

Country-by-country tax report

Financial year 2024

Our tax approach

At Lundbeck, we are tirelessly dedicated to restoring brain health, so every person can be their best. Sustainability is vital to Lundbeck. We acknowledge that through direct and indirect tax payments, businesses are an important source of revenue for governments and municipalities. Without them, sustainable communities cannot be built.

We consider a fair tax policy and a robust management of this policy as part of our sustainability commitment. It is our policy that we pay tax where we make our profit and offer transparency to stakeholders through reporting. We pay close attention to transfer pricing requirements and focus on pricing the value of these intercompany transactions on an arm's length basis, according to best practice guidelines issued by the OECD. These guidelines ensure that profits are taxed in the country where the economic activities generating the profits are performed and where the value is created.

Being compliant with applicable laws, regulations, guidelines and industry standards is at the foundation of being responsible. As stated in our Code of Conduct, our tax policy, local tax laws and regulations are observed when establishing collaborations and conducting business. We acknowledge that even legal and compliant transactions and structures may have reputational impact, if the underlying business reasons are not communicated in a clear and transparent manner.

Our tax policy sets forward the principles by which we manage our tax affairs in a compliant, transparent and responsible manner.

Introduction to our Country-by-country report

The Lundbeck Group

The Lundbeck Group is ultimately controlled by the Lundbeck Foundation, however this Country-by-country report, only includes data for the Lundbeck Group, defined as H. Lundbeck A/S and all its subsidiaries and branches.

The country-by-country report includes data for all jurisdictions where the Lundbeck Group has a taxable presence. Information for branches is reported for the country, where the branch has a permanent establishment and a tax presence.

Data source and reporting standard

The Country-by-Country financial information is based on the group reporting system supporting the Annual Report, applying the accounting principles of International Financial Reporting Standards (IFRS). Profit according to Local accounting principles may differ from the profit applying IFRS principles.

The financial information has been prepared under Lundbeck's general financial policies. The country-by-country reporting is not subject to an external audit opinion.

Lundbeck's Country by Country report discloses the information suggested in the EU directive for tax transparency. Numbers are reported in mDKK.

Transfer pricing policy

The transfer pricing policy of the Group guides the profit level in the countries where Lundbeck operates, based on risk and value creation (principal model). Our transfer pricing policy is in accordance with the OECD transfer pricing guidelines.

H. Lundbeck A/S is the principal of the group where management, the majority of research and development activities, production activities and Intellectual property resides. Certain IP solely related to the US market are held by the US group.

Our subsidiaries provide routine services based on contracts and at the request and guidelines of H. Lundbeck A/S. Activities in subsidiaries are distribution activities, sales services, administrative services, contract research and development, contract manufacturing and clinical studies services on local markets.

The subsidiaries are remunerated by the principal for their services on arm's-length basis represented by benchmarked profit margins of independent enterprises with comparable activities. Consequently, the principal receives the residual profit/loss after all routine subsidiaries have been remunerated in accordance with the arm's-length principle.

Definitions

Primary activities

The primary activities are reported per country. The primary activities are distribution, sales services, production, R&D and IP Holding.

Total revenue

Total revenue includes third party revenue, related party revenue, other income and financial income but excludes dividends.

Profit/loss before tax

Profit/loss before tax is reported based on the IFRS principles and can vary from the local financial statements. Dividends received from subsidiaries are excluded from the profit/loss before tax.

Income tax paid

Income tax paid reflects the actual cash tax payments in the year and consists of both tax prepayments for current year and tax payments related to prior years.

Income tax accrued

Income tax accrued is the calculated tax expense related to expected taxable profit based on local principles for the year.



Accumulated earnings

Accumulated earnings reflect the profits at the end of the year that are retained and not used for any other purpose.

Number of employees

Number of employees is calculated as the average number of full-time employees during the year.

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Country	Activity	Third party revenue	Intercompany revenue	Total revenue	Profit (loss) before tax	Income tax paid	Income tax accrued	Accumulated earnings	Number of Employees
 Distribution	 Sales service		 Production		 R&D		 IP Holding		 Dormant
Argentina		64	0	64	39	6	8	29	15
Australia		420	0	420	14	6	4	15	46
Austria		114	3	117	9	3	2	7	8
Belgium		157	2	160	10	3	3	73	11
Brazil		429	0	429	55	42	23	147	123
Canada		1,051	7	1,058	44	6	16	-36	127
Chile		113	0	113	-4	-1	2	-14	17
China		0	409	410	23	21	14	0	310
Colombia		17	0	17	-1	0	0	-5	0
Croatia		0	7	7	0	0	0	2	6
Cyprus		0	0	0	0	0	0	0	1
Czech Republic		179	1	180	1	1	1	4	19
Denmark	  	11,911	7,305	19,217	2,853	162	336	18,885	2,084
Estonia		55	0	55	2	0	0	1	4
Finland		112	1	113	10	2	2	8	21
France	 	406	243	650	57	17	16	62	312
Germany		84	18	102	46	15	15	616	63
Greece		224	0	224	5	2	0	12	52
Hong Kong		142	0	142	4	0	1	16	18
Hungary		43	0	44	2	0	0	3	10
India		0	0	0	0	0	0	4	0
Ireland		62	0	62	3	1	1	4	11
Israel		71	0	71	2	1	0	5	12
Italy	 	688	66	754	32	22	19	287	260
Japan		0	150	150	31	15	8	35	93
Latvia		0	2	2	0	0	0	0	2
Lithuania		0	3	3	0	0	0	0	3
Luxembourg		0	0	0	0	0	0	0	0
Malaysia		90	0	90	6	1	1	15	23
Mexico		256	0	256	1	0	1	18	99
Netherlands		54	40	93	38	16	10	1,005	10
New Zealand		0	0	0	0	0	0	-5	0
Norway		41	1	41	2	1	1	4	11
Pakistan		26	0	26	1	1	1	-34	25
Panama		44	0	44	-1	0	0	4	3
Peru		0	0	0	0	0	0	-4	0
Philippines		25	0	25	4	0	0	6	28
Poland		146	126	272	12	7	1	13	297
Portugal		206	0	206	7	2	2	5	21
Republic of Korea		365	0	365	8	3	3	62	69
Romania		95	20	115	2	1	1	0	12
Russian Federation		0	35	35	-6	1	1	2	76
Singapore		76	36	112	5	1	0	21	59
Slovakia		63	0	63	2	0	1	1	9
Slovenia		29	1	30	1	0	0	8	7
South Africa		83	0	83	1	0	0	12	25
Spain		672	13	685	48	7	13	38	155
Sweden		47	1	48	8	1	2	5	15
Switzerland		303	15	318	28	2	3	-878	20
Turkey		140	0	140	17	-2	1	21	47
United Kingdom		133	109	241	112	33	24	1,384	42
USA		3,614	2,833	6,448	304	181	180	2,086	1,018
Venezuela		0	0	0	0	0	0	-67	0
Eliminations and other adjustments		-846	-4,368	-5,214	-123	0	-51	-1,692	0
Lundbeck Group		22,004	7,082	29,086	3,719	583	669	22,189	5,694