

# *Country by country tax report*

2024-25



## Coloplast's approach to taxes 2024/25

Coloplast is committed to running an ethical, transparent, and responsible business. This is tied to our company values: Respect & Responsibility. We consider a fair tax policy and a robust management of this policy as part of our commitments, and Coloplast wants to be known and trusted as a company that upholds highest standards of ethical business practices, irrespective of country and markets.

For Coloplast, respecting local tax laws, regulation guidelines and industry standards are important to the company's reputation and brand. 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.

Disclosures on taxes are not part of the requirements in the EU CSRD reporting regulation. Consequently, disclosures and references to tax commitments as the published Tax Policy, previously included in the annual report will in the future be disclosed in this report.

### *Accountability and Governance*

Tax is a core part of Coloplast's corporate responsibility and governance and is overseen by the Audit Committee on behalf of the Board of Directors.

### *Compliance*

Being compliant with applicable national and international tax rules and regulations is important to Coloplast. We are committed to upholding tax legislation in all the countries we operate in and ensuring to pay the correct amount of taxes at the right time.

### *Business structure*

Business structures and transactions within Coloplast must have a business purpose or commercial rationale. Coloplast does not allow commercial needs to override compliance with applicable laws, nor base commercial activities on artificial or opaque structures that are intended for tax avoidance or have no commercial substance.

### *Transparency*

Coloplast believes that transparency in our tax approach can strengthen trust in both the corporate tax system and the management of tax by multinational companies. Therefore, we are committed to disclosing relevant information about our tax practices.

### *Relationship with authorities*

Coloplast seeks to have an open and transparent relationship with the tax authorities and actively participates in relevant cooperative compliance relationships.

### *Seeking and accepting tax incentives*

Governments often implement tax rules and incentives encouraging companies to increase investments to stimulate economic development or employment. Coloplast will claim available incentives and tax reliefs where they apply in areas where we have business substance.

### *Supporting Effective Tax Systems*

Coloplast engages constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation, and administration, and support target 16.6 in UN's Sustainable Development Goals.

Please find more information about Coloplast commitments in our tax policy here [\[LINK\]](#).

## Introduction to country-by-country reporting

Coloplast A/S is a global corporation with the ultimate parent located in Denmark.

The nature of being a global corporation implies that goods are sold, services are carried out, and intangibles are exploited between Coloplast entities across geographical borders and between different tax regimes.

We pay close attention to transfer pricing requirements and focus on pricing the value of these cross-border intercompany transactions on arms-length basis according to best practice guidelines issued by the OECD. These guidelines ensure that taxes are paid where the business activities generate value and are performed within a normal cause of business activity.

Coloplast A/S is the headquarters where the executive management as well as most of the research and development activities reside. Additionally, most of all intellectual property is held by Coloplast A/S.

Subsidiaries carry out their activities on behalf of Coloplast A/S. This means that Coloplast A/S buys all products manufactured in the Group and sells the products to the distribution entities, who then sell those in the local markets. Some services are carried out in the subsidiaries on behalf of Coloplast A/S and charged accordingly. All activities are remunerated based on regional benchmarked profit margins of independent enterprises with comparable activities.

Acquired entities are integrated into the operated structure when practically possible.

This report discloses the country-by-country reporting (CbCr) data based on the content of the EU directive, however disclosed fully and not limited to the countries in scope of the EU directive CbCr reporting.

Beyond what is required by the EU directive, Coloplast has decided to disclose additional data to increase the transparency as well as to strengthen the understanding of how the data is linked to the Group Annual Report as follows:

- Change in deferred income tax on profits
- Income tax related to prior years and changes in tax rates
- Total income tax of the year
- Effective tax rate

The data source is the group consolidation reporting system. This means that the data is based on the International Financial Reporting Standards (IFRS) and the currency is DKK.

The reporting period is 1 October 2024 – 30 September 2025 for all countries irrespective that the fiscal year is different in a few countries outside EU.

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

## Definitions

### Income tax

Income tax includes corporate income tax, other local taxes and tax credits classified as corporate income tax according to IFRS accounting principles.

### Primary activities

The primary activities are reported per country. The primary activities are distribution, manufacturing, or service.

### Employees

The number of full-time employees (FTEs) is calculated as the average full-time employees during the year in line with the definition in the Annual Report.

### Accumulated earnings

Accumulated earnings reflect the profits that are retained and not used for any other purpose. Accumulated earnings from investments in subsidiaries in the same country are eliminated per country to avoid double counting.

### Total of revenue

The total revenue includes revenue to related and unrelated parties. The revenue includes sales of products, service income, other operating income, and financial income.

The revenue to related parties is eliminated in the line item "Eliminations and other adjustments".

### Profit before income tax

Profit before tax is reported based on IFRS group accounting policies. Local statutory financial statements might be different as these comply with the local accounting standards.

The reported profit before income tax excludes the "profit after tax on investments in subsidiaries".

### Income tax paid

Income tax paid includes the cashflow of income tax during the financial period. Withholding taxes and taxes related to branches are included in the country of the legal entity carrying the taxes.

### Current tax on profit for the year

The current tax on profit for the year is based on the expected profit before tax according to local accounting standards adjusted for permanent non-deductible/non-taxable items and temporary differences between local accounting policies and tax legislation. Current tax posted on the equity, mainly related to equity settled share options, is not included.

### Change in deferred tax on profit for the year

Change in deferred tax on profit for the year includes the income tax on temporary differences between profit before tax according to IFRS group accounting policies and taxable income in accordance with the tax legislation using the balance sheet liability method. An example is different tax amortization and depreciation periods compared to IFRS accounting policies.

Changes in deferred tax are impacted by not recognized deferred tax assets related to tax losses not meeting the criteria for recognition according to applied accounting principles.

Changes in deferred tax posted on the equity, mainly related to equity settled share options and defined benefit pension plans, is not included.

### Adjustment of tax relating to prior years

Adjustment of tax relating to prior years includes audit adjustments and the difference between the current income tax accrued in prior years and the income tax filed in the corporate income tax return.

### Total income tax of the year

Total income tax of the year includes the sum of current and deferred tax accrued and income tax related to prior years.

### Effective tax rate

The effective tax rate is the total income tax of the year divided with the profit before tax.

The effective tax rate per country is impacted by the statutory tax rate in the country, local tax legislation regarding permanent adjustments like non-deductible expenses and non-taxable income, taxes related to prior years, other local taxes, tax credits, and changes in tax rates.

**COUNTRY BY COUNTRY REPORTING COLOPLAST GROUP 2024/25 - DKK 1000**

Country	Primary activities	Employees	Accumulated Earnings	Total net turnover	Profit before income tax	Income tax paid	Current income tax accrued	Deferred income tax accrued	Income tax related to prior years	Total income tax of the year	Effective tax rate
Denmark	Principal	1,450	11,908,267	19,466,093	3,599,599	-107,983	-230,048	1,013,779	-2,053	788,926	22%
Argentina	Distribution	72	73,089	351,041	8,489	32,078	1,725	-5,086	6,591	3,230	38%
Australia	Distribution	126	85,652	418,496	23,548	11,461	6,871	276	-69	7,079	30%
Austria	Distribution	38	21,412	199,982	24,104	4,130	5,943	-326	188	5,805	24%
Belgium	Distribution	53	68,769	429,423	46,013	10,515	15,336	-2,581	209	12,964	28%
Brazil	Distribution	193	20,502	438,603	16,560	4,179	11,769	-5,808	1,310	7,271	44%
Canada	Distribution	81	61,232	389,799	12,131	7,528	3,523	-22	-4	3,497	29%
China	Distribution, Manufacturing	1,586	251,817	1,525,589	55,827	28,677	16,887	2,911	2	19,800	35%
Colombia	Distribution	25	1,491	18,514	1,542	472	828	0	-160	668	43%
Costa Rica	Manufacturing	1,052	266,016	1,074,711	78,586	-236	0	6,310	0	6,310	8%
Czech Republic	Distribution	43	20,035	189,752	8,690	2,724	2,752	192	-244	2,700	31%
Finland	Distribution	31	17,095	147,849	12,772	3,431	1,961	681	1	2,642	21%
France	Distribution, Manufacturing	826	505,184	3,577,584	234,569	80,635	70,843	-3,682	985	68,421	29%
Germany	Distribution, Service, Manufacturing	1,125	693,290	3,134,539	293,622	190,397	63,946	31,406	-128	95,224	32%
Hong Kong	Distribution	11	6,019	32,305	2,226	82	230	-7	-174	49	2%
Hungary	Manufacturing, Service	4,595	1,618,850	4,921,237	248,240	41,461	43,783	7,059	-140	50,702	20%
Iceland	Manufacturing	133	1,206,629	9,634,297	9,644,219	-1,750	1,860,482	27,257	2,466	1,890,205	20%
India	Distribution	202	17,657	95,557	2,626	1,229	0	707	0	707	27%
Ireland	Distribution	16	0	132,262	11,340	1,305	1,305	0	0	1,305	12%
Israel	Distribution	19	8,935	103,363	9,798	1,731	2,181	115	0	2,296	23%
Italy	Distribution	299	275,941	1,622,882	139,666	45,485	31,718	11,050	4,658	47,426	34%
Japan	Distribution	190	63,343	452,461	25,383	11,059	7,663	1,753	154	9,570	38%
Korea (South)	Distribution	68	27,445	166,148	8,481	1,463	2,165	-132	-27	2,007	24%
Netherlands	Distribution	89	61,097	639,950	43,362	14,327	10,873	372	105	11,350	26%
New Zealand	Distribution	3	9,258	85,710	3,466	1,930	1,098	-118	14	994	29%
Norway	Distribution	38	32,309	320,662	28,816	5,043	6,564	-185	-3	6,376	22%

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Poland	Distribution, Service	907	105,209	637,075	53,037	16,233	11,722	-252	-94	11,375	21%
Portugal	Distribution	71	37,251	165,400	8,840	2,914	4,203	-1,041	-409	2,752	31%
Russia	Distribution	31	127,176	204,124	14,384	5,340	5,486	-1,136	0	4,350	30%
Singapore	Distribution	8	0	8,484	1,351	96	96	0	0	96	7%
Slovakia	Distribution	19	21,694	99,632	9,630	3,281	2,165	-125	3	2,152	22%
Spain	Distribution	207	114,915	1,027,615	86,717	10,163	22,319	-583	0	21,736	25%
South Africa	Distribution	82	0	118,451	9,785	2,324	3,342	-700	74	2,716	28%
Sweden	Distribution, Manufacturing	288	532,209	844,409	62,862	12,185	20,555	3,509	4,035	28,099	45%
Switzerland	Distribution	23	48,036	398,604	133,177	3,437	10,317	-33	3	10,286	8%
Taiwan	Distribution	19	9,593	24,466	1,670	174	358	9	13	380	23%
Turkey	Distribution	24	16,325	94,414	6,288	-1,892	2,218	-699	-3,453	-1,935	-31%
United Kingdom	Distribution	764	549,982	3,808,012	348,180	73,282	92,423	-1,212	-6,570	84,641	24%
United States of America	Distribution	1,965	915,042	7,749,883	424,100	52,264	78,975	-2,663	-3,168	73,144	17%
Ukraine	Distribution	6	0	5,804	3,140	314	565	0	0	565	18%
Eliminations and other adjustments		0	-2,124,179	-36,423,181	-9,589,577	0	-78,496	-665,760	-15,087	-766,970	
Coloplast group		16,773	17,674,587	28,332,001	6,157,259	571,488	2,116,646	415,235	-10,972	2,520,911	41%

## Comments to 2024/25

### Denmark/Iceland

As part of integrating the Kerecis Group into the Coloplast structure, all intellectual property rights held by Kerecis entities in Iceland and Switzerland were transferred to Coloplast A/S during 2024/25. The transfer resulted in a significant exit tax in Iceland, which will be payable in 2026/27. In Switzerland, the gain from the transfer was offset by previously unrecognized net operating losses.

Following the transfer, Coloplast A/S obtained amortization rights for the acquired intellectual property. This reduces Danish income taxes over the seven-year tax amortization period applicable to most intellectual property rights. Intellectual property related to know-how was immediately deductible, which led to a negative taxable income in Denmark for 2024/25. This deduction represents a timing difference and will reverse in future years.

The transfer of intellectual property affected the effective tax rate due to the tax recognized on goodwill, which did not carry a deferred tax in the initial recognition on the acquisition date.

### Production facilities

Coloplast operates high-volume manufacturing sites in Costa Rica and Hungary, and a new facility is currently being established in Portugal. The authorities in these countries provide government grants and favorable tax incentives to attract foreign investments. Through qualifying investments, Coloplast benefits from such incentives, which results in relatively low effective tax rates in these jurisdictions. The profits generated in these entities are below the Substance-Based Income Exclusion test under the OECD's Global Minimum Taxation Rules. Consequently, Coloplast is not subject to additional top-up tax on the profits from these manufacturing sites.

### Low tax jurisdictions and non-EU collaborative countries

Coloplast has legal entities providing distribution activities to support the medical needs of users in low tax jurisdictions as the territory of Hong-Kong, Singapore and Ireland; and additionally in Russia and Turkey represented on the EU Black and Gray lists. The remuneration of these entities is based on regional benchmarks in line with the principles applied to all distribution entities in the group. The negative effective tax rate in Turkey relates to adjustments to prior years.

Costa Rica was in 2025 removed from the EU gray list of non-collaborative country for exchange of tax information.