

Lundbeck Export A/S

Central Business Registration

No: 26256275

Ottiliavej 9

DK-2500 Valby

Annual Report 2020

The Annual General Meeting approved the Annual Report on 5 May 2021

Chairman of the Annual General Meeting

Name: Jakob Østergaard Mikkelsen

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Company details

Company

Lundbeck Export A/S

Ottiliavej 9

DK-2500 Valby

Central Business Registration No: 26256275

Registered in: Copenhagen

Financial year: 1 January – 31 December 2020

Phone: +45 36301311

Board of Directors

Jacob Tolstrup, Chairman

Morten Bryde Hansen, Deputy Chairman

Dierk Erwin Schoch

Søren Kjeld Kristensen

Henrik Agerbæk-Larsen

Executive Board

Søren Kjeld Kristensen, Chief Executive Officer

Entity auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Strandvejen 44

DK-2900 Hellerup

Statement by Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Lundbeck Export A/S for the financial year 1 January – 31 December 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2020 and of the results of its operations for the financial year 1 January – 31 December 2020.

We believe that the Management's Review contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 5 May 2021

Executive Board

Søren Kjeld Kristensen
Chief Executive Officer

Board of Directors

Jacob Tolstrup
Chairman

Morten Bryde Hansen
Deputy Chairman

Dierk Erwin Schoch

Søren Kjeld Kristensen

Henrik Agerbæk-Larsen

Independent auditor's report

To the Shareholder of Lundbeck Export A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Lundbeck Export A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's 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's review and, in doing so, consider whether Management's 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's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company 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.

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.

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Hellerup, 5 May 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Torben Jensen

State Authorised Public Accountant

mne 18651

Management's Review

	2020	2019	2018	2017	2016¹
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
Financial highlights					
Key Figures					
Revenue	1,805,881	1,626,082	1,549,297	1,405,921	1,392,026
Gross profit	138,178	130,578	117,199	158,182	96,733
Operating profit/(loss)	54,355	49,946	46,183	95,395	37,388
Net financials	(36,127)	21,153	(3,142)	(54,768)	(2,295)
Profit for the year	11,849	50,930	25,953	28,507	25,357
Total assets	728,364	784,559	687,112	692,923	765,842
Investments in property, plant and equipment	518	1,764	1,288	1,944	1,082
Equity	321,780	359,665	334,532	337,213	355,423
Ratio					
Return on Equity (%)	3.5	14.7	7.7	8.2	7.4
Equity ratio (%)	44.2	45.8	48.7	48.7	46.4
Profit margin (%)	3.0	3.1	1.7	2.0	1.8
Gross margin (%)	7.7	8.0	7.6	11.3	6.9

For definitions of ratios please refer to accounting policies.

Primary activity

The Company's primary activity is to sell finished medicinal products and bulk goods to markets in the Middle East, the Indian subcontinent (with the exception of Pakistan and India), Africa (with the exception of South Africa), South America, Asia and Europe.

Development in activities and finances

The Company's revenue totalled DKK 1,805,881 thousand in 2020 compared to DKK 1,626,082 thousand in 2019. For 2020 revenue increased 11% compared to 2019 which is in line with expectations.

Operating profit amounts to DKK 54,355 thousand in 2020 compared to DKK 49,946 thousand in 2019. The slight increase in operating profit is a result of higher sales in 2020. The result is in line with expecta-

¹ Comparative figures for 2016 for revenue and net financials have not been restated to reflect the change in presentation of foreign currency translation.

tions. Profit for the year amounted to DKK 11,849 thousand in 2020 compared to DKK 50,930 thousand in 2019. The actual profit after tax achieved by the Company was lower by DKK 23,151 thousand than predicted in Financial Statement for 2019 year. The reason of this discrepancy is exchange rate fluctuations for the primary currencies. The Company is selling entity on international markets, where SAR, RUB, USD, and CNY currencies play a significant role.

Outlook

The Company expects revenue and result before tax for 2021 to be on par with 2020. This means revenue ranging between DKK 1.6 billion and DKK 2.0 billions and a profit before tax between DKK 15 million and DKK 40 million. The impact of COVID-19 is still uncertain, however at this point in time it is not expected to have a material impact on the revenue ranges provided above for 2021.

Particular risks

The Company's key risks relate to Market and Commercial risks such as price pressure, new legislation, regulation and financial risks such as fluctuations in exchange rates.

Research and development activities

The research and development activities of the Lundbeck Group are performed by the Parent Company (H. Lundbeck A/S). Therefore the Company has no research and development activities.

Sustainability

The Entity is covered by the policies of the Parent, H. Lundbeck A/S. Management has chosen to disclose the mandatory annual statutory report on sustainability in the form of a Communication on Progress report to the UN Global Compact on its homepage <https://www.lundbeck.com/global/sustainability>.

Target for the supreme management body, the Board of Directors

Lundbeck Export is part of the Lundbeck Group, and has adopted the goal set by H. Lundbeck A/S Board of Directors. The diversity target in Lundbeck Export is therefore set to be that at least one of the members elected by the shareholders to the Board of Directors should be of the underrepresented gender by 2025. In 2020, there were no female board members. The target was not reached in 2020 since the General Assembly did not see the need to make any changes to the BoD.

Policy for the underrepresented gender at other management levels

H Lundbeck A/S has established a target to maintain an overall equal gender split for people managers globally to drive the development. In 2020, the proportion of female managers was 42% and the gender split for all employees was 47/53%.² We plan to address gender equality even more in the coming years by creating more awareness about biases and taking a closer look at our HR-related processes, such as recruitment and promotions.

² <https://www.lundbeck.com/global/sustainability>

Events after the balance sheet date

No significant events that could influence the Financial Statements for 2020 have taken place after the balance sheet date.

Accounting policies

Reporting Class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied for these Financial Statements are consistent with those applied last year.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and the risk has been transferred to the buyer. Revenue is recognised net of VAT, revenue-based taxes and sales discounts.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Company's primary activities.

Cost of goods sold

Cost of goods sold comprises costs of goods sold for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Employee costs

Employee costs comprise salaries and wages as well as social security contributions, pension contributions, etc for employees. This item also includes costs of share-based incentive programmes based on the Parent Company's shares.

Depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets as well as gains and losses from the sale of property, plant and equipment.

Residual values are assessed annually. Depreciation relating to right-of-use assets is calculated on the basis of the lease term according to the lease agreement.

Financial income

Financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, as well as net realised and unrealised gains and losses on receivables and payables denominated in foreign currencies.

Financial expenses

Financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and interest expenses relating to lease liabilities, as well as net realised and unrealised gains and losses on receivables and payables denominated in foreign currencies.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Lundbeckfond Invest A/S and its Danish subsidiaries. Current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balances calculated pursuant to the interest deduction limitation rule of the Danish Corporation Tax Act have been allocated among the jointly taxed companies that are subject to limitation of deductibility based on their share of the total limitation. Deferred tax liabilities in respect of these balances are recognised in the balance sheet, whereas deferred tax assets are recognised only if they qualify for recognition as deferred tax assets.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement.

Accounting policies

Right-of-use assets are recognised at the present value of future payments in accordance with the lease agreements, reduced by lease incentives and increased by upfront payments. Right-of-use assets are depreciated over the lease term and depreciation is recognised in the income statement. Right-of-use assets are presented as part of property, plant and equipment. See further information on the recognition of lease agreements in the section *Lease liabilities* .

Inventories

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.

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of assets and liabilities and their tax bases. The tax value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments recognised in assets comprise incurred costs relating to subsequent financial years, for example insurance. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Accounting policies

Share-based payments

Share-based incentive programmes in which employees may opt to buy shares in the Parent 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 staff costs as or when the employee obtains the right to buy/receive the shares. The offsetting item is recognised directly in equity under retained earnings.

Lease liabilities

Lease liabilities are recognized at the present value of future payments in accordance with the lease agreements and include the present value of future payments relating to reasonably certain extensions. Interest on the lease liabilities is calculated using the incremental borrowing rate and recognized under financial expenses. The lease liabilities are reduced by any instalments paid to the lessor.

Lundbeck Export uses the same incremental borrowing rate for lease agreements with similar characteristics.

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.

Lundbeck Export recognizes lease agreements under Land and buildings in accordance with IFRS 16 *Leases*. Other lease agreements are considered immaterial. Short-term, low-value and immaterial lease agreements are recognized as operating expenses on a straight-line basis over the lease term.

Provisions

Provisions consist of different types of provisions, including provisions for pending lawsuits. Provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the services agreed.

Other financial liabilities

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

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Accounting policies

Cash flow statement

As allowed under section 86(4) of the Danish Financial Statements Act, the Company has omitted to prepare a cash flow statement.

Financial highlights

Financial highlights are calculated as stated below.

Ratios		Calculation formula	Ratios reflect
Return on equity (%)	=	$\frac{\text{Profit/(loss) for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the enterprise by the owners.
Equity ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.
Profit margin (%)	=	$\frac{\text{Profit/(loss) for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Gross margin (%)	=	$\frac{\text{Gross profit/(loss)} \times 100}{\text{Revenue}}$	The Entity's product profitability.

Income statement

	Notes	2020 DKK'000	2019 DKK'000
Revenue	1	1,805,881	1,626,082
Other operating income		75	193
Cost of goods sold		(1,127,076)	(922,877)
Other external expenses		(540,702)	(572,820)
Gross profit		138,178	130,578
Employee costs	2	(79,195)	(76,897)
Depreciation and impairment losses	3, 4	(4,628)	(3,735)
Operating profit		54,355	49,946
Financial income	5	471	22,843
Financial expenses	6	(36,598)	(1,690)
Profit before tax		18,228	71,099
Tax on profit	7	(6,379)	(20,169)
Profit for the year		11,849	50,930
Distribution of profit/(loss)			
Dividends for the financial year		11,000	50,000
Retained earnings		849	930
		11,849	50,930

Balance sheet

Assets	Notes	2020 DKK'000	2019 DKK'000
Other fixtures and fittings, tools and equipment	8	2,139	3,205
Leasehold improvements	8	429	56
Right-of-use assets	4	4,626	4,555
Property, plant and equipment		7,194	7,816
Receivables from group enterprises		226,399	224,984
Deposits		648	694
Deferred tax assets	9	37,505	25,323
Financial assets		264,552	251,001
Non-current assets		271,746	258,817
Inventories		10,138	20,405
Trade receivables		321,390	404,543
Receivables from group enterprises		72	107
Corporation tax receivable from group enterprises		1,511	0
Other receivables		27,998	28,123
Prepayments		14,489	15,673
Receivables		365,460	448,446
Cash		81,020	56,891
Current assets		456,618	525,742
Total assets		728,364	784,559

Balance sheet

Equity and liabilities	Notes	2020 DKK'000	2019 DKK'000
Share capital		600	600
Proposed dividends		11,000	50,000
Retained earnings		310,180	309,065
Equity		321,780	359,665
Lease liabilities	4	1,785	2,851
Non-current liabilities		1,785	2,851
Provisions		427	360
Prepayments received from customers		15,693	1,860
Trade payables		42,642	43,706
Debt to group enterprises		290,762	244,794
Payables to group enterprises relating to corporation tax		0	25,020
Lease liabilities	4	1,845	1,120
Deferred income		17,144	43,173
Other payables	10	36,286	62,010
Current liabilities		404,799	422,043
Total liabilities		406,584	424,894
Total equity and liabilities		728,364	784,559
Contingent liabilities	11		
Related parties	12		

Statement of changes in equity

	Share capital	Proposed dividends	Retained earnings	Total
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
Equity at 1 January 2020	600	50,000	309,065	359,665
Distributed dividends	-	(50,000)	-	(50,000)
Other adjustments	-	-	266	266
Profit/(loss) for the year	-	11,000	849	11,849
Equity at 31 December 2020	<u>600</u>	<u>11,000</u>	<u>310,180</u>	<u>321,780</u>

Other adjustments relates to share-based incentive programmes.

Notes

	2020	2019
	DKK'000	DKK'000
1. Revenue		
EU countries	72,705	75,935
Other countries	1,733,176	1,550,147
	1,805,881	1,626,082

	2020	2019
	DKK'000	DKK'000
2. Employee costs		
Wages and salaries	47,235	46,773
Pension costs	582	588
Other social security costs	3,822	3,534
Other staff costs	27,556	26,002
	79,195	76,897

Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b (3)(ii) of the Danish Financial Statement Act.

	2020	2019
Average number of employees in the financial year	156	148

	2020	2019
	DKK'000	DKK'000
3. Depreciation and impairment losses		
Depreciation of property, plant and equipment	4,564	3,908
Profit/(loss) from disposal of property, plant and equipment	64	(173)
	4,628	3,735

The table above include depreciation and profit/(loss) on all assets recognized within property, plant and equipment, i.e. also right-of-use assets.

Notes

4. Right-of-use assets and lease liabilities

	2020	2019
	DKK'000	DKK'000
Amounts recognized in the income statement		
Expense relating to short-term leases, not capitalized	2	81
Expense relating to leases of low value assets, not capitalized	6	0
Depreciation of right-of-use assets, land and buildings, including profit/(loss)	3,475	2,231
Interest expenses relating to lease liabilities	8	6
	Land and buildings	Land and buildings
	2020	2019
	DKK'000	DKK'000
Right-of-use assets		
Carrying amount at 1 January	4,555	4,353
Additions	0	2,605
Adjustments	3,488	(119)
Depreciation for the year	3,417	2,284
Carrying amount at 31 December	4,626	4,555
	Lease liabilities	Lease liabilities
	2020	2019
	DKK'000	DKK'000
Maturity analysis		
Within 1 year	1,852	1,120
Between 1 year and 5 years	1,785	2,851
Lease liabilities	3,637	3,971

Notes

	2020	2019
	DKK'000	DKK'000
5. Financial income		
Financial income from group enterprises	154	315
Interest income	317	544
Exchange rate adjustments	0	21,984
	471	22,843
	2020	2019
	DKK'000	DKK'000
6. Financial expenses		
Financial expenses from group enterprises	1	13
Interest expenses	1,373	292
Exchange rate adjustments	33,386	0
Interest expenses relating to lease liabilities	8	6
Other financial expenses	1,830	1,379
	36,598	1,690
	2020	2019
	DKK'000	DKK'000
7. Tax for the year		
Current tax	18,489	45,020
Adjustments relating to previous years, current tax	0	59
Adjustments relating to previous years, deferred tax	72	(20)
Change in deferred tax for the year	(12,182)	(24,846)
Total tax for the year	6,379	20,213
Tax for the year is composed of:		
Tax on profit for the year	6,379	20,169
Tax on transactions in equity	0	44
Total tax for the year	6,379	20,213

Notes

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold im- provements DKK'000
8. Property, plant and equipment		
Cost at 1 January 2020	7,162	5,223
Additions	0	518
Disposals	(976)	0
Cost at 31 December 2020	6,186	5,741
Depreciation and impairment losses at 1 January 2020	3,957	5,167
Depreciation for the year	1,001	145
Depreciation on disposals	(911)	0
Depreciation and impairment losses at 31 December 2020	4,047	5,312
Carrying amount at 31 December 2020	2,139	429
		2020
		DKK'000
9. Deferred tax assets		
Deferred tax assets 1 January 2020		25,323
Movements relating to profit for the year		12,182
Movements relating to transactions in equity		0
Deferred tax assets 31 December 2020		37,505
Deferred tax assets mainly relates to accrued discounts and deferred income and are expected to be utilized within a foreseeable future.		
	2020	2019
	DKK'000	DKK'000
10. Other payables		
Wages and salaries, personal income taxes, social security costs, etc.	36,099	32,892
Holiday pay obligation	43	44
Other current payables	144	29,074
	36,286	62,010

11. Contingent liabilities

Bank guarantees and letter of intent

The Company's banks have issued bank guarantees worth DKK 5 millions in favour of third parties.

Joint taxation

The Company is part of a Danish joint taxation scheme with Lundbeckfond Invest A/S, according to which the Company has partly a joint and several liability and partly a secondary liability with respect to corporate income taxes etc. for the jointly-taxed companies. In addition, the Company has partly a joint and several liability and partly a secondary liability with respect to any obligations to withhold tax on interest, royalties and dividends for these companies. However, in both cases the secondary liability is capped at an amount equal to the share of the capital of the Company directly or indirectly owned by the ultimate parent company.

12. Related parties

Lundbeck Export A/S' related parties comprise the following:

Control:

H. Lundbeck A/S, Ottiliavej 9, DK-2500 Valby, Denmark

H. Lundbeck A/S holds the majority of the contributed capital in the Company.

Lundbeck Export A/S is part of the Consolidated Financial Statements of H. Lundbeck A/S, which is the smallest group, in which the Company is included as a subsidiary.

There has been no transactions with related parties that were not on an arm's length basis.

The Consolidated Financial Statements of H. Lundbeck A/S can be obtained by contacting the Company at the above address.