting volumes according to the Group's current plan and assessments of future price and cost changes. The cash flows were discounted using discount rates of 2.05 - 3.15% (2.20 - 3.60% at 31 December 2023).

At 31 December 2024, the Group owned 3,407 hectares of forest farming land being managed actively.

The carrying amount of land related to forestry activities is recognised under property, plant and equipment.

Note 15

Investments in associates

DKKm
Cost at 1 January
Additions
Cost at 31 December
Adjustments at 1 January
Share of result for the year
Other adjustments
Adjustments at 31 December
Carrying amount at 31 December

Associates, DKKm
Ferrosan Medical Devices HoldCo ApS
Echo TopCo A/S (Ellab)
CN8 A/S (WS Audiology)
Carrying amount at 31 December 2024

The investments in WS Audiology and Ellab were completed end April 2024 and end October 2023, respectively.

Note 16

Financial assets

The Group's financial investments classified as financial assets at fair value through profit or loss primarily relate to Invest's investments. These investments are made based on an investment policy approved by the Board of Directors. The strategy aims for an appropriate diversification of investments across different asset classes and geographical markets to achieve an appropriate diversification of interest rate, exchange rate, credit and equity risks on the financial investments. The purpose is to reduce the risk of losses but also to retain the prospect of gaining a long-term return on the investments.

Financial assets include investments in listed and unlisted equity instruments and securities, including life science investments recognised at their fair value. Investments in unlisted equity instruments and securities amounted to DKK 7,484m at 31 December 2024 (DKK 6,192m at 31 December 2023).

The assessment of fair value of unlisted investments is subject to considerable uncertainty. This applies especially to life science investments because the value of these businesses is linked to the companies' often long-term investment in the development of new pharmaceuticals and technologies. Please refer to note 32.3 for information about applied valuation methods for the determination of fair value.

Credit risks

Credit risks relating to the Group's financial investments primarily relate to investment in bonds and unlisted funds investing in loans to businesses.

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 Group also invests in corporate bonds.

Equity risks

Equity risks relate to the Group's holding of listed and unlisted shares, including private equity funds, as part of the Group'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 across different geographical regions and sectors in accordance with the applicable investment policy. Derivative financial instruments are used to manage the equity risk. The instruments can be used both for risk management purposes and as an alternative to selling or buying the underlying assets.

Other things being equal, a 10% decrease/increase in equity prices would decrease/increase profits after tax by DKK 1,420m and DKK 1,417m respectively (decrease by DKK 1,430m and increase by DKK 1,372m in 2023).

For further information on risks relating to the Group's financial investments, see note 21 Liquidity and note 32 Financial risks and financial instruments.

Financial assets included in Invest and BioCapital are part of the Group's investment strategy and measured at fair value through profit or loss. Other receivables are measured at amortised cost. At 31 December 2024, investments in associates included in Lundbeckfonden investment strategy amounted to DKK 3,035m (DKK 2,761m at 31 December 2023).

Note 16

Financial assets - continued

DKKm	Danish mortgage and government bonds	Credit bonds and loans	Equities	Private equity funds and other unlisted funds	Derivative financial instruments	Other receivables	Total
Carrying amount at 1 January 2024	2,613	2,524	15,839	3,344	43	60	24,423
Additions	1,612	522	2,563	590	235	28	5,550
Disposals	-1,172	-1,219	-4,317	-396	-189	-	-7,293
Value adjustments, year-end	72	95	2,163	309	-28	-1	2,601
Carrying amount at 31 December 2024	3,125	1,922	16,248	3,847	61	87	25,290
Invest	3,125	1,922	13,907	3,847	61	-	22,862
BioCapital	-	-	2,341	-	-	87	2,428
	3,125	1,922	16,248	3,847	61	87	25,290
Recognised in:							
Financial assets	3,035	1,712	16,248	3,847	61	87	24,989
Securities	90	210	-	-	-	-	310
	3,125	1,922	16,248	3,847	61	87	25,290

Note 16

Financial assets - continued

DKKm	Danish mortgage and government bonds	Credit bonds and loans	Equities	Private equity funds and other unlisted funds	Derivative financial instruments	Other receivables	Total
Carrying amount at 1 January 2023	3,246	3,003	13,202	2,709	211	137	22,508
Additions	2,134	195	2,386	788	510	17	6,030
Disposals	-2,845	-794	-2,750	-201	-585	-	-7,275
Value adjustments, year-end	78	120	3,001	48	-93	-94	3,060
Carrying amount at 31 December 2023	2,613	2,524	15,839	3,344	43	60	24,423
Invest	2,613	2,524	13,484	3,344	43	-	22,018
BioCapital	-	-	2,355	-	-	60	2,415
	2,613	2,524	15,839	3,344	43	60	24,423
Recognised in:							
Financial assets	2,468	2,133	15,839	3,344	43	60	23,887
Securities	145	391	-	-	-	-	536
	2,613	2,524	15,839	3,344	43	60	24,423

Please refer to note 32 for information about exchange rate and interest rate risks.

Note 17

Deferred tax

Temporary differences between the carrying amount and the tax base:

DKK m	Balance at 1 January	Currency translation	Adjustment of deferred tax at beginning of year	Addition on acquisition of businesses etc.	Other	Movements during the year	Balance at 31 December
2024							
Non-current assets	3,637	128	-5	3,823	-	116	7,693
Current assets	-263	-1	-21	-	-	-274	-559
Other	-267	-6	14	-6	-	-47	-312
Provisions in subsidiaries	-613	-21	-	-	-	-180	-814
Tax loss carry-forwards etc.	-1,356	18	9	-813	-1	706	-1,437
Research and development activities (tax credits)	-133	-9	-	-44	-	39	-147
Deferred (tax assets)/tax liabilities	1,005	109	-3	2,960	-1	360	4,433
2023							
Non-current assets	3,731	-82	1	9	-	-22	3,637
Current assets	-368	3	4	-	-	98	-268
Other	-252	16	23	1	-	-55	-267
Provisions in subsidiaries	-423	-2	-51	-	-	-137	-613
Tax loss carry-forwards etc.	-1,480	32	-42	-1	-	135	-1,356
Research and development activities (tax credits)	-137	5	-	-	-	-1	-133
Deferred (tax assets)/tax liabilities	1,071	-28	-65	9	-	18	1,005

Management estimates future income according to budgets, forecasts, business plans and initiatives scheduled for the coming years, which support the recognition of deferred tax assets. When forecasting the utilisation of tax assets, the Group applies the same assumptions as for impairment testing. See note 11 Intangible assets.

Accordingly, at 31 December 2024, all deferred tax assets relating to tax losses carried forward in Denmark going back to 2015 were capitalised in the amount of DKK 452m (DKK 961m at 31 December 2023).

US tax losses and tax credits stemming from acquisitions have been recognised at an amount of DKK 907m (DKK 242m at December 2023), equalling the expected utilisation within a foreseeable future, where an amount of DKK 20m (DKK 15m at 31 December 2023) has not been recognized in the balance sheet.

Note 17

Deferred tax - continued

DKKm	2024	2023
Deferred tax assets relate to the following items:		
Non-current assets	-112	-44
Current assets	665	368
Provisions and payables	180	164
Other	161	164
Provisions in subsidiaries	814	613
Tax value of tax loss carry-forwards etc.	1,437	1,356
Research and development activities (tax credits)	147	133
Offset within legal tax entities and jurisdictions	-2,042	-1,284
Total	1,250	1,470
Deferred tax liabilities relate to the following items:		
Non-current assets	7,587	3,593
Current assets	106	105
Other	29	61
Offset within legal tax entities and jurisdictions	-2,042	-1,284
Total	5,680	2,475
Deferred tax, net	-4,430	-1,005

DKKm
Unrecognised deferred tax assets:
Unrecognised deferred tax assets at 1 January
Currency translation
Additions through acquisitions
Prior-year adjustments
Additions
Recognised
Unrecognised deferred tax assets at 31 December

Unrecognised deferred tax assets primarily relate to non-current operating losses and tax credits not expected to be utilised within a foreseeable future. The majority of the tax losses have no expiry date.

Note 18 Inventories

DKKm	2024	2023
Raw materials and consumables	602	527
Work-in-progress	2,984	3,217
Manufactured goods and goods for resale	2,148	2,148
Total	5,734	5,892
Indirect costs of production	1,587	1,504
Impairment loss for the year	-15	441
Inventories calculated at net realisable value	147	100
The total cost of goods sold is included in cost of sales in the amount of	3,535	3,574

Inventories balance is reduced by DKK 540m at 31 December 2024 (DKK 540m at 31 December 2023) due to a provision for Vyepti®'s risk of obsolescence recognised in the prior years. No additional provision was recognized in 2024 for Vyepti®. Management's estimate takes into consideration assumptions on inventory-estimated usage, approval dates, expected shelf life, etc.

Inventories at 31 December 2024 of DKK 2,506m (DKK 2,724m at 31 December 2023) are expected to be utilised after more than 12 months, mostly due to the Vyepti fixed batch quantity supply agreement, which ended in 2023.

Note 19 Trade receivables

Trade receivables, DKKm	Receivable
Days past due	
Not due	
1 month to 6 months	
6 months to 12 months	
More than 12 months	
Total	

Trade receivables, DKKm	Receivable
Days past due	
Not due	
1 month to 6 months	
6 months to 12 months	
More than 12 months	
Total	

DKKm
Allowance for doubtful trade receivables:
Allowance at 1 January
Losses recognised
Adjustment for the year
Currency translation
Reversal
Allowance at 31 December

Credit risks

The Group's products are sold primarily to distributors of pharmaceuticals, pharmacies and hospitals. Services are sold to public authorities, other large customers and small individual customers.



Note 20
Contract assets

DKKm	2024	2023
Contract assets (not invoiced)	371	410
Contract assets impairments	-2	-2
Total	369	408
Expected loss rate	1%	1%

Note 21
Liquidity

DKKm
Cash and bank balances, Invest
Cash and bank balances, subsidiaries
Cash and bank balances at 31 December
Securities with a maturity of less than 3 months
Securities with a maturity of more than 3 months
Securities at 31 December

Cash, bank balances and securities at 31 December

Securities are classified as financial assets measured at fair value through profit or loss.

Liquidity and credit risk and capital structure
With the present capital structure, the Group is well-consolidated. The Group aims to retain adequate cash resources to support business development and flexibility in case of changes to the market situation, potential acquisition activities and product in-licensing opportunities. This is achieved through a combination of liquidity management, ultra-liquid assets and guaranteed and unguaranteed credit facilities. The capital structure is considered appropriate relative to the Group's strategic plans.

The credit risk of cash, bank balances and derivatives (forward exchange contracts, currency options, interest rate options and share options) is limited because the Group only deals with banks with a high credit rating. To further limit the risk of loss, internal limits have been defined for the credit exposure accepted towards the banks with which the Group collaborates. Pursuant to the Group's policies, the credit lines are presented to the Board of Directors and boards of directors in sub-

Note 22

Capital base

Capital base, DKKm	2024	2023	2022	2021	2020
Capital base at 1 January	4,357	4,162	3,901	3,461	3,236
Increase in capital base	580	195	261	440	225
Capital base at 31 December	4,937	4,357	4,162	3,901	3,461

The present statutes of Lundbeckfonden were approved by the Board of Directors on 12 March 2024. The Danish Business Authority acts as supervisory authority.

Of the Foundation’s profit before tax less non-distributed earnings in the subsidiaries and associates, at least 20% must first be allocated to the capital base.

Note 23

Other reserves

DKKm
Reserve for future grants:
Balance at 1 January
Grants for the year
Transferred to provision for future grants
Balance at 31 December

Currency translation reserve:
Balance at 1 January
Currency translation for the year concerning foreign subsidiaries
foreign subsidiaries
Tax in relation hereto
Balance at 31 December

Hedging reserve:
Balance at 1 January
Deferred gains/losses on cash flow hedge, exchange rate
Deferred gains/losses on cash flow hedge, interest rate
Deferred gains/losses on cash flow hedge, price
Exchange gains/losses, hedging, transferred to revenue
Tax in relation hereto
Balance at 31 December

Other reserves at 31 December

Currency translation of foreign subsidiaries and currency translation concerning additions to net investments in foreign subsidiaries and tax related to these items amounted to a net profit of DKK 826m (net loss of DKK 316m in 2023), and are recognised in the currency translation reserve in equity. Other items and tax related to such items are recognised in reserve for hedging transactions at a net loss of DKK 272m (net loss of DKK 91m in 2023).

Note 24

Non-controlling interests

DKKm	2024	2023
Non-controlling interests at 1 January	9,287	8,593
Share of profit/loss for the year	1,499	1,114
Share of other comprehensive income for the year	181	-138
Incentive programmes	44	18
Dividend	-213	-285
Buyback of shares from non-controlling interests	-14	-13
Sale of treasury shares	4	5
Change in non-controlling interests	-11	-5
Repurchase obligation of treasury shares	3	-5
Capital increase	-23	1
Other adjustments	1	1
Tax on other transactions in equity	5	1
Non-controlling interests at 31 December	10,763	9,287

Lundbeckfonden's subsidiaries with significant non-controlling interests include the following:

	Non-controlling interests	Lundbeckfonden's percentage of votes	Registered office
H. Lundbeck A/S	31%	76%	Valby
ALK-Abelló A/S	60%	67%	Hørsholm
Falck A/S	42%	58%	Copenhagen

The minority shareholder's share of goodwill in acquired businesses in Falck is recognised in the consolidated financial statements. Thus, goodwill of DKK 1,791m (DKK 1,791m at 31 December 2023) arising at the time of the Foundation's acquisition of Falck is not recognised in the consolidated financial statements.

Note 24

Non-controlling interests - continued

	Lundbeck		ALK		Falck	
DKKm	2024	2023	2024	2023	2024	2023
Income statement:						
Revenue	22,004	19,912	5,537	4,824	12,134	11,912
Profit (loss) for the year	3,143	2,290	815	486	116	31
Total comprehensive income	3,652	1,848	900	448	52	31
Profit (loss) for the year attributable to non-controlling interests	965	704	485	289	49	1
Balance sheet:						
Non-current assets	43,966	24,118	4,952	3,758	6,830	6,912
Current assets	13,010	13,289	3,294	2,968	2,406	2,012
Non-current liabilities	23,386	7,372	924	965	3,642	3,612
Current liabilities	8,580	7,990	1,949	1,314	3,281	3,112
Equity	25,010	22,045	5,373	4,447	2,313	2,212
Carrying amount of non-controlling interests of equity	7,682	6,783	3,195	2,643	-128	-112
Statement of cash flows:						
Cash flows from operating activities	3,326	4,080	1,213	667	719	512
Cash flows from investing activities	-15,286	-498	-1,417	-375	-301	-181
Cash flows from financing activities	11,629	-2,085	310	-31	-297	-312
Net cash flow for the year	-331	1,497	106	261	121	19
Dividends paid to the non-controlling interests during the year	213	178	-	-	-	1

Note 25

Provisions

DKKm	Note	2024	2023
Provisions can be specified as follows:			
Pensions and similar obligations	25.1	416	423
Other provisions	25.2	2,356	1,665
Total		2,772	2,088
Provisions break down as follows:			
Non-current assets		-69	-54
Non-current liabilities		1,139	935
Current liabilities		1,702	1,207
Total		2,772	2,088

25.1 Pensions and similar obligations

Defined contribution plans

In defined contribution plans, the employer is obliged to pay a certain contribution to a pension fund or the like but bears no risks regarding the future development in interest, inflation, mortality, disability rates etc., regarding the amount to be paid to the employee.

The cost of defined contribution plans, representing contributions to the plans, amounted to DKK 783m in 2024 (DKK 717m in 2023).

Defined benefit plans

The defined benefit plans guarantee employees a certain level of pension benefits for life. The pension is based on seniority and salary at the time of retirement. The Group bears the risks regarding the future development in interest, inflation, mortality, disability rates etc. regarding the amount to be paid to the employee.

The Group has defined benefit plans in a few countries. The most important plans comprise current and former employees in France, Germany, Switzerland and the UK.

DKKm

Retirement benefit obligations and similar obligations:

Present value of defined benefit plans
Limitation due to asset ceiling
Fair value of plan assets

Defined benefit plans at 31 December

Other pension-like obligations

Retirement benefit obligations and similar obligations at 31 December

Retirement benefit obligations and similar obligations broken down by type of obligation:

Non-current assets
Non-current liabilities
Current liabilities

Retirement benefit obligations and similar obligations at 31 December

Actuarial assumptions

The following were the key actuarial assumptions at the reporting date.

Key assumptions for the most significant plans

Discount rate
Inflation rate

Note 25

Provisions - continued

25.1 Pensions and similar obligations – continued

Assumptions regarding future longevity are set based on actuarial advice in accordance with published statistics and experience in each country. The longevities underlying the values of the defined benefit obligation for the most significant plans were as follows:

Years	2024	2023
Assumed life expectations on retirement age for current pensioners		
Female	23.10-24.30	23.10-24.20
Male	20.10-21.20	20.00-21.40
Assumed life expectations on retirement age for current employees (future pensioners)		
Female	24.80-26.50	25.30-26.40
Male	21.20-23.60	22.60-23.50

Sensitivity analysis

The most significant assumptions used in the calculation of the obligation for defined benefit plans are discount rate, inflation rate and assumed life expectations on retirement age for current pensioners. An increase in the discount rate of 0.25 of a percentage point would result in a decrease in the obligation of approximately DKK 20m, before tax (DKK 19m at 31 December 2023) and vice versa. An increase in the inflation rate of 0.25 of a percentage point would result in an increase in the obligation of approximately DKK 10m, before tax (DKK 9m at 31 December 2023) and vice versa.

% distribution

The fair value of the plan assets breaks down as follows:

Shares
Bonds
Property
Insurance contracts
Other assets

Total

Shares and bonds are measured at fair value based on quoted prices in an active market. Insurance contracts and other assets are not based on quoted prices in an active market.

Note 25

Provisions - continued

25.1 Pensions and similar obligations – continued

DKK m	2024	2023
Change in present value of defined benefit plans:		
Present value of defined benefit plans at 1 January	631	589
Effect of foreign exchange differences	3	11
Current service costs	7	6
Pension expenses	7	5
Interest expenses relating to the obligations	22	23
Experience and assumptions adjustments	-2	22
Benefits paid	-26	-26
Used provision	-2	-1
Employee contributions	2	1
Other adjustments	2	1
Present value of funded pension obligations at 31 December	644	631
Change in fair value of plan assets:		
Fair value of plan assets at 1 January	315	298
Effect of foreign exchange differences	7	13
Interest income on plan assets	12	14
Experience adjustments	3	-6
Contributions	22	10
Benefits paid	-21	-13
Employee contributions	2	1
Administration fee	-1	-1
Return on plan assets	-1	-1
Fair value of plan assets at 31 December	338	315
Realised return on plan assets	15	8

DKK m
Specification of expenses recognised in the income statement:
Current service costs
Pension expenses
Interest expenses relating to the obligations
Administration fees
Total expenses recognised

DKK m
Specification of amount recognised in the statement of comprehensive income:
Actuarial (gains)/losses
Total expenses recognised

The expected contribution for 2025 for the defined benefit plans was DKK 25m (DKK 28m in 2024).

Other obligations of a retirement benefit nature
An obligation at 31 December 2024 of DKK 109m (DKK 107m at 31 December 2023) was recognised to cover other obligations of a retirement benefit nature which primarily include post-employment benefits in a number of subsidiaries. The benefit payments are conditional upon specified requirements being met.

Note 25

Provisions - continued

25.2 Other provisions

DKKm	Discount and rebates	Product returns	Other	Total
Other provisions at 1 January 2024	618	206	841	1,665
Currency translation	48	13	19	80
Divestments	-	-	-3	-3
Provisions charged	1,415	101	1,052	2,568
Provisions used during the year	-1,236	-67	-599	-1,902
Unused provisions reversed	-	-13	-37	-50
Reclassified to and from other balance sheet accounts	-	-	-2	-2
Other provisions at 31 December 2024	845	240	1,271	2,356
Other provisions at 31 December can be specified as follows:				
Non-current provisions	-	174	481	655
Current provisions	845	66	790	1,701
Total	845	240	1,271	2,356

Discounts and rebates

The most significant sales deductions are in the USA and comprise discounts and rebates given in connection with sales under US Federal and State Government Healthcare programmes, primarily Medicaid.

Management's estimate of discounts and rebates is based on a calculation which includes a combination of historical product/population utilisation mix, price increases, program/market growth and state-specific information. Further, the calculation of rebates involves legal interpretation of relevant regulations and is subject to changes in interpretive guidance from governmental authorities. The obligations for discounts and rebates are incurred at the time the sale is recorded; however, the actual rebate related to a specific

sale may be invoiced by the authorities six to nine months later. In addition to this billing time lag, there is no statute of limitations for states to submit rebate claims; thus, rebate adjustments in any particular period may relate to sales from a prior period. Moreover, when a product loses exclusivity, shifts in payer mix may cause Medicaid claims/estimates to be more volatile.

Other

At 31 December 2024, other comprised liabilities for legal disputes DKK 423m (DKK 230m at 31 December 2023), restructuring programmes DKK 288m (DKK 62m at 31 December 2023), long-term incentive programmes in USA DKK 77m (DKK 87m at 31 December 2023) and provisions from acquisition DKK 94m (DKK 60m at 31 December 2023).

DKKm
Other provisions at 1 January 2023
Currency translation
Provisions charged
Provisions used during the year
Unused provisions reversed
Reclassified to and from other balance sheet accounts
Other provisions at 31 December 2023
Other provisions at 31 December can be specified as follows
Non-current provisions
Current provisions
Total

Note 26

Bank debt, bond debt and borrowings

DKKm	Note	2024	2023
Debt to financial institutions and others can be specified as follows:			
Debt to financial institutions etc.		19,795	6,826
Lease liabilities		1,840	1,799
Total		21,635	8,625
Can be specified as follows:			
Non-current liabilities			
Mortgage debt	26.1	490	520
Bank debt and bond debt	26.2	18,595	6,013
Lease liabilities	26.3	1,373	1,323
Total		20,458	7,856
Current liabilities			
Mortgage debt	26.1	33	29
Bank debt etc.	26.2	677	264
Lease liabilities	26.3	467	476
Total		1,177	769
Total debt		21,635	8,625

Note 26

Bank debt, bond debt and borrowings - continued

26.1 Mortgage debt

DKKm	2024	2023
Mortgage debt by maturity:		
Within 1 year	33	29
Between 1 and 5 years	155	166
More than 5 years	335	354
Mortgage debt at 31 December	523	549

DKKm	Currency/expiry	Fixed/floating	Weighted average effective interest rates	Amortised cost	Nominal value	Fair value
2024						
Falck	DKK/2035-2045	Floating	3.8%	261	259	261
Falck	DKK/2027-2041	Fixed/floating	3.8%	77	69	77
ALK	DKK/2035	Floating	0.2%	185	185	185
Total				523	513	523
2023						
Falck	DKK/2035-2045	Floating	5.00%	259	259	259
Falck	DKK/2027-2041	Fixed/floating	1.90%	87	87	87
ALK	DKK/2035	Floating	0.20%	203	203	203
Total				549	549	549

Fair value was calculated by applying the market value of the underlying bonds at 31 December and therefore measured by level 1 input.



Note 26

Bank debt, bond debt and borrowings - continued

26.2 Bank debt and bond debt etc.

DKKm	2024	2023
Bank debt and bond debt by maturity:		
Within 1 year	677	264
Between 1 and 5 years	18,428	3,714
More than 5 years	167	2,299
Total	19,272	6,277

Falck

Falck's primary debt financing is a Syndicated Facility Agreement of EUR 310m (DKK 2,419m), expiring in 2025. The facility was voluntarily reduced by EUR 40m in September 2024.

In September 2024, Falck A/S entered a DKK 300m term loan with Nordic Investment Bank. The loan proceeds are dedicated to investments in digitalisation. The term loan has a seven-year maturity with a three-year grace period and semi-annual repayment beginning January 2028.

DKKm	Currency	Expiry	Fixed/floating	Weighted average effective interest rates	Carrying amount	Fair value
2024						
Bank debt, Falck	EUR	2029	Floating	5.10%	1,123	1,123
Bank debt, Falck	DKK	2029	Floating	5.20%	1,004	1,004
Bank debt, NIB, Falck	DKK	2030	Floating	4.60%	300	300
Bank debt, Lundbeck	EUR	2026	Floating	3.51%	8,725	8,725
Bank debt, Lundbeck	EUR	2026	Floating	3.34%	3,729	3,729
Issued bonds, Lundbeck	EUR	2027	Fixed	0.90%	3,720	3,720
Other bank and finance loans, ALK	Various	2025	Fixed	3.60%	671	671
Total					19,272	19,052
2023						
Bank debt, Falck	EUR	2029	Floating	5.8%	1,121	1,121
Bank debt, Falck	DKK	2029	Floating	5.8%	1,181	1,181
Issued bonds, Lundbeck	EUR	2027	Fixed	0.9%	3,714	3,714
Other bank and finance loans, ALK	Various	2024	Fixed	4.5%	261	261
Total					6,277	5,907

Note 26

Bank debt, bond debt and borrowings - continued

26.3 Lease liabilities

DKKm	2024	2023
Leasing liabilities by maturity:		
Within 1 year	467	476
Between 1 and 5 years	1,012	956
More than 5 years	361	367
Total	1,840	1,799

In 2024, the Group paid DKK 612m (DKK 523m in 2023) for lease agreements, of which, interest expenses amounted to DKK 61m (DKK 49m in 2023). See also note 13 Right-of-use assets.

26.4 Development in mortgage debt, bank debt and bond debt, etc.

DKKm	Balance at 1 January	Cash flow, net	Non-cash changes	Balance at 31 December
2024				
Long-term borrowings	6,533	12,548	4	19,085
Short-term borrowings	293	417	-	710
Lease liabilities	1,799	-551	592	1,840
Total	8,625	12,414	596	21,635
2023				
Long-term borrowings	7,585	-1,042	-10	6,533
Short-term borrowings	395	-102	-	293
Lease liabilities	1,689	-474	584	1,799
Total	9,669	-1,618	574	8,625

Note 27

Contract liabilities

DKKm
Stepped-pricing contracts
Prepayments
Total
Within 1 year
More than 1 year
Total

Revenue recognised from amounts included in contract liabilities at the beginning of the year

Revenue recognised from performance obligations satisfied in the year

Note 28

Other payables

DKKm	2024	2023
Trade payables	5,233	5,256
Contingent consideration	340	338
Derivative financial instruments	358	51
Other	4,236	4,031
Total	10,167	9,676
Other payables break down as follows:		
Non-current	462	439
Current	9,705	9,237
Total	10,167	9,676

At 31 December 2024, other payables included debt related to salaries and holiday payment of DKK 2,056m (DKK 1,943m at 31 December 2022), VAT and other taxes of DKK 634m (DKK 644m at 31 December 2023) and discounts and rebates of DKK 888m (DKK 860m at 31 December 2023).

Contingent consideration recognised through acquisitions

As part of the acquisition of Alder BioPharmaceuticals, Inc. (subsequently renamed Lundbeck Seattle BioPharmaceuticals, Inc.), Lundbeck has recognised a contingent consideration liability related to sales milestone dependent on predefined milestones being reached. At 31 December 2024, the fair value of this contingent consideration related to this acquisition amounted to DKK 306m (DKK 306m at 31 December 2023).

As part of the acquisition of Abide Therapeutics, Inc., (subsequently renamed Lundbeck La Jolla Research Center, Inc.), Lundbeck has recognised a contingent consideration liability related to sales milestones dependent on predefined milestones being reached. At

31 December 2024, the fair value of this contingent consideration related to this acquisition amounted to DKK 33m (DKK 32m at 31 December 2023).

Contingent considerations are recognised at fair value. The calculation of the fair value is based on the discounted cash flow method (DCF method) which comprises significant assumptions and estimates. Expected timing of payment (using a specific discount rate) and probability of success are key inputs to the fair value of the contingent considerations.

The fair value adjustment of all contingent considerations amounted to a net gain of DKK 21m, being DKK 39m of financial expenses and DKK 60m of financial income. The liability was impacted by unfavourable exchange variations of DKK 23m.

Note 29

Adjustment for non-cash operating items

DKKm	2024	2023
Depreciation, amortisation and impairment	3,275	2,911
Incentive programmes	96	101
Change in other provisions	575	101
Change in valuation of biological assets	-1	2
Other adjustments	129	2
Total	4,074	3,317

Note 31

Acquisitions and divestments

31.1 Acquisitions of businesses etc.

DKKm	Lundbeck	ALK	Falck	2024	2023
Assets:					
Product rights	16,453	118	-	16,571	40
Customer contracts	-	-	7	7	-
Property, plant and equipment, including right-of-use assets	25	6	13	44	2
Deferred tax asset	991	-	-	991	-
Other non-current assets	-	-	9	9	-
Inventories and trade receivables	-	1	1	2	2
Other current assets	133	-	-	133	-
Securities	941	-	-	941	-
Cash and bank balances	886	-	4	890	7
Equity and liabilities:					
Deferred tax	-3,949	-	-2	-3,951	-9
Lease liabilities	-26	-	-	-26	-2
Trade payables	-83	-	-2	-85	-1
Other payables	-2,730	-	-4	-2,734	-2
Net assets acquired	12,641	125	26	12,792	37
Goodwill	3,949	-	21	3,970	71
Purchase price	16,590	125	47	16,762	108
Contingent considerations	-	-10	-	-10	-
Adjustment for cash and bank balances acquired	-886	-	-4	-890	-7
Cash consideration for acquisitions	15,704	115	43	15,862	101

The amounts in the table represent the purchase price allocation to the identifiable assets and liabilities, and consequently also to goodwill at the acquisition date.

Acquisitions in 2024

Lundbeck

On 2 December 2024, Lundbeck announced the successful acquisition of Longboard Pharmaceuticals,

Inc. (herein denominated "Longboard") as a U.S. listed entity at a total purchase consideration of USD 2.35bn fully paid (DKK 16.6bn), on a fully diluted basis. Lundbeck obtained control of Longboard by acquiring of 39,168,546 of issued shares, representing 100% of Longboard's share capital. Under the terms of the agreement, Lundbeck paid an amount of USD 60 per share.

Longboard is a clinical-stage biopharmaceutical company focused on developing novel, transformative medicines for neurological diseases. Its lead asset, bexicaserin, has shown encouraging anti-seizure reduction to date in preclinical and clinical studies, with its next-generation superagonist mechanism specifically targeting 5-HT_{2C} receptors, which support bexicaserin's potential to offer a highly differentiated and best-in-class profile. Bexicaserin is now being evaluated in a global Phase III clinical program (the DEEP program).

The acquisition of Longboard marks a strategic milestone for Lundbeck, enhancing and complementing its Focused Innovator strategy and advancing their goal of building a neuro-rare disease franchise.

Through the acquisition of Longboard, Lundbeck gained access to bexicaserin, a novel 5-HT_{2C} agonist in development for the treatment of seizures associated with Developmental and Epileptic Encephalopathies (DEEs), including Dravet syndrome, Lennox-Gastaut syndrome, and other rare epilepsies. This aligns with Lundbeck's expertise in delivering innovative treatments and re-establishes our scientific and commercial leadership in rare epilepsies. Bexicaserin has entered a global Phase III trial (DEEP SEA program) evaluating bexicaserin for the treatment of seizures associated with Dravet syndrome in participants two years of age and older. The DEEP SEA Study is part of a broader DEEP Program (DEEP SEA, DEEP OCEAN and DEEP OLE) which is planned to take place across ~80 sites globally and include ~480 participants with a range of DEEs. Bexicaserin has received a Breakthrough Therapy Designation (BTD) from the U.S. FDA and is set to become a cornerstone of Lundbeck's new neuro-rare disease franchise. Recent nine-month open-label data



Note 31

Acquisitions and divestments - continued

31.1 Acquisitions of businesses etc. – continued

Additionally, integration costs of the acquisition of Longboard amounts to DKK 214m and were recognised as 'Other operating items, net' in the income statement.

The acquired business contributed with no revenue and a net loss of DKK 60m to the Group for the period from 2 December to 31 December 2024. If the acquisition had occurred on 1 January 2024, consolidated pro-forma revenue and loss impact for the year ended 31 December 2024 would have been DKK 0 and DKK 3,250m, respectively. The pro-forma loss impact from the acquisition of Longboard is mainly due to the Longboard's transaction costs and long-term incentive program, as they were accelerated prior to acquisition and fully settled in December 2024.

Settlement of Longboard's long-term incentive program liabilities and transaction costs on 31 December 2024, resulted in a DKK 2.7bn cash outflow, impacting operating cash flows.

ALK

On 2 January 2024, the ALK Group acquired the operating assets of AllerQuest for a total cash consideration of DKK 125m. The consideration amount includes an escrow amount of DKK 10m which serves as reserve for potential indemnifications over 18 months from acquisition date.

AllerQuest was a U.S.-based company dedicated to manufacturing PRE-PEN® Skin Antigen Test. This acquisition makes ALK the sole manufacturer and distributor of PRE-PEN in the U.S. and Canada, with

global ownership rights to all assets of AllerQuest. PRE-PEN is the only FDA-approved diagnostic skin test for the evaluation of penicillin allergy and is indicated for the assessment of sensitization to penicillin in patients suspected to have clinical penicillin hypersensitivity.

AllerQuest was previously a supplier of the ALK Group and integration has been completed in 2024.

The transaction was on a debt and cash free basis. No liabilities were transferred.

Falck

In June 2024, Falck signed an agreement to acquire all shares in two Colombian companies: Asistencia Médica S.A.S. and Servicio de Asistencia Médica Inmediata S.A.S. The acquisition was completed by payment of the agreed consideration on 14 June 2024. Ownership of the shares in the acquired companies is still subject to approval by the Colombian Health Superintendency. However, the sellers have pledged the shares, transferring all political and economical rights to Falck. Based on the pledge, Falck assumed control over the acquired companies from payment of the agreed consideration.

The two acquired Colombian companies operate in the pre-hospital and doctor-at-home service sector in the northern part of Colombia, serving around 42,000 subscribers with 20 ambulances, 30 consultation cars and occupies approximately 350 employees across the companies. The acquisition aligns with Falck's strategy to establish a comprehensive national presence in Colombia's highly populated areas and serves as a strategic advantage for the B2I segment in the country.

The two acquired Colombian companies are both included in the business segment Individual Care LATAM from the date of the acquisition.

The consideration paid on the closing date amounted to DKK 26m and an addition amount of DKK 18m was paid in Q4. An additional deferred payment of DKK 3m has been agreed bringing the total consideration to DKK 47m. Adjusted for cash of DKK 4m, the net consideration amounted to DKK 43.

The deferred consideration does not depend on the receivers' continued employment in Falck, which means that this part of the consideration is included in the total consideration amount.

No additional contingent consideration has been agreed.

Transaction costs related to the acquisition amounted to DKK 1m and were recognised as 'Other operating items, net' in the income statement.

Besides the value of customer contracts amounting to DKK 7m, no assets or liabilities have been identified which were not recognised in the company acquired on the date of acquisition.

Goodwill of DKK 21m was calculated. The recognised goodwill is not tax deductible. Goodwill mainly represents the value of operational synergies from the integration of the acquired companies into the existing operation in Colombia as well as the strategic leverage for the B2I segment in Colombia.

Note 31

Acquisitions and divestments - continued

31.1 Acquisitions of businesses etc. – continued

continued employment in Falck. Therefore, this part of the consideration is recognised as salary costs in special items on a straight line basis over the 18 months after the closing date.

Transaction costs related to the acquisition amounted to DKK 1m, which were recognised as 'Other operating items, net' in the income statement.

Besides the value of the digital platform amounting to DKK 40m, no net assets were identified which were not recognised in the company acquired on the date of acquisition. Goodwill of DKK 71m was calculated. The recognised goodwill was not tax deductible. Goodwill represented the value of operational synergies from integration of MedConnect A/S.

During 2024, the provisional Purchase Price Allocation has been completed. Final consideration and opening balance was adjusted by DKK 0.3m and no other adjustments were applied to the provisional amounts.

31.2 Divestment of businesses

DKKm	2024	2023
Assets		
Property, plant and equipment	-2	
Other current assets	-6	
Cash and bank balances	-7	
Equity and liabilities		
Provisions	1	
Current liabilities	8	
Net assets divested	-6	
Recirculation of exchange rate adjustments from divestments	4	
Sales price	1	
Adjustments related to prior years' divestments	-14	
Gains/losses from divestments of enterprises	-15	

In 2024, Falck divested the Industrial Fire services company in Brazil and an ambulance activity in Cuxhaven, Germany.

Net assets divested amounted to DKK 6m.

An amount of DKK 4m of exchange rate adjustments from divestments was recirculated from the currency translation reserve.

Adjustments amounting to DKK 14m from previous years' divestments primarily concern old receivables from divested companies, which have been written down. Furthermore, adjustments concerning costs related to disputes which have been settled.

A total loss from divestment of enterprises of DKK 15m was recognised in the income statement in financial expenses.

Note 32

Financial risks and financial instruments

The Group's business activities imply that the results and balance sheet may be affected by various financial risks. The management of these risks is decentralised and handled in Lundbeckfonden and in Lundbeck, ALK and Falck based on policies and guidelines approved by the Board of Directors or the boards of directors in the subsidiaries.

See also note 16 Financial assets, note 19 Trade receivables, and note 21 Liquidity for descriptions of risks and the management thereof and note 32.5 for information about derivative financial instruments.

32.1 Exchange rate risks

Exchange rate risks arise because the Group's expenses and income in different currencies do not match and because the Group's assets and liabilities denominated in foreign currency do not balance, among other things, due to Invest's and BioCapital's investment assets. The management of these risks is focused on risk mitigation.

The Group applies various derivative financial instruments to manage these risks. Some of these instruments are classified as hedging instruments and meet the accounting criteria for hedging future cash flows. Changes in the fair value of these contracts are recognised in the statement of comprehensive income under other comprehensive income as they arise and, on invoicing of the hedged cash flow, transferred from other comprehensive income for inclusion in the same item as the hedged cash flow. Hedging contracts that do not meet the hedge criteria are classified as trading contracts, and changes in the fair value are recognised

as financial items as they arise. The need for hedging is assessed separately in Lundbeck, ALK and Falck and in Invest.

Estimated impact from financial instruments on profit for the year and equity from a 5% increase in year-end exchange rates of the major currencies:

DKKm	CAD	CNY	USD
2024			
Profit	3	10	522
Equity	-19	-15	184
2023			
Profit	6	2	402
Equity	-17	-27	173

The shown sensitivities only comprise impact from financial instruments and reflect a relative change of the exchange rates at 31 December 2024 and 2023.

The sensitivity analysis includes derivatives, bank loans, trade receivables, trade payables, intercompany lending and borrowing, as those are the financial instruments where the Group has the most currency exposure.

The profit impact comprises financial instruments that remained open at the balance sheet date and which have an impact on profit in the current financial year. It includes foreign exchange differences relating to intra-group balances that are not eliminated in the consolidated financial statements. The calculation of the estimated impact is based on the functional currency of the entities where the financial instruments

are located. The profit impact is limited as the largest liabilities are exchange rate adjusted in other comprehensive income, being part of the Group's hedging structure.

The equity impact includes financial instruments that remained open at the balance sheet date and which are exchange rate adjusted in other comprehensive income. The equity effects in 2024 and 2023 primarily consist of exchange-rate adjustments in USD on outstanding cash flow hedging contracts.

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

32.2 Interest rate risks

Interest rate risk relates to the Group's interest-bearing assets and liabilities and, principally, to the Group's bonds classified as financial assets measured at fair value through profit or loss. See note 26 Bank debt, bond debt and borrowings and note 32.3 Fair value hierarchy for financial assets and liabilities, measured at fair value.

Interest income

The duration of the investments when selecting financing and investment instruments is used to manage the interest rate risk. In addition, the Group 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

Note 32

Financial risks and financial instruments - continued

32.2 Interest rate risks - continued

An interest rate change on bank debt and bond debt, including interest rate swaps, of +/-1 percentage point would decrease/increase profit for the year after tax by DKK 65m (DKK 28m in 2023) and increase/decrease equity by DKK 61m in 2024 (DKK 28m at 31 December 2023) on an annual basis.

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

The requirement for reclassifications between the levels is evaluated continually during the year. For 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 round. If this is the case the asset or liability is reclassified from the recent relevant level to new level from the time when the change in input variable occurs.

Level 3 liabilities are determined on the basis of profit prior to the right being exercised, multiplied by an already agreed multiple, typically less net debt in the relevant companies. When recognised in the balance sheet, this liability is made up on the basis of earnings and net debt at the time when the non-controlling interests are expected to exercise their right to sell their shares to the Group. The calculated liability typically assumes an increase in earnings and a decrease in net debt in the relevant companies as compared with the value recognised in the financial statements.

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.

The fair value of contingent consideration is calculated as the discounted cash outflows from future milestone payments, taking probability of success into consideration.

Note 32

Financial risks and financial instruments - continued

32.3 Fair value hierarchy for financial assets and liabilities, measured at fair value - continued

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

31 December 2024, DKKm

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets, Invest				
Danish mortgage and government bonds	3,035	-	-	3,035
Credit bonds and loans	1,209	-	503	1,712
Equities	13,025	-	882	13,907
Private equity funds and other unlisted funds	-	259	3,588	3,847
Derivative financial instruments	-	61	-	61
Total financial assets, Invest	17,269	320	4,973	22,562
BioCapital				
Equities	361	-	1,980	2,341
Receivables from sale of companies	-	-	16	16
Other receivables	-	-	71	71
Total BioCapital	361	-	2,067	2,428
Other financial assets	7	-	30	37
Securities (current assets)	300	-	-	300
Total financial assets	17,937	320	7,070	25,327
Financial liabilities				
Contingent consideration (see note 28)	-	-	340	340
Total financial liabilities	-	-	340	340

Financial assets and liabilities measured at fair value through other comprehensive income

31 December 2024, DKKm

	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	58	36	94
Financial liabilities				
Derivative financial instruments	-	358	-	358

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

31 December 2023, DKKm

Financial assets
Financial assets, Invest
Danish mortgage and government bonds
Credit bonds and loans
Equities
Private equity funds and other unlisted funds
Derivative financial instruments
Total financial assets, Invest
BioCapital
Equities
Receivables from sale of companies
Other receivables
Total BioCapital
Other financial assets
Securities (current assets)
Total financial assets
Financial liabilities
Contingent consideration (see note 28)
Total financial liabilities

Financial assets and liabilities measured at fair value through other comprehensive income

31 December 2023, DKKm

Financial assets
Derivative financial instruments
Financial liabilities
Derivative financial instruments

Note 32

Financial risks and financial instruments - continued

32.3 Fair value hierarchy for financial assets and liabilities, measured at fair value – continued

Financial assets measured at fair value through profit or loss according to level 3, DKKm	2024	2023
Carrying amount at 1 January	5,881	4,416
Additions	1,170	954
Disposals	-404	-502
Reclassification, from level 3 to level 1 in connection with IPOs	-165	41
Fair value adjustment	588	972
Carrying amount at 31 December	7,070	5,881

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

	Valuation method used	Used unobservable inputs
Danish mortgage and government bonds and credit bonds (listed)	Closing prices according to exchange markets	N/A
Equities (listed)	Closing prices according to exchange markets	N/A
Equities, real assets (unlisted)	Capitalisation model	Required rates on return 4.0-4.5% or cost if under construction
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
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)
Receivables including receivables from sale of portfolio companies	Expected discounted cash flow	N/A
Securities (current assets)	Closing prices according to exchange markets	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 based on closing prices according to exchange markets	N/A

Note 32

Financial risks and financial instruments - continued

32.4 Maturity dates for financial assets and financial liabilities

31 December 2024, DKKm	Less than 1 year	1-5 years	More than 5 years	Total	Carrying amount	Effective interest
Financial assets						
Financial assets, Invest						
Danish mortgage and government bonds	1	665	4,679	5,345	3,035	0-6%
Credit bonds and loans	49	841	905	1,795	1,712	0-11%
Derivative financial instruments	61	-	-	61	61	-
Financial assets, BioCapital						
Receivables from sale of portfolio companies	-	16	-	16	16	-
Other receivables	53	36	-	89	71	10-16%
Securities (current assets)	394	-	-	394	300	
Financial assets at fair value through profit or loss	558	1,558	5,584	7,700	5,195	
Derivatives to hedge future cash flows – exchange rate	57	-	-	57	57	-
Derivatives to hedge future cash flows – interest rate	-	1	-	1	1	-
Derivatives to hedge future cash flows - price	6	30	-	36	36	-
Financial assets at fair value through other comprehensive income	63	31	-	94	94	
Receivables	6,130	297	-	6,427	6,427	0-1%
Cash and bank balances	5,907	-	-	5,907	5,907	0-10%
Financial assets measured at amortised cost	12,037	297	-	12,334	12,334	
Total financial assets	12,658	1,886	5,584	20,128	17,623	

31 December 2024, DKKm	Less than 1 year
Financial liabilities	
Derivatives included in the trading portfolio	-
Contingent consideration	-
Financial liabilities at fair value through profit or loss	-
Derivatives to hedge future cash flows – exchange rate	348
Derivatives to hedge future cash flows – interest rate	-
Financial liabilities at fair value through other comprehensive income	348
Bank debt and bond debt etc.	1,359
Leasing liabilities	502
Other payables and non-disbursed grants	8,877
Financial liabilities measured at amortised cost	10,738
Total financial liabilities	11,086

The amounts in the tables are including interest.

Note 32

Financial risks and financial instruments - continued

32.4 Maturity dates for financial assets and financial liabilities

31 December 2023, DKKm	Less than 1 year	1-5 years	More than 5 years	Total	Carrying amount	Effective interest
Financial assets						
Financial assets, Invest						
Danish mortgage and government bonds	53	586	4,129	4,768	2,468	-1-4%
Credit bonds and loans	504	2,038	204	2,746	2,133	0-44%
Derivative financial instruments	43	-	-	43	43	-
Financial assets, BioCapital						
Receivables from sale of portfolio companies	-	13	-	13	13	-
Other receivables	17	57	1	75	47	10-16%
Securities (current assets)	580	-	-	580	536	-
Financial assets at fair value through profit or loss	1,197	2,694	4,334	8,225	5,240	
Derivatives to hedge future cash flows – exchange rate	85	-	-	85	85	-
Derivatives to hedge future cash flows - price	10	39	-	49	49	-
Financial assets at fair value through other comprehensive income	95	39	-	134	134	
Receivables	5,468	257	-	5,725	5,725	0-1%
Cash and bank balances	6,080	-	-	6,080	6,080	-1-10%
Financial assets measured at amortised cost	11,548	257	-	11,805	11,805	
Total financial assets	12,840	2,990	4,334	20,164	17,179	

31 December 2023, DKKm	Less than 1 year
Financial liabilities	
Contingent consideration	-
Financial liabilities at fair value through profit or loss	-
Derivatives to hedge future cash flows – exchange rate	51
Financial liabilities at fair value through other comprehensive income	51
Bank debt and bond debt etc.	476
Leasing liabilities	519
Other payables and non-disbursed grants	8,532
Financial liabilities measured at amortised cost	9,527
Total financial liabilities	9,578

The amounts in the tables are including interest.

Note 32

Financial risks and financial instruments - continued

32.5 Net outstanding forward exchange rate transactions, currency options, interest rate swaps and equity options

	Contractual value according to hedge accounting	Fair value at year-end recognised in other comprehensive income	Realised exchange gains/losses for the year recognised in the income statement/ balance sheet	Average hedge prices of existing forward exchange contracts	Maturity
Forward contracts, DKKm					
2024					
CAD (sell position)	291	1	1	497.19	Nov 2024
CNY (sell position)	429	-6	10	96.12	Nov 2024
KRW (sell position)	255	22	16	0.52	Dec 2024
USD (sell position)	6,802	-309	-45	678.19	Nov 2024
Other currencies	1,393	13	7	-	Dec 2024
Forward contracts	9,170	-279	-11		
2023					
CAD (sell position)	550	-2	6	502.33	Nov 2023
CNY (sell position)	364	11	43	98.04	Oct 2023
KRW (sell position)	230	1	4	0.53	Dec 2023
USD (sell position)	4,009	49	120	676.06	Nov 2023
Other currencies	1,123	-19	-34	-	Dec 2023
Forward contracts	6,276	40	139		

Note 32

Financial risks and financial instruments - continued

32.5 Net outstanding forward exchange rate transactions, currency options, interest rate swaps and equity options - Continued

	Contractual value according to hedge accounting	Fair value at year-end recognised in other comprehensive income	Realised exchange gains/losses for the year recognised in the income statement/ balance sheet	Average hedge prices of existing forward exchange contracts	Maturity
Currency option contracts, DKKm					
2024					
CAD (sell position)	322	-1	-3	486.36-504.39	Oct 2024
USD (sell position)	431	-9	-35	652.43	Aug 2024
Other	127	-2	-3	-	
Currency option contracts	880	-12	-41		
2023					
CAD (sell position)	137	-3	8	482.97-495.64	Apr 2023
USD (sell position)	1,855	-3	-11	654.31-708.61	Nov 2023
Other	204	-	1	-	
Currency option contracts	2,196	-6	-2		

Note 32

Financial risks and financial instruments - continued

32.5 Net outstanding forward exchange rate transactions, currency options, interest rate swaps and equity options - Continued

Trading part

Equity contracts, DKKm	Contractual value	Gains/losses recognised in the income statement	Market value 31 December	Expiry
2024				
Options on indices	1,428	-56	43	Jun 2025
Options on shares	-317	28	18	Jun/Dec 2025
Total	1,111	-28	61	
2023				
Options on indices	618	-176	21	Mar/Apr 2024
Options on shares	847	34	22	Jan/Mar/Sep/Dec 2024
Total	1,465	-142	43	

Note 33

Contractual obligations, contingent as

DKKm

Purchase obligations relating to property, plant and equipment
 Research and development milestone obligations
 Guarantee for a third party's debt
 Capital contribution obligations
 Other contractual obligations, including service agreements

Contingent Assets and liabilities

Pending legal proceedings

The Group is involved in several legal proceedings, including patent disputes and environmental matters, the most significant of which are described below. Some of these involve significant amounts and are subject to considerable uncertainty. Management continuously assesses the risks associated with the legal proceedings and their likely outcome. Management is of the opinion that, apart from items recognized in the financial statements, the outcome of these legal proceedings and disputes are not probable or cannot be reliably estimated in terms of amount or timing. Such proceedings may, however, develop over time, and new proceedings may occur, in a way which could have a material impact on the Group's financial position and cash flows.

In June 2013, Lundbeck received the European Commission's decision that agreements concluded with four generic competitors concerning citalopram violated competition law. The decision included fining Lundbeck EUR 93.8m (approximately DKK 700m). Lundbeck paid and expensed the fine in the third quarter of 2013. In March 2021, the European Court of Justice rejected Lundbeck's final appeal of the European Commission's decision. So-called "follow-on claims" for reimbursement of alleged losses, resulting from violation of competition

Note 33

Contractual obligations, contingent assets and liabilities, and collaterals - continued

was held in the second quarter of 2024, and Lundbeck currently expects that additional procedural steps will be taken before a first instance court ruling, likely in 2025. The first instance court ruling may be appealed, and it may take several years before a final conclusion is reached by the German courts.

In October 2024, Lundbeck received a claim form from the health authority in one of the regions (comunidades autónomas) in Spain and in November 2024 Lundbeck filed its defense. A Case Management Conference is scheduled in the first quarter of 2025.

Lundbeck has been informed about potential claims in several other European countries, however, it is still uncertain whether the potential claims will be actively pursued.

In Canada, Lundbeck is involved in two product liability class-action lawsuits relating to Ciprex®/Celexa® (one case alleging various Celexa-induced birth defects and one case against several SSRI manufacturers (incl. Lundbeck) alleging that SSRI (Celexa®/Lexapro®) induces autism birth defect), three relating to Abilify Maintena® (alleging i.a. failure to warn about compulsive behavior side effects) and one relating to Rexulti® (also alleging i.a. failure to warn about compulsive behavior side effects). Lundbeck strongly disagrees with the claims. The Celexa birth defect litigation has been discontinued in Quebec. A settlement agreement has been signed by the parties in the Abilify Maintena® cases and is pending approval by the courts.

In 2018, Lundbeck entered into settlements with three of four generic companies involved in an Australian federal court case, in which Lundbeck was pursuing

patent infringement and damages claims over the sale of escitalopram products in Australia. Lundbeck's case against the last of the four generic companies, Sandoz Pty Ltd, went up to the High Court of Australia, who has decided that Sandoz Pty Ltd infringed Lundbeck's escitalopram patent between 2009 and 2012. The High Court has sent the case back to the first instance court for recalculation of the damages awarded to Lundbeck in first instance which amounted to AUD 26.3m (DKK 121m). Lundbeck's appeal of the Australian Patent Office's decision to grant Sandoz a license has now been decided, and the license was substantially limited. Sandoz can still appeal the license decision to the Federal Court.

Otsuka and Lundbeck have received paragraph IV certifications from Sun Pharma and Apotex with respect to certain patents listed for Abilify Maintena® in the U.S. and commenced patent infringement proceedings against both companies. The FDA will stay approval to Sun and Apotex until 30 months from receipt of the respective paragraph IV certifications or a court decision in Sun's and/or Apotex' favor.

Lundbeck received a Civil Investigative Demand ("CID") from the U.S. Department of Justice ("DOJ") in March 2020. The CID seeks information regarding the sales, marketing, and promotion (including the promotional speaker program) of Trintellix®. Lundbeck is cooperating with the DOJ.

In June 2022 in the U.S., several entities, created for the purpose of receiving assignment of claims from payors providing health insurance coverage pursuant to Medicare Parts C and D and Medicaid, filed a complaint against Lundbeck and others. The complaint alleges

that Lundbeck and the other defendants conspired to increase the unit price and quantity dispensed of Xenazine®. The case was dismissed with prejudice early in 2023 and is currently under appeal.

In June 2023 in the U.S., Humana Inc., an insurer, filed a complaint against Lundbeck U.S. legal entities. The complaint alleges that Lundbeck engaged in an illegal kickback scheme to increase the sales and sale price of Lundbeck's Xenazine®. The complaint alleges that Lundbeck's activities targeted Humana Inc. and other private Medicare insurers who were forced to bear the costs of the alleged illegally subsidized drug sales. Lundbeck denies the allegations in the complaint and intends to defend itself.

Product return obligations

The Group has product return obligations that are normal for the industry. Management does not expect any major losses from these obligations apart from the amount already recognised.

Usual representations and warranties are made in connection with the divestment of enterprises and operations. There are no significant outstanding claims that are not sufficiently recognised in the balance sheet.

Research and development milestones and collaborations

The Group has entered into a number of agreements relating to research and development of new products and intellectual property rights from acquisitions, as well as other collaborations. According to these agreements, the Group is committed to pay certain milestones. Such amounts entail uncertainties in relation to the period in which payments are due



Note 33

Contractual obligations, contingent assets and liabilities, and collaterals - continued

Since the pollution was detected, Lundbeck has been engaged in a close dialogue with the Danish Environmental Protection Agency (EPA) regarding the mapping and remediation of the pollution. Lundbeck has proactively taken steps to reduce PFAS level while is continuously engaged with neighbours and the municipality to address concerns in the local community. As remediation and mitigation action advances, our knowledge and understanding of PFAS pollution will continue to evolve and we are committed to continue to take further steps to reduce PFAS levels in the area.

Falck has been involved in investigations by Danish environmental authorities and may, at some point in the future, be involved in more investigations regarding PFOS contamination in the portfolio of properties owned by Falck. Falck does not consider it probable that the investigations will result in a liability for Falck.

Collaterals

Land and buildings provided as security for mortgage debt amounted to DKK 562m (DKK 497m at 31 December 2023) out of mortgage debt of DKK 518m (DKK 548m at 31 December 2023).

Note 34

Related parties

Lundbeckfonden is an enterprise foundation established by Grete Lundbeck in 1954. As a foundation, no party controls Lundbeckfonden.

Related parties to Lundbeckfonden:

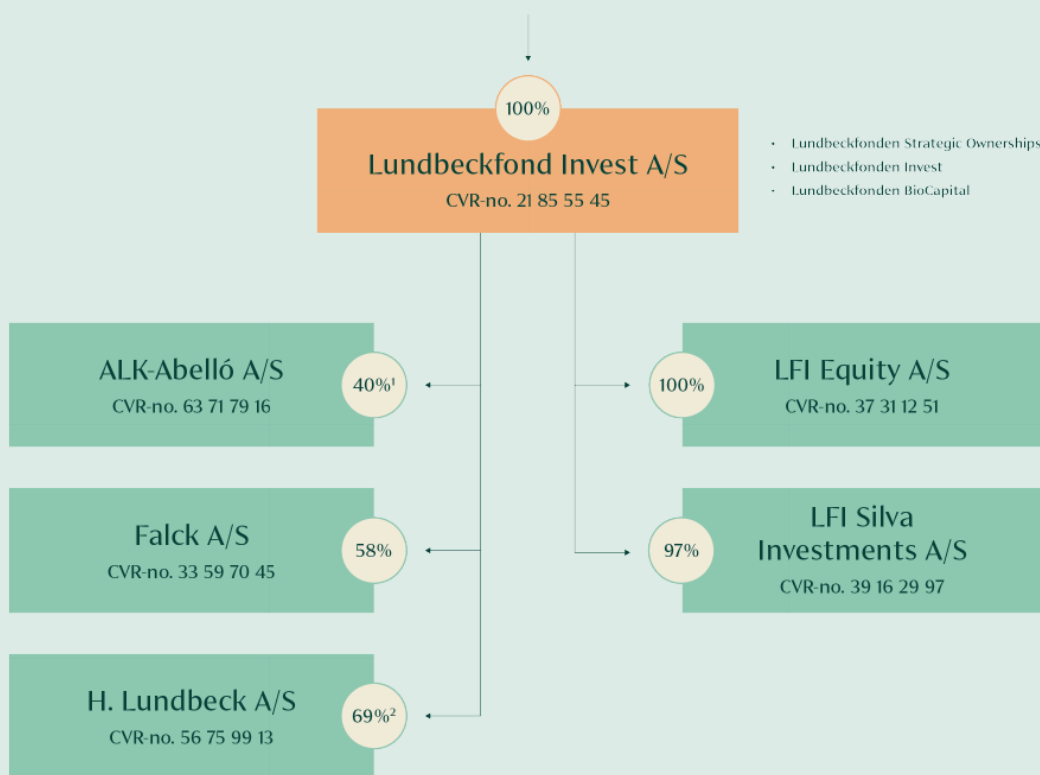
- The Foundation's Executive Management and Board of Directors
- Companies in which the Foundation's Executive Management and Board of Directors exercise controlling influence
- Associates

See note 3 Employee costs for information about remuneration received by the Board of Directors and Executive Management.

Note 35

Group overview

Lundbeckfonden



1) Voting rights 67%
2) Voting rights 76%

Company name

Subsidiaries of Lundbeckfonden

Lundbeckfond Invest A/S, including

- H. Lundbeck A/S
- ALK-Abelló A/S
- Falck A/S
- LFI Equity A/S
- LFI Silva Investments A/S
- LFI Silva Investments Ltd.
- DySIS Medical Ltd., including
- Forth Photonics Trustees Limited
- Forth Photonics Limited
- DYSIS Medical Inc
- Forth Photonics Hellas S.A

Vesper Bio ApS

Associates of Lundbeckfond Invest A/S

Ferrosan Medical Devices HoldCo ApS
Echo TopCo A/S (Ellab)
CN8 A/S (WS Audiology A/S)
Obel-LFI Ejendomme A/S ^{a)}
Cresco Capital Services A/S ^{a)}
Cytoki Pharma ApS ^{a)}
IO Biotech, Inc. ^{a)}
SNIPR Biome ApS ^{a)}
NMD Pharma A/S ^{a)}
Akamis Bio Limited ^{a)}
SA ENTEROME ^{a)}
Folium Food Science Limited ^{a)}
Kvantify ApS ^{a)}
VarmX B.V. ^{a)}



Note 35

Group overview - continued

Company name	Country	Ownership	Company name
Subsidiaries of H. Lundbeck A/S			UAB Lundbeck Lietuva
Lundbeck Argentina S.A., Argentina	Argentina	100%	Lundbeck Malaysia SDN. BHD.
Lundbeck Australia Pty Ltd, Australia, including	Australia	100%	Lundbeck México, SA de CV
- CNS Pharma Pty Ltd, Australia	Australia	100%	Lundbeck B.V.
Lundbeck Austria GmbH	Austria	100%	Prexton Therapeutics B.V., including
Lundbeck S.A.	Belgium	100%	- Prexton Therapeutics S.A.
Lundbeck Brasil Ltda.	Brazil	100%	Lundbeck New Zealand Limited
Lundbeck Canada Inc.	Canada	100%	H. Lundbeck AS
Lundbeck Chile Farmacéutica Ltda.	Chile	100%	Lundbeck Pakistan (Private) Limited
Lundbeck (Beijing) Pharmaceuticals Consulting Co., Ltd.	China	100%	Lundbeck America Central S.A.
Lundbeck Colombia S.A.S.	Colombia	100%	Lundbeck Peru S.A.C.
Lundbeck Croatia d.o.o.	Croatia	100%	Lundbeck Business Service Centre Sp.z.o.o.
Lundbeck Czech Republic s.r.o.	Czech Republic	100%	Lundbeck Poland Sp.z.o.o.
Lundbeck Export A/S	Denmark	100%	Lundbeck Portugal - Produtos Farmacêuticos Unipessoal Lda
Lundbeck Pharma A/S	Denmark	100%	Lundbeck Romania SRL
Lundbeck Eesti A/S	Estonia	100%	Lundbeck RUS LLC
OY H. Lundbeck AB	Finland	100%	Lundbeck Regional Headquarters
Lundbeck SAS	France	100%	Lundbeck Singapore PTE. LTD.
Sofipharma SAS, including	France	100%	Lundbeck Slovensko s.r.o.
- Elaiapharm SAS	France	100%	Lundbeck Pharma d.o.o.
Lundbeck GmbH	Germany	100%	Lundbeck South Africa (Pty) Limited, including
Lundbeck Hellas S.A.	Greece	100%	- H. Lundbeck (Proprietary) Limited
Lundbeck HK Limited	Hong Kong	100%	Lundbeck España S.A.
Lundbeck Hungária KFT	Hungary	100%	H. Lundbeck AB
Lundbeck India Private Limited	India	100%	Lundbeck (Schweiz) AG
Lundbeck (Ireland) Ltd.	Ireland	100%	Lundbeck İlaç Ticaret Limited Şirketi
Lundbeck Israel Ltd.	Israel	100%	Lundbeck Group Ltd. (Holding), including
Lundbeck Italia S.p.A.	Italy	100%	- Lundbeck Limited
Lundbeck Pharmaceuticals, Italy S.p.A., including	Italy	100%	- Lundbeck Pharmaceuticals Ltd.
- Archid S.A.	Luxembourg	100%	- Lifehealth Limited
Lundbeck Japan K.K.	Japan	100%	- Lundbeck UK LLP ³⁹⁾
Lundbeck Korea Co., Ltd.	Republic of Korea	100%	Lundbeck USA Holding LLC, including
SIA Lundbeck Latvia	Latvia	100%	- Lundbeck LLC, including



Note 35

Group overview - continued

Company name	Country	Ownership	Company name
- Chelsea Therapeutics International, Ltd., including	United States	100%	- ALK (Guangzhou) Medical Technology Co., Ltd.
- Lundbeck NA Ltd.	United States	100%	Tasfiye Halinde ALK Ilac ve Alerji Ürünleri Ticaret Anonim Sirk.
- Lundbeck Pharmaceuticals LLC	United States	100%	
- Lundbeck Research USA, Inc.	United States	100%	Subsidiaries of Falck A/S
- Lundbeck La Jolla Research Center, Inc., including	United States	100%	Falck (Victoria) Pty. Ltd.
- Abide Therapeutics (UK) Limited	United Kingdom	100%	Falck Pty. Ltd.
- Lundbeck Seattle BioPharmaceuticals, Inc., including	United States	100%	Falck Fire Services BE NV
- Alder Biopharmaceuticals Pty., Ltd.	Australia	100%	Falck Brasil 747 Participações Ltda.
- Alderbio Holdings LLC ("ANEV")	United States	100%	Falck Global Assistance (China) Limited
- Longboard Pharmaceuticals, Inc.	United States	100%	Empresa de Medicina Integral EMI S.A. Servicio de Ambulancia
Lundbeck de Venezuela, C.A.	Venezuela	100%	EMI S.A.
			Falck Servicios Logísticos S.A.S.
Subsidiaries of ALK-Abelló A/S			Haces Inversiones y Servicios S.A.S
Europe			Asistencia Médica S.A.S. Prepagado ^o
ALK-Abelló Allergie-Service GmbH	Austria	100%	Servicio de Asistencia Médica Inmediata S.A.S. ^o
ALK-Abelló Nordic A/S	Denmark	100%	Falck Danmark A/S
ALK S.A.S.	France	100%	Falck Digital Technology Denmark A/S
ALK-Abelló Arzneimittel GmbH	Germany	100%	Falck Global Assistance A/S
ALK-Abelló B.V.	Netherlands	100%	Falck Healthcare A/S
ALK-Abelló Sp. z o.o.	Poland	100%	MedConnect A/S
ALK Slovakia s.r.o.	Slovakia	100%	EMI Ecuador S.A.- Emergencia Medica Integral
ALK-Abelló S.A., including	Spain	100%	EMI El Salvador S.A. de C.V.
- ALK-Abelló S.p.A.	Italy	100%	Falck Global Assistance Oy
ALK AG (in liquidation)	Switzerland	100%	Falck France SAS
ALK-Abelló AG	Switzerland	100%	Falck Arbeitsgemeinschaft Rettungsdienst Plauen GmbH & C
ALK-Abelló Ltd.	United Kingdom	100%	Falck Fire Services DE GmbH
North America			Falck Notfallrettung und Katastrophenschutz gGmbH
ALK-Abelló Pharmaceuticals, Inc.	Canada	100%	Falck Notfallrettung und Krankentransport Dortmund GmbH
ALK-Abelló, Inc., including	United States	100%	Falck Notfallrettung und Krankentransport GmbH
- OKC Allergy Supplies, Inc.	United States	100%	Falck Notfallrettung und Krankentransport Spree-Neiße GmbH
ALK-Abelló Source Materials, Inc.	United States	100%	Falck Operations Services DE GmbH
International markets			Falck Rettungsdienst GmbH
ALK (Shanghai) Medical Technology Co., Ltd., including	China	100%	Falck Rettungsdienst Hanse GmbH



Note 35

Group overview - continued

Company name	Country	Ownership	Company name
Falck Rettungsdienst Holding GmbH	Germany	100%	Falck Sağlık AŞ
Falck Rettungsdienst Nord GmbH	Germany	100%	Falck Fire Services UK Limited
Falck India Pvt. Ltd. (India)	India	100%	Luvtel S.A.
Falck Servizi Industriali di Emergenza S.r.l.	Italy	100%	Portovenus S.A.
Falck Brann og Redningstjeneste AS	Norway	100%	UCM Uruguay S.A.
Falck Global Assistance Norway AS	Norway	100%	Falck Global Assistance, LLC
Falck Helseformidling AS	Norway	100%	Falck HealthNet, Inc.
Falck Norge AS	Norway	100%	Falck Mobile Health Corp.
EMI Holdings Management S.A.	Panama	100%	Falck Northern California Corp.
EMI Panama S.A.	Panama	100%	Falck Northwest Corp.
Falck Fire Services Polska Sp. z.o.o.	Poland	100%	Falck Rocky Mountain, Inc.
Falck Digital Technology Poland Sp. z.o.o.	Poland	100%	Falck Southwest Corp.
Falck Medycyna Sp. z.o.o.	Poland	100%	Falck USA, Inc.
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%	a Ownership above 20% and/or significant influence through representation on the board of directors. The companies are included in financial assets - Invest or financial assets - BioCapital
Falck Fire Services a.s.	Slovakia	100%	b Lundbeck UK LLP is owned by Lundbeck Group Ltd, (Holding), Lundbeck Limited and Lifehealth Limited, all of which have H, Lundbeck A/S as the direct or ultimate parent company
Falck Global Assistance Spain S.L.	Spain	100%	c Ownership of the shares in the company is still subject to approval from the Colombian Health Superintendency. However Falck has obtained control of the company. See note 31.I.
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%	

Note 36

Material accounting policy information

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, unless otherwise mentioned (see note 1 for information about new standards and amendments issued but not yet effective).

Basis of consolidation

The consolidated financial statements comprise the Parent Foundation Lundbeckfonden and entities controlled by the Parent Foundation.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and of comprehensive income,

statement of changes in equity and balance sheet respectively

Business combinations

Acquisitions are evaluated to determine whether they constitute a business combination in accordance with IFRS 3 Business Combinations or a purchase of individual assets and liabilities.

Acquired assets and liabilities that do not constitute a business are recognised at cost, i.e., no goodwill or negative goodwill is recognised.

Newly acquired or newly established companies or operations are recognised in the consolidated financial statements from the date of acquisition or establishment. The date of acquisition is the date when control of the company actually passes to the Group.

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement
- fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the income statement as a bargain purchase.

Divestments

Companies divested or discontinued are recognised in the income statement until the date of divestment or discontinuation. Divested activities are shown separately as discontinued operations.

Gains and losses on divestment or winding up of subsidiaries and associates are stated as the difference between the sales price and the carrying amount of the net assets, including goodwill at the time of sale, accumulated foreign exchange adjustments recognised in other comprehensive income and anticipated disposal costs. In addition, any retained non-controlling interests are measured at fair value. Gains and losses on the disposal and the effect of renewed measurement of any retained non-controlling interests are recognised in the income statement.

Note 36

Material accounting policy information - continued

Exchange gains/losses on that part of the bank debt in foreign currency which is used for hedging of the net investments in subsidiaries, and which provides an effective hedging of the exchange gains/losses of the net investments, are recognised in other comprehensive income.

Financial instruments

Forward exchange contracts, interest rate swaps, equity 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 at the balance sheet date. Positive and negative fair values are included in other receivables and other payables, respectively.

Changes in the fair value of derivatives classified as hedging instruments and meeting the criteria for hedge accounting are recognised in other comprehensive income. On recognition of hedged items, income and expenses related to such hedging transactions are transferred from other comprehensive income and recognised in the same line item as the hedged item.

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 used for hedging net investments in foreign subsidiaries or associates

and that otherwise meet the relevant criteria for hedging are recognised in other comprehensive income.

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

Securities, equity investments recognised in other financial assets, derivatives and contingent consideration measured at fair value are classified according to the fair value hierarchy as belonging to levels 1-3 depending on the valuation method applied.

Incentive programmes

Share-based incentive programmes (equity-settled share-based payments) which comprise share option plans, conditional share plans, and performance shares are measured at the grant date at fair value and recognised in the income statement under the respective functions over the vesting period and offset in equity.

The fair value of share options is determined using the Black-Scholes model.

If the share option agreements entitle the Group to demand cash settlement of the options, the cash-settled share options are recognised as other liabilities and adjusted to fair value when the Group has an obligation to settle in cash. The subsequent adjustment to fair value is recognised in the income statement under financial items.

Warrants regarding warrant programmes for the executive management boards of subsidiaries are issued at the market value on the date of grant. Payments

received and made in relation to the warrant programmes are recognised in equity.

Non-controlling interests

On initial recognition, non-controlling interests are measured either at fair value (including the fair value of goodwill related to non-controlling interests in the acquired company) or at the non-controlling interests proportionate share of the acquired company's identifiable assets, liabilities and contingent liabilities measured at fair value (excluding the fair value of goodwill related to non-controlling interests in the acquired company). The measurement basis for non-controlling interests is selected for each individual transaction.

Acquisition and divestment of non-controlling interests

Increases and reductions of non-controlling interests are accounted for as transactions with shareholders, in their capacity as shareholders. Thus, any differences between adjustment to the carrying amount of non-controlling interests and the fair value of the consideration received or paid are recognised directly in equity.

Income statement

Revenue Lundbeck and ALK

Revenue comprises invoiced sales less expected return of goods for the year less returned goods, sales, discounts, rebates and revenue-based taxes. Revenue is recognised when the goods are delivered at the agreed destination (point in time), meaning that control of products has transferred to the buyer, and it is probable that the Group will collect the consideration to which it is entitled for transferring the products.

Note 36

Material accounting policy information - continued

Revenue Falck

Revenue includes services and goods delivered together with invoiced subscriptions attributable to the financial period. Revenue is recognised in the income statement if the control of the services or goods are transferred to the customer. Services are recognised over time when the customer receives and consumes the benefits as the service is delivered by Falck.

For long-term contracts with fixed price and subscriptions, revenue is recognised on a straight-line basis over the contract period. For pay-by-use contracts, revenue is recognised in connection with the actual delivery of the individual service.

Services related to long-term contracts with fixed price and subscriptions are usually prepaid by the customers. Prepayment usually occurs between one and twelve months before the start of the service period. For pay-by-use contracts, the payment term is usually between one and three months after the service has been delivered.

For contracts with predetermined price reductions, the transaction price will be recalculated to an average price covering the total contract period.

For contracts where Falck acts as an agent (mainly related to claims handling for insurance companies), revenue is recognised as the net amount that Falck is entitled to retain in return for its services as agent. For contracts where Falck acts as a principal, revenue is recognised as the gross amount to which Falck expects to be entitled.

Revenue is measured at the fair value of the agreed consideration excluding VAT and other taxes collected on behalf of third parties. All discounts granted are recognised in revenue.

Contracts with variable considerations are measured using the most likely amount and remeasured on a monthly basis.

Cost of sales

Cost of sales comprises the cost of goods and services sold. Cost includes the cost of raw materials, transportation costs, consumables and goods for resale, direct labour and indirect costs of production, including operating costs, amortisation/depreciation and impairment losses relating to product rights and manufacturing facilities. Moreover, cost of sales includes royalty payments for in-licensed products, expenses for quality assurance of products and write-downs to net realisable value of obsolete and slow-moving goods.

Cost of sales also includes external assistance used to generate the revenue for the year.

Research and development costs

Research and development costs comprise costs incurred for the Group's research and development functions, i.e., employee costs, amortisation/depreciation and impairment losses, and other indirect costs as well as costs, relating to research and development collaborations.

Research costs are always recognised in the income statement as they incur.

Due to a very long development period and the significant uncertainties inherent in the development of new products, development costs are expensed as incurred in line with industry practice. Consequently, development costs do not qualify for capitalisation as intangible assets until marketing approval by a regulatory authority is obtained or considered highly probable.

Sales and distribution costs

Sales and distribution costs comprise costs incurred for the sale and distribution of the Group's products sold during the year. This includes costs incurred for sales campaigns, training and administration of the sales force and direct distribution, marketing and promotion. Sales and distribution also include salaries and other costs for the sales, distribution and marketing functions, amortisation/depreciation and impairment losses, and other indirect costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for the management and the administration of the Group, i.e., salaries and other expenses relating to, for example, management, HR, IT and finance functions, as well as amortisation/depreciation and impairment losses, and other indirect costs.

Other operating items

Other operating items comprise other income and expenses relating to operating activities of a secondary nature to the Group. Other operating items include integration and transaction costs relating to material acquisitions, transaction costs relating to divestments, income and expenses relating to legal settlements and material gains and losses on the sale or retirement of

Note 36

Material accounting policy information - continued

Income tax

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

Lundbeckfonden has the option to use section 3(4) of the Danish Corporation Tax Act. Under these rules, the taxable income of Lundbeckfond Invest A/S is considered to have been earned by Lundbeckfonden if the taxable income is distributed as a dividend to Lundbeckfonden. Since Lundbeckfonden's taxable income is regularly offset against grants for the year and tax provisions for future grants, no deferred tax asset or liability is recognised owned 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, in other comprehensive income as regards the amount that can be attributed to items in other comprehensive income, and in equity as regards the amount that can be attributed to items in equity. The effect of foreign exchange differences on deferred tax is recognised in the balance sheet as part of the movements in deferred tax.

The Group has determined that the global minimum top-up tax, which it is required to pay under Pillar Two legislation, is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from

deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax when it incurs.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

Current tax payables and receivables, including contributions payable and receivable under the Danish joint taxation scheme, are recognised in the balance sheet, computed as tax calculated on the taxable income for the year adjusted for provisional tax paid.

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not recognised on temporary differences arising either on initial recognition of goodwill or from a transaction that is not a business combination, if the temporary difference ascertained at the time of the initial recognition affects neither the financial result nor the

taxable income. The tax value of the assets is calculated based on the planned use of the individual assets.

Deferred tax is measured based on the income tax rates and tax rules in force in the respective countries at the balance sheet date. Changes in deferred tax resulting from changed income tax rates or tax rules are recognised in profit or loss.

Deferred tax assets, including the tax value of tax loss carry-forwards, 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.

Changes in deferred tax concerning expenses for share-based payments are generally recognised in profit or loss. However, if the amount of the tax deduction exceeds the related cumulative expense, it indicates that the tax deduction relates not only to an operating expense, but also to an equity item. In such a case, the excess of the associated current or deferred tax is recognised directly in equity.

Deferred tax in respect of recaptured losses previously deducted in foreign subsidiaries is recognised based on a specific assessment of each individual subsidiary.

Balance sheet

Goodwill

On initial recognition, goodwill is measured and recognised as the excess of the cost over the fair value of the acquired assets, liabilities and contingent liabilities. On recognition, the goodwill amount is

Note 36

Material accounting policy information - continued

considered contingent consideration and the Group follows the cost accumulation approach.

Product rights are amortised over the economic lives of the underlying products, which in all material aspects follow the patent terms, which are currently between five and 15 years. Other rights are amortised over the period of agreement. Intangible assets acquired on acquisition are amortised over the expected economic life, estimated to be three-to-10 years. Software is amortised over the expected economic life, estimated to be three-to-five years. Amortisation commences when the asset is ready to be brought into use.

Amortisation is recognised in the income statement under cost of sales, and research and development costs, respectively.

Borrowing costs to finance the manufacture of intangible assets are recognised in the cost price, if such borrowing costs relate to the production period. Other borrowing costs are expensed.

Gains and losses on the disposal of development projects, patents and licences are measured as the difference between the selling price less cost to sell and the carrying amount at the time of sale. Gains and losses are recognised in profit or loss; normally in other operating items, net or, if considered immaterial to the understanding of the consolidated financial statements, in the same line item as the associated amortisation. In general, amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost includes the cost of acquisition and expenses directly attributable to the acquisition until the asset is ready for use. The cost of self-constructed assets includes costs directly attributable to the construction of the asset. Borrowing costs to finance the manufacture of property, plant and equipment are recognised in the cost price, if such borrowing costs relate to the production period. Other borrowing costs are recognised in the income statement.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term unless it is reasonably certain that a purchase option will be exercised at the end of the lease term. In that case, the assets are depreciated over the full, expected useful life.

Items of property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets:

	Years
Buildings	25-50
Installations	10
Plant and machinery	3-10
Vehicles according to category	5-12
Dispatch centres, radio systems, major administrative systems and networks	8
Fire extinguishers and similar equipment installed at customers' locations	3-5
Other fixtures and fittings, tools and equipment	3-10
Leasehold improvements, max.	10

Depreciation methods, useful lives and residual values are reassessed annually and adjusted if appropriate.

Costs incurred that increase the recoverable amount of the asset are added to the value of the asset as an improvement and are depreciated over the estimated useful life of the improvement.

Gains or losses on the sale or retirement of items of property, plant and equipment are calculated as the difference between the carrying amount and the selling price less cost to sell or discontinuance costs. Gains and losses are recognised in profit or loss; normally in other operating items, net or, if considered immaterial to the understanding of the consolidated financial statements, in the same line item as the associated depreciation.

Biological assets

Forest assets are divided into growing forests, which are recognised as biological assets at fair value less cost to sell, and land, which is measured at cost. The valuation

Note 36

Material accounting policy information - continued

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit). Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Investments in associates

Investments in associates, except for investments in associates that are included in Lundbeckfonden's investment strategy, are measured in the consolidated financial statements using the equity method and recognised at the proportionate share of the equity of the relevant enterprise, made up in accordance with the Group's accounting policies, with the addition of values added on acquisition, including goodwill.

Investments in associates that are included in Lundbeckfonden's investment strategy are measured at fair value and presented together with the investment assets. Both realised and unrealised gains and losses are recognised in the income statement under financial items.

Financial assets

At initial recognition, securities that are included in the group's investment strategy are measured at its fair value. Transaction costs of financial assets are expensed under financial items.

Subsequently, securities 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 with a term to maturity of less than one year are recognised in current assets. Bonds forming part of repo transactions, i.e., the selling of bonds to be repurchased at a later date, remain on 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.

Equity investments that are not included in the Group's investment strategy are classified as other financial assets. On initial recognition, these investments are measured at cost, corresponding to fair value. They are subsequently measured at fair value at the balance sheet date, and changes to the fair value are recognised in the income statement or other comprehensive income according to an individual decision for each equity investment.

Inventories

Raw materials, packaging and goods for resale are measured at the latest known cost at the balance sheet date, which is equivalent to cost computed according to the FIFO method. Work in progress and finished goods manufactured by the Group are measured at cost, i.e., the cost of raw materials, goods for resale, consumables and direct labour and indirect costs of production.

Indirect costs of production include materials and labour, maintenance of and depreciation on the machines, factory buildings and equipment used in the manufacturing process as well as the cost of factory administration and management. Indirect costs of production are allocated based on the normal capacity of the production plant.

Inventories are written down to net realisable value if it is lower than the cost price. The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to execute the sale. The net realisable value is determined by marketability, obsolescence and expected selling price developments.

Receivables and contract assets

Current receivables comprise trade receivables and other receivables arising in the Group's normal course of business. Other receivables recognised in financial statements are financial assets with fixed or determinable cash flow that are not quoted on an active market and are not derivative financial instruments.

Contract assets comprise the Group's right to consideration regarding completed services which have not been invoiced at the reporting date.

Note 36

Material accounting policy information - continued

Equity

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 Directors 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 on Commercial Foundations, a reserve for future grants has been set up in order for Board of Directors to be able to donate grants during the period until the approval of the annual report for the subsequent financial year. The reserve does not have to be used, but is continuously reduced with donated grants. Every year at the annual meeting, the Board of Directors will re-evaluate the size of the reserve.

Hedging reserve

Hedge transactions that meet the criteria for hedging future cash flows, and for which the hedged transaction has yet to be realised, are recognised in equity through other comprehensive income under the hedging reserve.

Foreign exchange adjustments concerning hedging transactions used to hedge the Group's net investment in such entities are recognised in equity through other comprehensive income under the hedging reserve.

Currency translation reserve

Foreign exchange adjustments arising on the translation of financial statements for subsidiaries and associates which are not part of Lundbeckfonden's investment strategy and have a functional currency

other than DKK, and foreign exchange adjustments relating to financial assets and liabilities representing a part of the Group's net investment in such entities, are recognised in equity through other comprehensive income under the currency translation reserve.

On full or partial realisation of a net investment, foreign exchange adjustments are recognised in the income statement.

Treasury shares in subsidiaries

Acquisition and sale of treasury shares held by subsidiaries as well as dividends are recognised directly in equity under retained earnings.

Non-controlling interests

The proportionate shares of the profit and equity of subsidiaries attributable to non-controlling interests are recognised as a separate item under equity. On initial recognition, non-controlling interests are recognised as described under 'Business combinations'.

Share-based payments

Share-based incentive programmes in which shares are granted to employees and in which employees may opt to buy shares in H. Lundbeck A/S and ALK-Abelló A/S, and in which shares are granted to employees (equity-settled programmes), are measured at the equity instruments' fair value at the date of grant and recognised under employee costs, as and when the employees obtain the right to receive/buy the shares. The offsetting item is recognised directly in equity, under retained earnings.

Share price-based incentive programmes in which employees have the difference between the agreed price

and the actual share price settled in cash (cash-settled programmes) are measured at fair value at the date of grant and recognised in the income statement under employee costs, as and when the employees obtain the right to such difference settlement. The cash-settled programmes are subsequently remeasured on each balance sheet date and upon final settlement, and any changes in the fair value of the programmes are recognised under employee costs. The offsetting item is recognised under liabilities until the time of the final settlement.

Retirement benefit obligations and similar obligations

Payments to defined contribution plans are recognised in the income statement at the due date, and any contributions payable are recognised in the balance sheet under current liabilities.

The present value of the Group's liabilities relating to future pension payments under defined benefit plans measured on an actuarial basis once a year based on the pensionable period of employment up to the time of the actuarial valuation. The calculation of present value is based on assumptions of future developments of salary, interest, inflation, mortality and disability rates and other factors. Present value is computed exclusive for the benefits to which the employees have earned entitlement through their employment with the Group. Pension expenses, finance costs and administration fees are recognised in the income statement under employee costs. Actuarial gains and losses are recognised in other comprehensive income as they are calculated and cannot subsequently be recycled through profit or loss.

Note 36

Material accounting policy information - continued

Contract liabilities

Prepayments mainly include accrued subscriptions and prepayment according to contracts. Contract liabilities also comprise the recalculated transaction price from predetermined price reductions, where the service is transferred over time, and are recognised at the same average consideration over the term of the contract.

Debt

Mortgage debt, bank debt and bond debt are recognised at the time of the raising of a loan/issuing of bonds at the fair value of the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, which is equivalent to the capitalised value when the effective rate of interest is used. The difference between the proceeds and the nominal value is recognised in the income statement under financial items over the loan period. Debt included in the short-term financial liquidity is measured at amortised cost in subsequent periods.

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

Other payables include employee costs payables, contingent consideration, derivative financial instruments, debt to public authorities, etc.

Contingent consideration is recognised as part of the business combination and is recognised at fair value considering the passage of time and changes in the applied probability of success. The fair value is assessed at each reporting date and the effect of any adjustments relating to the timing of payment and the

probability of success is recognised under financial income or financial expenses.

Other debts, which include trade payables and debt to public authorities etc., are measured at amortised cost.

Lease liabilities

On initial recognition, lease liabilities are measured as the present value of future payments, including payments relating to reasonably certain extensions. The lease payments contain fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate.

On subsequent recognition, lease liabilities are measured at amortised cost. The difference between the present value and the nominal value of lease payments is recognised in the income statement over the term of the lease as a finance charge.

If the interest rate cannot be determined in the agreement, the lease payments are discounted using the Group's incremental borrowing, adjusted for the functional currency and length of the lease term. The lease liability is remeasured if, or when, the future payment or lease term changes.

Changes to lease agreements after initial recognition are accounted for either as a modification to an existing agreement, a separate agreement or a partial disposal, depending on the nature of the change. Changes will result in changes to both the lease liability and the right-of-use asset.

Short-term lease expenses and low value assets are not recognised as part of lease liabilities. They are

recognised in the income statement when incurred as an operating expense.

Cash flow statement

The consolidated cash flow statement is presented in accordance with the indirect method and shows the composition of cash flows, divided into operating, investing and financing activities, and cash and cash equivalents at the beginning and at the end of the year.

Cash flows include cash flows from companies acquired as from the date of acquisition and cash flows from companies divested until the date of divestment.

Cash comprises cash and cash equivalents.

Cash flows denominated in foreign currencies, including cash flows in foreign subsidiaries, are translated at the average exchange rates for the year as they approximate the actual exchange rates at the date of payment. Cash and cash equivalents at year-end are translated at the exchange rates at the balance sheet date, and the effect of exchange gains/losses on cash and cash equivalents is shown as a separate item in the cash flow statement.

Key figures

The key figures are calculated according to the Danish Finance Society's Recommendations & Financial Ratios.

Operating profit:	Defined as the profit before special items, financial items and tax
Operating profit margin:	Operating profit x 100 / Revenue
Return on equity:	Profit for the year x 100 / Average equity



Parent financial statements



Financial statements

Parent Foundation

Contents

Income statement	127
Balance sheet	128
Statement of changes in equity	129
Notes	130

Notes

1. Accounting policies	130
2. Financial income and expenses	130
3. Employee costs	131
4. Total operating costs of Lundbeckfonden and Lundbeckfond Invest A/S	131
5. Fees to auditors appointed at the annual meeting	131
6. Tax on profit for the year	131
7. Proposed distribution of profit	132
8. Intangible assets	132
9. Tangible assets	132
10. Investments in subsidiaries	132
11. Other securities and investments	133
12. Capital base	133
13. Pension obligations	133
14. Financial instruments	134
15. Grants	134
16. Contractual obligations	134
17. Related parties	134
18. Events after the balance sheet date	134



Income statement

For the period 1 January – 31 December

DKKm	Note	2024	2023
Dividend from Lundbeckfond Invest A/S		1,545	-
Financial income	2	1,654	1,217
Financial expenses	2	-203	-154
Profit from investment activities		2,996	1,063
Employee costs	3	-51	-46
Other external costs	4-5	-40	-37
Depreciation and amortisation		-5	-5
Profit before tax		2,900	975
Tax on profit for the year	6	-78	-6
Profit for the year	7	2,822	969



Balance sheet

At 31 December

Assets, DKKm	Note	2024	2023
Other intangible assets		1	2
Intangible assets	8	1	2
Property and equipment		57	61
Tangible assets	9	57	61
Investments in subsidiaries	10	4,075	4,075
Receivables from subsidiaries		242	135
Other securities and investments	11, 14	9,967	5,874
Financial assets		14,284	10,084
Non-current assets		14,342	10,147
Receivables from subsidiaries		553	2,539
Income tax		-	1
Other receivables		27	19
Receivables		580	2,559
Cash and bank balances		102	62
Current assets		682	2,621
Assets		15,024	12,768

Equity and liabilities, DKKm

Capital base
Reserve for future grants
Retained earnings

Equity

Pension obligations etc.

Provisions

Payable grants, long-term

Non-current liabilities

Payable grants, short-term

Income tax

Other payables

Current liabilities

Liabilities

Equity and liabilities



Statement of changes in equity

for the period 1 January – 31 December

DKKm	Note	Capital base	Reserve for future grants	Retained earnings	Total
Equity at 1 January 2024		4,357	1,500	4,855	10,712
Grants, net	15	-	-1,060	-	-1,060
Profit for the year	7	580	1,060	1,182	2,822
Equity at 31 December 2024		4,937	1,500	6,037	12,474

Equity at 1 January 2023		4,162	1,500	4,661	10,323
Grants, net	15	-	-580	-	-580
Profit for the year	7	195	580	194	969
Equity at 31 December 2023		4,357	1,500	4,855	10,712



Note 1
Accounting policies

The financial statements for Lundbeckfonden (the Parent Foundation) for 2024 have been prepared in accordance with the Danish Financial Statements Act for large reporting enterprises class C.

Other securities and investments are accounted for using the fair value through the income statement and accounted for in accordance with IFRS 9.

The financial statements are presented in Danish kroner (DKK), which is also the functional currency of Lundbeckfonden. All amounts have been rounded to millions, unless otherwise indicated.

The accounting policies are unchanged from the previous year.

Differences relative to the accounting policies for the consolidated financial statements
The Parent Foundation's accounting policies for recognition and measurement are consistent with the policies for the consolidated financial statements with the exceptions stated below.

Investments in subsidiaries
Investments in subsidiaries are measured 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.

Dividends are recognised in the income statement.

Cash flow statement
With reference to section 86(4) of the Danish Financial Statements Act and the consolidated financial statements of Lundbeckfonden, the parent has not prepared a cash flow statement.

Note 2
Financial income and expenses

DKKm
Financial income
Fair value adjustments on financial assets
Interest on financial assets
Interest on receivables from subsidiaries
Dividends from portfolio investments
Reversal of impairment of investments in subsidiaries
Exchange gains
Total financial income
Financial expenses
Fair value adjustments on financial assets
Interest expenses
Exchange losses
Other financial expenses
Total financial expenses



Note 3

Employee costs

DKKkm	2024	2023
Wages and salaries	42.2	40.3
Pensions	8.3	5.0
Other social security costs	0.2	0.2
Total employee costs	50.7	45.5
Average number of employees during the year	32	28
Number of employees at year-end	34	30
DKKkm	2024	2023
Remuneration of the Executive Management (excluding remuneration received from subsidiaries)	6.4	6.1
Fees to the Board of Directors, including committee fees (excluding fees received from subsidiaries)	4.4	4.5

Members of Executive Management and the Board of Directors, who also serve as board members in subsidiaries also receive board remuneration directly from such subsidiaries. For a complete description hereof, see note 3 in the consolidated financial statements.

Note 4

Total operating costs of Lundbeckfonden

DKKkm
Lundbeckfonden - Employee costs, other external costs, and Grants & Prizes
Lundbeckfond Invest A/S - Employee costs and other external costs
Total costs
The costs can be allocated to Lundbeckfonden's activities as follows:
Lundbeckfonden Invest
Lundbeckfonden BioCapital
Corporate functions
Total costs

Note 5

Fees to auditors appointed at the annual meeting

DKKkm	2024	2023
Statutory audit	0.4	0.4
Tax assistance	0.2	0.2
Other services	0.2	0.2
Total fees	0.8	0.8

Other external costs include fees to auditors appointed by the Board of Directors.

Note 7 Proposed distribution of profit

DKKm	2024	2023
Capital base	580	195
Reserve for future grants	1,060	580
Retained earnings	1,182	194
Profit for the year	2,822	969

Note 8 Intangible assets

Other intangible assets, DKKm	2024	2023
Cost at 1 January	9	8
Additions	-	1
Cost at 31 December	9	9
Amortisation at 1 January	-7	-6
Amortisation	-1	-1
Amortisation at 31 December	-8	-7
Carrying amount at 31 December	1	2

Note 9 Tangible assets

Property and equipment, DKKm	2024	2023
Cost at 1 January	100	100
Cost at 31 December	100	100
Depreciation at 1 January	-39	-35
Depreciation	-4	-4
Depreciation at 31 December	-43	-39
Carrying amount at 31 December	57	61

Note 10 Investments in subsidiaries

DKKm
Cost at 1 January 2024
Cost at 31 December 2024
Carrying amount at 31 December 2024
Dividend received in 2024

DKKm
Cost at 1 January 2023
Cost at 31 December 2023
Impairment at 1 January 2023
Reversal of impairment
Impairment at 31 December 2023
Carrying amount at 31 December 2023

Subsidiaries, DKKm
Lundbeckfond Invest A/S
Vesper Bio ApS

Vesper Bio ApS' figures appear from the annual report for the period 1 January –31 December 2023 as the annual reports for 2024 has not been approved.



Note 11

Other securities and investments

DKKm	Bonds and corporate loans	Equities	Unlisted investment funds	Derivative financial instruments	Total
Carrying amount at 1 January 2024	1,580	4,113	181	-	5,874
Additions	2,709	2,572	-	12	5,293
Disposals	-1,241	-1,106	-36	-21	-2,404
Value adjustments	77	1,105	12	10	1,204
Carrying amount at 31 December 2024	3,125	6,684	157	1	9,967
Recognised in:					
Financial assets	3,125	6,684	157	1	9,967
Carrying amount at 31 December 2024	3,125	6,684	157	1	9,967
Carrying amount at 1 January 2023	2,742	3,136	113	-3	5,988
Additions	1,075	761	61	5	1,902
Disposals	-2,277	-560	-8	-14	-2,859
Value adjustments	40	776	15	12	843
Carrying amount at 31 December 2023	1,580	4,113	181	-	5,874
Recognised in:					
Financial assets	1,580	4,113	181	-	5,874
Carrying amount at 31 December 2023	1,580	4,113	181	-	5,874

Note 12

Capital base

DKKm

Capital base at 1 January

Increase in capital base

Capital base at 31 December

Note 13

Pension obligations

DKKm

Obligations at 1 January

Adjustment for the year

Obligations at 31 December



Note 14 Financial instruments

Equity contracts, DKKm	Contractual value	Share option gains/losses recognised in the income statement	Market value 31 December	Expiry
2024				
Options on shares	-162	10	1	Jun-25
Equity contracts	-162	10	1	

Note 15 Grants

DKKm	2024	2023
Grants for the year	1,074	592
Reversed grants/repayments	-14	-12
Net grants for the year	1,060	580

Payable grants, short-term amount to DKK 728m (DKK 656m at 31 December 2023). Payable grants, long-term amounts to DKK 1,738m (DKK 1,382m at 31 December 2023), of which DKK 230m (DKK 128m at 31 December 2023) is due after more than five years.

Note 16 Contractual obligations

Lundbeckfonden has contractual capital contribution obligations amounting to DKK 27m at 31 December 2024 (DKK 27m at 31 December 2023).

Note 17 Related parties

Lundbeckfonden defines related parties as Lundbeckfonden's Board of Directors and Executive Management, its wholly-owned investment and holding company Lundbeckfond Invest A/S and this company's subsidiaries H. Lundbeck A/S, ALK-Abelló A/S, Falck A/S, LFI Equity A/S, LFI Silva Investments A/S, DySIS Medical Ltd., and Vesper Bio ApS, including their subsidiaries and associates.

Lundbeckfond Invest A/S shares the same address as Lundbeckfonden, and there is duality of membership between the Executive Management, administration (partly) and Boards of Directors. Lundbeckfonden receives dividends from Lundbeckfond Invest A/S, which are recognised in the income statement.

In 2024, Lundbeckfonden received dividend from Lundbeckfond Invest A/S of DKKm 1,545m.

Lundbeckfonden received payment for administration costs, net amount DKK 10m in 2024 (DKK 11m in 2023) from Lundbeckfond Invest A/S. At 31 December 2024, Lundbeckfonden has a receivable from Lundbeckfond Invest A/S of DKK 553m (DKK 2,539m at 31 December 2023) and a receivable from Vesper Bio ApS of DKK 242m (DKK 141m at 31 December 2023). Lundbeckfonden received interest on receivables from Lundbeck Invest A/S and Vesper Bio ApS of DKK 86m (DKK 61m in 2023) and DKK 14m (DKK 9m in 2023), respectively.

For information on remuneration paid to the members of the Executive Management and Board of Directors, see note 3 in the consolidated financial statements.



Management statement

The Executive Management and the Board of Directors have today considered and adopted the annual report of Lundbeckfonden for the financial year 1 January - 31 December 2024.

The consolidated financial statements is prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Foundation Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Foundation Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Group and the Parent Foundation, and of the results of the Group's and the Parent Foundation's operations and the Group's cash flows for 2024.

In our opinion, Management Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Foundation, of the results for the year and of the financial position of the Group and the Parent Foundation as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Foundation.

We recommend that the Annual Report be adopted at the Board of Directors Meeting.

Copenhagen, 12 March 2025

Executive Management

Lene Skole
CEO

Board of Directors

Steffen Kragh
Chair

Søren Skou
Deputy Chair

Lars Holmqvist

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

Independent Auditor's Report

To the Board of Directors of Lundbeckfonden

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Foundation Financial Statements give a true and fair view of the Parent Foundation's financial position at 31 December 2024 and of the results of the Parent Foundation's operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Foundation Financial Statements of Lundbeckfonden for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for both the Group and the Parent Foundation, as well as statement of comprehensive income and cash flow statement for the Group ("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 Group 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 Consolidated Financial Statements and the Parent Foundation Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify a material misstatement in Management Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Foundation 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 Group's and the Parent Foundation'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 Group or the Parent Foundation or to cease operations, or has identified a realistic alternative but to do so.

- 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 Group's and the Parent Foundation'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 Group's and the Parent Foundation'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 Group and the Parent Foundation 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Lars Baungaard
State Authorised Public Accountant
mne23331

Torben Jensen
State Authorised Public Accountant
mne18651

Lundbeckfonden
Scherfigsvej 7
2100 København Ø
CVR 11814913



