

The image is a cover for ASML's 2022 tax report. It features a background of two aerial night views: on the left, a brightly lit port with rows of colorful shipping containers in shades of green, blue, orange, and red; on the right, a city skyline with illuminated buildings and streets. A white grid pattern is overlaid on the entire image. The ASML logo is in the top right corner, and the text 'Tax report 2022' is in the middle right. The main headline 'More transparency. Greater trust.' is centered across the middle.

ASML

Tax report
2022

**More
transparency.**

**Greater
trust.**

Our approach to tax

We regard the taxes that we pay as valuable contributions to the communities in which we operate and an integral part of our responsibility to create social value. Being transparent about our approach to tax is important to us, and is supported by both our ESG sustainability strategy and overall business strategy.



Contents

- 2 **Introduction**
- 3 **About ASML**
- 4 **ASML operating model**
- 5 **Our tax principles**
- 7 **Our tax strategy**
- 8 **Stakeholder management**
 - Stakeholder engagement
 - Our relationship with government, business groups and civil society
 - Our relationship with the tax authorities
- 8 **The future of taxation**
 - Tax automation
 - ESG Sustainability and tax
- 9 **Compliance & Control**
 - Tax compliance
 - Managing our tax position
 - Tax risk management & tax control framework
 - Tax governance
- 11 **Tax & Customs organization**
 - Tax functions
- 11 **Projects**
 - Projects in 2022
- Financial information for FY 2022**
- 12 – Group summary
- 14 – Country by Country information
- 15 – Activities per Legal Entity
- 18 – Total tax contribution

Introduction



I am pleased to introduce ASML's second Approach to Tax report. We are committed to helping build a fairer and more sustainable society through social economic cohesion, sustainable growth and long-term prosperity. Taxation is a means to that end.

Last year we took a significant step in our efforts to be more transparent about our tax reporting by sharing our tax principles and disclosing information about our five main countries in terms of business and tax footprint. This year, we have moved that ambition forwards by making several improvements. For example, we signed up to the VNO-NCW Tax Governance Code which aims to drive greater transparency on the tax position of Dutch listed companies, in response to the shifting expectations of policymakers, NGO's and wider society. In line with the Code we have included country-by-country tax information in this document for all countries where we operate. We have also set out our explanation of the activities in our five main countries as well as a brief explanation of the type and geographic scope of the activities of our entities.

In the future, we will keep on improving our transparency for tax matters to comply with the expectations set by policy makers, NGO's and the general public.



We believe that sound stakeholder relationships are built on trust - and independence, accountability and transparency are all key components of trust.

Roger Dassen
Chief Financial Officer

€1,735m

Income tax paid 2022
(€1,235m in 2021)

15.0%

Effective tax rate 2022
(15.2% in 2021)

About ASML

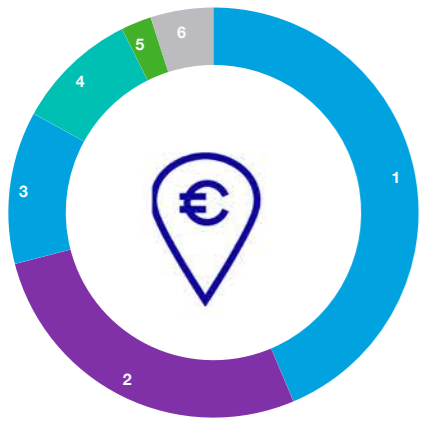
As a global innovation leader in the chip industry, we provide chipmakers with hardware, software and services to mass-produce patterns on silicon through lithography. Our continuous innovations enable new technology to support the growth and transformation of the semiconductor industry to help address society's needs.

39,086 FTE employees	€21.2bn Sales	€10.7bn Gross profit	143 Nationalities	>60 Locations around the world
--------------------------------	-------------------------	--------------------------------	-----------------------------	---

Tax breakdown

Total income tax paid

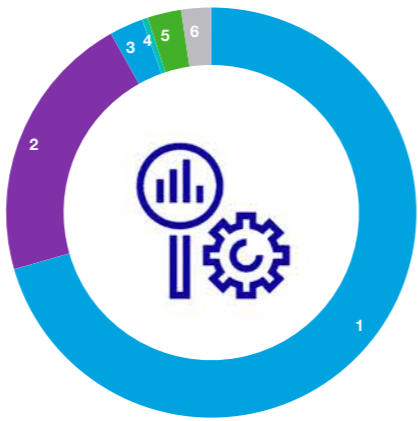
€1,735m



1. Netherlands	€757m
2. United States	€474m
3. Taiwan	€209m
4. South Korea	€167m
5. China	€42m
6. Rest of the World	€86m

R&D employees

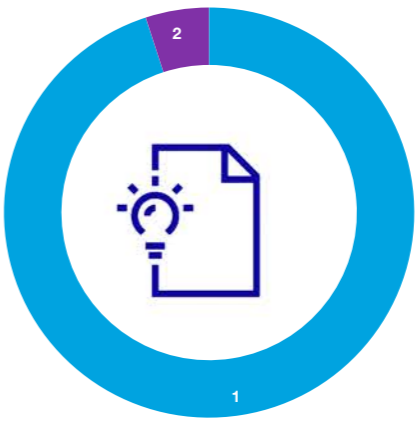
14,181



1. Netherlands	71%
2. United States	21%
3. Taiwan	3%
4. South Korea	—%
5. China	3%
6. Rest of the World	2%

IP portfolio patents

16,021



1. Netherlands	95%
2. United States	5%
3. Taiwan	—%
4. South Korea	—%
5. China	—%
6. Rest of the World	—%

ASML operating model

Our core principle is that our tax position should reflect our business operations - the sale of lithography systems and related products and services, supported by manufacturing and R&D activities. Since the company was first established we have had a straightforward operating model, with our campus in Veldhoven, the Netherlands, at the heart of our global operations.

The operating model described below is key to understanding ASML's tax position.

Of ASML's global work force, 53% is located in the Netherlands, 19% in the US, 23% in Asia and 5% in EMEA (excluding the Netherlands). Of all senior management roles 71% are based in the Netherlands, reflecting the fact that ASML Netherlands actively leads and controls the group's activities, performance and risks.

With regard to R&D activities, 71% of our R&D employees are located in the Netherlands. The remaining employees are mainly employed by our legal entities in the US, with the rest scattered across other locations. The costs of our US and other foreign R&D organizations are borne by ASML in the Netherlands, and 95% of our patents are owned by ASML Netherlands. During the 2000-2021 period, ASML Netherlands bore approximately €19,2bn of R&D costs, an average of approximately 15% of our annual revenue in that period.

All our lithography machines are assembled in Veldhoven, with a significant percentage of the parts are supplied by our ecosystem of suppliers in the Netherlands, Europe and the US. Some modules and metrology systems are manufactured by our factories in the US and Taiwan. In most cases, our new lithography machines are shipped directly from the Netherlands to our customers once they are ready.

Currently, our customers are mainly based in four locations: Taiwan, South Korea, China and the US. Our operations in those regions contribute to our sales and customer service efforts. In general, the leading roles for our sales and customer services activities are based in Veldhoven.

The remuneration for the ASML activities in the countries where we are active is a fair reflection of the operating model in line with local laws and international standards. Where possible and appropriate, we have agreed (or are in the process of agreeing) the level of remuneration for our activities with local tax authorities. Furthermore, we have processes and controls in place to monitor various taxes, such as customs, value-added tax (VAT), corporate income tax (CIT) and withholding tax (WHT). Our approach to tax is regularly discussed with senior management, and we regularly provide training to emphasize the importance of compliance with laws and regulations.

Key data of our five most significant countries of operations					
Country	FTE	% of total ASML employee population	% of ASML R&D employees	% of ASML Senior Staff located	% of ASML patents owned
Netherlands	20,774	53 %	71 %	71 %	95 %
United States	7,505	19 %	21 %	17 %	5 %
Taiwan	4,524	12 %	3 %	5 %	— %
South Korea	2,209	6 %	— %	3 %	— %
China	1,550	4 %	3 %	2 %	— %
Rest of the world	2,524	6 %	2 %	2 %	— %
Total	39,086	100 %	100 %	100 %	100 %

The activities in our main countries can be summarized as follows:

Netherlands

ASML was founded and is headquartered in the Netherlands, where strategic decisions for the group are made, with the exception of the Cymer DUV light source business line. 95% of patents are owned by ASML in the Netherlands and more than half of all ASML employees work for ASML in the Netherlands. The vast majority of manufacturing and R&D activities take place in and are directed from the Netherlands.

Taiwan

In 2022, Taiwan was our largest market in terms of net sales. Our systems and related products and services are sold via our Taiwanese distributor group entity. Furthermore, manufacturing and R&D activities are performed by our Taiwanese group entities for ASML NL.

South Korea

During the year South Korea was our second largest market in terms of net sales. ASML systems and related products and services are sold via our South Korean distributor group entity. In addition, repair services are performed for ASML NL and manufacturing services related to the Cymer DUV light source business line are carried out for Cymer US.

China

Over the last 12 months, China was ASML's third largest market in terms of net sales. Our systems and related products and services are sold via our Chinese distributor group entity. Manufacturing and R&D services are performed in China for ASML NL.

United States

In 2022, the US was ASML's fourth largest market in terms of net sales. Strategic decisions for the Cymer DUV light source business line are made in the US. ASML systems and related products and services are sold via our US distributor group entity. Furthermore, manufacturing and R&D services are performed for ASML NL.

Our tax principles

The following principles guide us in how we report and pay tax in the countries where we operate

Compliance

We act in accordance with the letter, intent and the spirit of tax laws and regulations.

We make tax disclosures in accordance with reporting requirements, US GAAP and IFRS.

ASML's profit allocation methods are based on internationally accepted standards as published by the OECD. We are committed to applying these consistently across our business, contingent on the relevant rules and regulations in the local jurisdictions where we operate.

Support tax systems

We report taxable income in a jurisdiction commensurate with the added value of the business activities in that jurisdiction.

We do not use so-called tax havens (as defined by the European Commission's 'blacklist') for tax avoidance.

Relationships with authorities

We pursue an open and constructive dialogue with the tax authorities, and relevant other authorities, in the jurisdictions where we operate, based on mutual respect, transparency and trust, disclosing all relevant facts and circumstances. We do not use tax structures intended for tax avoidance, nor will we engage in the artificial transfer of profits to low tax jurisdictions.

Tax transparency

In addition to our compliance with disclosure and reporting requirements, such as the mandatory disclosure of country-by-country reporting to the Dutch tax authorities, we consider it our responsibility to be transparent about our tax footprint. We have signed up to the Tax Governance Code as drafted by the VNO-NCW.

In this respect, ASML's efforts have been recognized by transparency initiatives such as the Dow Jones Sustainability Index (DJSI) and the Tax Transparency Benchmark of the Dutch Association of Investors for Sustainable Development (VBDO). We also engage with parties such as Morningstar Sustainalytics.

Transfer pricing

Our priority is to maintain a sustainable global transfer pricing policy, ensuring compliance and safeguarding ASML's reputation in light of business developments and various transparency initiatives.

International activities and transactions with and between Group subsidiaries are disclosed to the relevant tax authorities as part of our tax returns or other filing requirements. For example, in many countries, cross-border business relations with affiliated parties are subject to detailed documentation requirements, including their pricing and comparison basis known as master file, local file and country-by-country reporting. We are committed to ensuring that the pricing for intra-group activities is consistent with the OECD arm's length principle as well as with local transfer pricing rules to pay adequate tax on profits where the value is created. We are committed to complying with the regulations of every tax jurisdiction in which we operate regarding the transfer pricing documentation and notification requirements.

ASML has open communication with the Dutch tax authorities and continues to have unilateral/bilateral advance pricing agreements with tax authorities around the world. Agreements with tax authorities in relation to transfer pricing are in place in several jurisdictions such as the US, Taiwan, Japan and Singapore. As part of our continuous monitoring process, we pro-actively approach local tax authorities for renewal/prolongation of advance pricing agreements in these countries. Also we entered into dialogues with the Chinese tax authorities and separately with the Korean tax authorities to align on the remuneration for local operations in these respective countries.



Our tax principles (continued)

Activities in tax havens

As a rule, we do not have activities in tax haven jurisdictions. Any acquisitions or investments in tax haven jurisdictions under consideration need upfront clearance from ASML Tax & Customs department in close consultation with ASML's Board of Management.

Tax regimes and incentives

To foster innovation, we make use of incentives that have been introduced in the countries in which we operate. We will only claim tax incentives in line with the policy intent of such tax incentives and provided these incentives are generally available.

Many jurisdictions stimulate Research & Development (R&D) activity that yields technological innovation and its positive spin-off effects for the economy at large. For example, this can be achieved by effectively lowering the tax on income arising from certain intellectual property.

Technology development is one of our key competitive success factors and growths driver for ASML. We primarily perform R&D activities in the Netherlands and the US. If and to the extent that our activities qualify for tax incentives in a domain, we make use of the available incentives.

The WBSO, innovation box, US FDII and US R&D credits are the main material incentives that we apply.

– Innovation box regime in the Netherlands

In the Netherlands, we apply certain wage tax and corporate income tax incentives. For corporate income tax, we make use of the so-called 'innovation box regime' that is available under Dutch tax law, which taxes the qualifying income associated with it at 9% (instead of the general corporate income tax rate of 25.8%).

The application of the Dutch innovation box regime to the qualifying taxable profit has been agreed with the Dutch tax authorities. This provides certainty for both parties and reduces the risk of future disputes. This agreement applies through the year 2023 assuming that underlying facts and circumstances do not change.

As the innovation box is the main driver of the lower effective tax rate than the Dutch statutory rate, we continuously monitor developments in this regard and are pro-actively involved in stakeholder dialogues. Discussions with the Dutch tax authorities for the renewal of the agreement as from 2024 will start in 2023.

– Export activities from the United States

The US government aims to strengthen the economy by encouraging export trade while also discouraging businesses from moving activities and jobs outside of the US. In the spirit of increasing the competitiveness of US-based companies, the US tax code provides for certain deductions or lower tax rates when certain requirements are met. Introduced in 2017 and available as from 2018, the Foreign Derived Intangible Income (FDII) deduction provides an incentive to US domestic corporations in the form of a lower tax rate on income derived from tangible and intangible products received in, and services benefiting, foreign markets.

ASML has significant business activities in the US that export tangible property and provide services to foreign recipients, and accordingly generate income that qualifies for the FDII tax deduction.

In addition, we annually claim the applicable R&D credits in our US tax return.



Technology development is one of our key competitive success factors and growth drivers. We primarily perform R&D activities in the Netherlands and the US”



Our tax strategy

The Board of Management is accountable for our tax strategy, tax principles and overall tax risk management. The ASML Tax & Customs department is responsible for executing the tax strategy set by the Board of Management.

ASML's tax strategy is based on our tax principles and is closely aligned to our business strategy and our ESG sustainability goals. The tax strategy is approved by the Board of Management and reviewed annually. The tax strategy, tax principles and the overall tax risk management apply to all group entities.



Key focus areas:

1

Stakeholder management

Externally, stakeholders include tax authorities and regulators. Internally, our Tax & Customs department supports the business - together with other experts - by managing risks, maintaining effective controls and ensuring efficient administrative processes and ways of working.

2

The future of taxation

We closely monitor developments in the outside world and translate these into potential requirements or implications for ASML. This includes developments in ESG Sustainability (including tax transparency) and tax technology.

3

Compliance & Control

This includes the development, implementation and continuous monitoring of processes and controls for appropriate tax risk management and reporting purposes. We are also committed to ensuring timely and accurate fulfillment of tax compliance obligations in line with applicable tax laws and regulations (including timely payment of taxes due).

4

Tax & Customs organization

In a fast changing world it is important to have a diverse team able to handle change and which comprises out of more than just good tax and customs experts. Communication, digital and project management skills are becoming increasingly important. We strive to work together and develop each other in line with the ASML values (Collaborate, Challenge and Care).

5

Projects

Our business and the regulatory environment in which we operate change constantly. We work hard to ensure that any solutions we implement are compliant and efficient. Likewise, we continuously strive for simplification and regularly review our existing business models to remain tax & customs compliant.

Our tax strategy (continued)

1

Stakeholder management

Stakeholder engagement

We seek open dialogue with our stakeholders, including relevant tax authorities, our shareholders, customers, business partners, employees, governments, regulators, non-governmental organizations and the communities in which we operate.

Furthermore, we regularly engage with stakeholders regarding tax in relation to ASML's ESG framework.

Across all our activities, we derive significant insights from engagement with the full range of stakeholders. We are seeking to further intensify stakeholder engagement in order to ensure constant alignment of our approach to tax with our stakeholders' expectations.

Our relationship with government, business groups and civil society

We constructively engage in national and international dialogue with governments, business groups and society to support the development of effective tax systems, legislation and administration. This includes engagement via Business at OECD, VNO/NCW and the Semiconductor Industry Association.

Our relationship with the tax authorities

We are committed to developing a constructive dialogue with the tax authorities in the jurisdictions where we operate, based on mutual respect, transparency and trust, disclosing all relevant facts and circumstances. We work collaboratively with tax authorities to achieve early agreement on disputed issues and certainty on a real-time basis, wherever possible. Where there is disagreement we will strive to achieve resolution by applying our tax principles.

When we seek decisions from tax authorities to confirm applicable tax treatment, we do so on the basis of full disclosure of all relevant facts and circumstances. We have committed ourselves to trustworthy and transparent communication with the tax administration. Possible violations of the ASML Code of Conduct as well as laws or regulations including tax laws can be reported anonymously (as part of the ASML whistleblower policy / Speak Up policy).

2

The future of taxation

ESG Sustainability and tax

We aim to make a positive contribution towards a more sustainable future. We believe digital technologies are the cornerstone of a sustainable society, which can help society make progress and address global challenges. Our ESG Sustainability roadmap plays a key role in this. We believe the taxes we pay and collect are valuable in helping to improve society.

Tax automation

We aim to continuously improve our tax processes through simplification and automation. In 2022, the automation project to support the group's tax accounting process went live. Additionally, we have initiated projects to upscale the use of automation within the indirect tax environment. We have carried out data validation assessments on several of our transactional processes in order to safeguard data quality. The outcome of these has been discussed and shared with the Dutch tax authorities.

Looking to the future, in 2022 we hired a tax technology manager and also worked on our tax technology roadmap for the mid and longer term. While we work closely with internal stakeholders, we also gather input from external resources - as we continue to align our organization with best practice and the shift to greater digitalization.



Our tax strategy (continued)

3

Compliance & Control**Tax compliance**

As an international organization, ASML has operations all over the world. Paying taxes and complying with the relevant laws and regulations in the jurisdictions where we operate are part of our overall business principles and codes.

All key operating entities benefit from a tax team of leading professionals with in-depth tax expertise who work closely together with local stakeholders both inside and outside the ASML organization.

The complete, accurate and timely preparation and submission of all required tax returns is subject to clear internal rules and processes. We continuously monitor the timely filing of tax returns and the payment of taxes due for the main taxes for which the Tax & Customs department is accountable.

We aim for certainty about our tax positions and seek internal or external advice to review and validate our positions where appropriate. Where our assessment and that of the authorities potentially do not match, we give early notice of possible divergent opinions in order to prevent misunderstandings.

In 2022, we were able to close off discussions with the Dutch tax authorities on the corporate income tax returns filed for the Dutch fiscal unity for the years 2018 and 2019, which means that only 2020 and 2021 are now open.

Managing our tax position

We seek efficiency in tax matters, including the prevention of double-taxation, following reasonable interpretation and application of tax rules. Our tax positions are aligned with the substance of the economic and commercial activity of ASML's business and based on a reasonable interpretation of applicable law.

We refrain from discretionary tax arrangements. If jurisdictions offer tax incentives that are publicly available and rule-based, for example to promote a country's economic development, and our business activity is within their scope, they are carefully considered. At all times the claiming of such tax incentives depends on the specific needs of our business operations and the overall fit with our investment or business strategy.



“
Everything we do starts with the business. Our risk management, compliance and our day-to-day way of working.”

Gaby Bes
Head of Tax & Customs

Although no specific tax planning events were initiated in 2022, some projects were concluded from a legal / tax rationalization perspective. Additionally, we have initiated projects to safeguard compliance and meet our responsibilities as a responsible tax payer, in light of the growth of our organization and developments in the semiconductor landscape. We continuously monitor developments in tax legislation in the countries in which we operate as well as global developments from, amongst others, an OECD and ESG sustainability perspective.

Furthermore, we pro-actively and continuously monitor global developments in relation to Pillar 1 and Pillar 2 in order to assess potential implications for ASML and any impact on the consolidated Effective Tax Rate.



Our tax strategy (continued)

3

Compliance & Control

Tax risk management & tax control framework

Our approach to tax risk management is consistent with and embedded in our general approach to risk management. We actively and continuously identify, assess, monitor and manage tax risks to ensure that they remain in line with our business and strategic objectives, taking into account ASML's appetite towards tax risks.

ASML's appetite for tax risks is low. We aim to be clear about all aspects of our tax position and to share these in a transparent manner, fostering a relationship of honesty, transparency and trust with the tax authorities. The quality of those relationships is evident in the individual monitoring plan we annually agree with the Dutch tax authorities and the number of bilateral advance pricing agreements (BAPAs) we have with the tax authorities in our significant jurisdictions. In some countries (such as the US and its CAP program), we do not meet the eligibility criteria (i.e. 10K or 10Q) to enter the relevant program. Where necessary, we seek assistance and advice from external consultants.

Further enhancements in the tax risk management process and insurance of sufficient level of controls in daily tax operational processes is subject to continuous improvement and regular dialogue with ASML's Risk & Business Assurance department.

Tax governance

ASML's Board of Management is ultimately accountable for ASML's approach to tax. The tax function is embedded in the ASML finance organization and is therefore within the responsibility of the Chief Financial Officer of ASML. ASML's Head of Tax & Customs regularly informs the Board on key strategic tax topics, including updates on tax developments within or around the ASML organization and potential implications for ASML.

Regular updates on all material tax topics and their current and future impact on ASML's financials are provided by the ASML Tax & Customs organization to internal stakeholders via regular tax update meetings.

The Audit Committee of the Supervisory Board reviews our tax strategy and annually confers with our tax professionals to discuss tax policies and the impact of tax laws and regulations on ASML.

We ensure effective tax risk management via the following means:

1

All tax-related topics are handled by Tax & Customs experts that are highly qualified, with in-depth tax and business expertise.

2

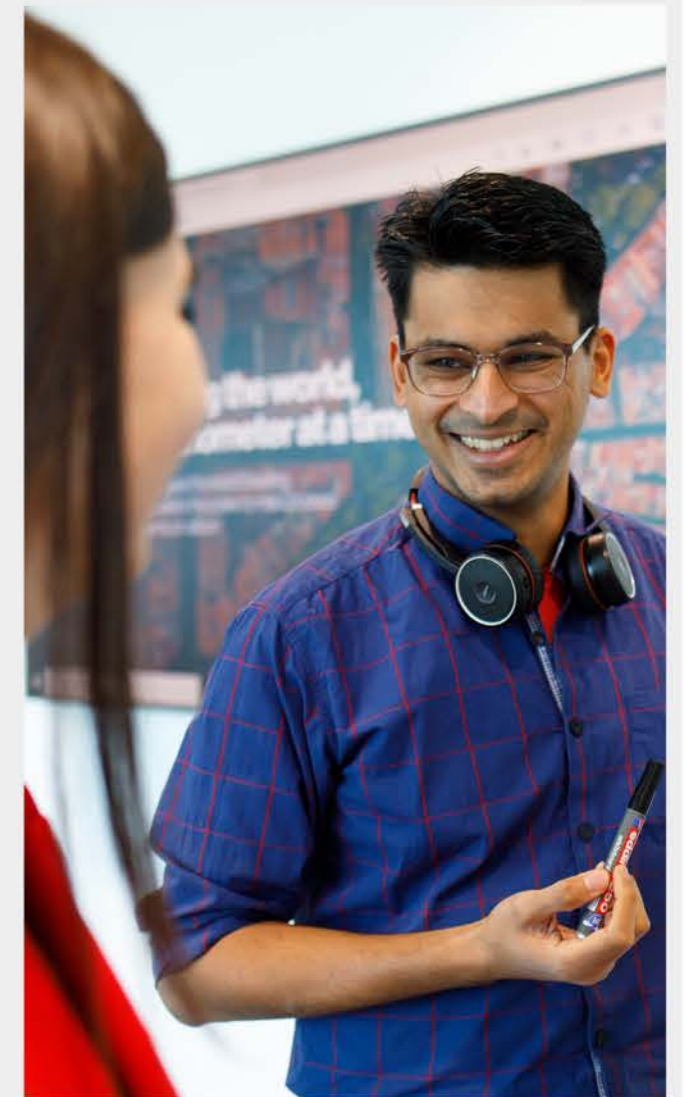
We have implemented a governance framework that is intended to ensure appropriate processes and organizational structures to identify, assess, monitor and manage tax risks at different levels of the ASML organization.

3

Our uniform and well-established reporting processes ensure internal communication of any tax risks within different risk categories (strategic, financial, operational or reputational risk). In addition to our quarterly SOX-compliant tax risk reporting procedures, we also hold a quarterly Tax Risk Committee meeting to discuss new and existing risks.

4

The efficiency of the tax risk management process is continuously monitored by ASML's Tax & Customs team via institutionalized oversight processes. Our auditor annually signs-off on our consolidated financial statements which includes our assessment of potential tax risks.



Our tax strategy (continued)

4

Tax & Customs organization**Tax functions**

Our Tax & Customs department is responsible for tax consulting and tax risk mitigation processes as a result of business developments, tax planning and analysis of matters such as changes in tax laws and regulations. The department also carries out periodic reviews of tax returns and tax and customs compliance-related processes.

The Tax Accounting & Tax Compliance teams are responsible for determining ASML's tax position under the various reporting standards which are applicable to the Group (US GAAP, IFRS, Local GAAP). They also prepare returns for taxes such as VAT, CIT and WHT for Group companies and execute other related compliance activities, including country-by-country reporting and transfer price calculations, etc.

The Tax & Customs teams are organized in a matrix structure that is intended to ensure appropriate coverage of all the tax and customs affairs in the countries where the ASML Group companies are located. Teams are therefore located in the Netherlands, Hong Kong, China, South Korea, Taiwan and the US. These teams work closely with specialists in VAT, Customs, Wage Tax and transfer pricing, as well as with the Tax Accounting & Tax Compliance teams in the local countries.

To prepare effectively for future global developments, in 2022 ESG Sustainability and tax technology were added to the team as additional areas of expertise.

In line with our belief that tax should not be managed in isolation, the Tax & Customs function is part of the Expert Advisory organization, where Tax, Treasury, Accounting and Legal teams work closely together.

Regular country-specific and international tax expert meetings facilitate the continuous interaction and collaboration between our tax functions. Together with standardized tax risk reporting procedures, this way of working ensures that local tax risks are assessed from a Group perspective and are appropriately reported to and overseen by the Tax & Customs function.



5

Projects**Projects in 2022**

Our business and the regulatory environment in which we operate change constantly. We develop and implement projects that deal with these changes ensuring that all solutions are compliant and efficient. In addition, we continuously strive for simplification and regularly review our existing business models for compliance.

During 2022 we worked on projects including:

- Improving supply chain compliance
 - Assessing the implications of Fast Shipments
 - Analyzing the OECD Pillar I and Pillar II proposals
 - Preparing for the implementation of the Carbon Border Adjustment Mechanism
 - Preparing for public country-by-country reporting
 - Rolling out Tax & Customs awareness training throughout the ASML organization
 - Carrying out compliance reviews and enhancing the existing control framework to ensure alignment with ASML's future ambitions.
- Implementing of software solutions in the field of Direct and Indirect taxes
 - Developing of a Tax Technology Roadmap for the mid- and longer-term
 - Simplifying and rationalizing the ASML legal entity structure



Financial information for FY 2022

Income tax profile according to Group financials

Below we provide an overview of the revenues, income before income taxes, income tax accrued (based on our US GAAP Group financials) as well as income taxes paid for our most significant jurisdictions.

Significant deviations of the actual income tax expense from the expected income tax expense are largely due to the following reasons:

- The Netherlands: applicability of the innovation box results in a lower effective tax rate for our Dutch fiscal unity as compared to the Dutch statutory tax rate of 25.8%.
- United States: at US level our actual income tax expense and effective tax rate are influenced by capitalization of R&D expenses (for tax purposes), tax benefits resulting from the Foreign Derived Intangible Income (FDII) deduction and R&D credits for research and development activities performed in the US.
- Other: deviation of actual income tax expense for other countries as compared to expected income tax expense is mainly driven by timing differences.

For more background on the nature of the above items, please see the Tax regimes and incentives section on page 6.

The €1,735 million of income taxes paid in 2022 for the consolidated group are not equal to the total income tax expense of €970 million recorded in our 2022 Group financials. This is due to a number of reasons:

- a.**The income tax expense is based on the accrual accounting concept that allows for the allocation of a

tax expense to the same period in which the underlying taxable item is realized. In contrast, income taxes paid during a financial year may include payments or refunds relating to prior financial years, and may exclude final payments or refunds that occur in the next financial year.

- b.**The Income before income taxes in our financial statements may differ from the taxable income reported in tax returns. These differences result in deferred taxes in the financial statements to reflect any future taxable events (2022: deferred tax benefit €527 million).

- c.**Certain income taxes have to be booked directly in equity in case the underlying results have also been recognized in equity.

For more detailed information on the activities of our group companies in all the countries where we are located as well as relevant financial data insights, please see pages 14-19.

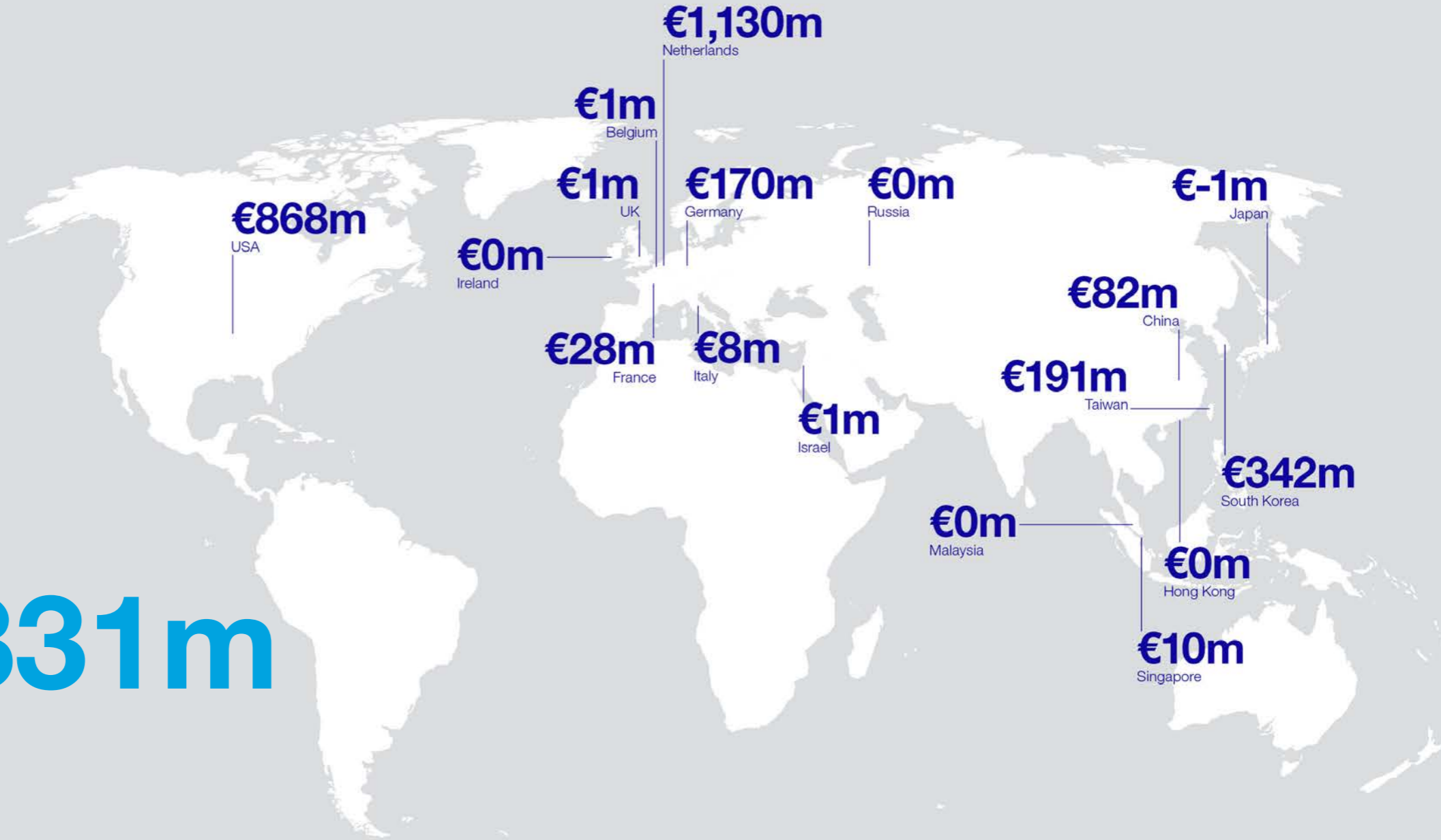
Income tax profile per significant country					
(€, in millions)	Netherlands	United States	Taiwan	South Korea	China
Total net external sales	43	2,007	7,800	6,006	2,907
Total net internal sales	25,768	1,938	1,472	956	449
Income before income taxes	7,305	361	167	194	74
Income tax expense (actual)¹	1,101	424	54	16	23
Income tax paid²	756	474	208	168	42
<small>1 Income tax expense (actual) only concerns the total current tax expense/benefit accrued for FY 2022. Deferred tax expense/benefit as well as movement in provision for uncertain tax positions is excluded. 2.Income tax paid concerns the actual income tax paid in 2022 (including withholding taxes paid on certain payments between group companies) .</small>					

Our total tax contribution overview

The taxes paid and collected by our global operations during 2022 totaled €2,831m.

- The amount above includes €1,588m of corporate taxes on profits, as well as €147m on other direct taxes (e.g. withholding taxes) levied on our activities.
- The total also includes a net amount of €1,043m of taxes collected on behalf of others – for example our customers, investors and employees – and paid to governments.

More details can be found on page 19 of this report.



€2,831m
Total tax contribution 2022

Key financials per country

ASML CbCr data (non-audited) - in millions of EUR (employees in full number)								
	Number of employees	Total net external sales	Total net internal sales ¹	Income before income taxes ²	Tangible assets other than cash and cash equivalents ³	Income tax paid	Income tax expense (actual)	Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.
Belgium	45	€0.73	€16.76	€0.55	€6.75	€0.17	€0.18	Certain costs / income not accepted for tax purposes
China	1,550	€2,906.51	€448.79	€73.74	€158.95	€41.64	€22.80	Certain costs / income not accepted for tax purposes and reduced CIT rate for certain activities
France	44	€110.96	€9.92	€1.24	€6.75	€0.29	€0.33	Certain costs / income not accepted for tax purposes
Germany	1,576	€204.67	€15.37	€12.29	€336.14	€84.59	€40.79	Certain costs / income not accepted for tax purposes and tax expense on equity investment
Hong Kong	9	€437.05	€-357.17	€-22.93	€126.82	€0.00	€0.69	Certain costs / income not accepted for tax purposes
Ireland	172	€83.23	€31.45	€5.71	€70.47	€-0.06	€0.70	Certain costs / income not accepted for tax purposes
Israel	77	€63.85	€39.96	€5.02	€32.48	€-0.36	€0.41	Certain costs / income not accepted for tax purposes
Italy	13	€36.83	€2.81	€0.43	€0.82	€0.01	€0.10	Certain costs / income not accepted for tax purposes
Japan	375	€983.62	€81.42	€14.63	€151.96	€0.85	€3.55	Certain costs / income not accepted for tax purposes
South Korea	2,209	€6,006.06	€955.55	€193.71	€1,400.19	€167.90	€16.30	Certain costs / income not accepted for tax purposes
Malaysia	2	€2.96	€1.05	€0.13	€1.69	€0.09	€0.04	Certain costs / income not accepted for tax purposes
Netherlands	20,774	€43.08	€25,767.80	€7,304.79	€6,622.23	€756.23	€1,101.05	Certain costs / income not accepted for tax purposes and Innovation box deduction
Russia	—	€0.00	€0.01	€0.00	€0.00	€0.00	€0.00	n/a
Singapore	202	€479.69	€48.59	€8.71	€62.80	€0.56	€1.26	Certain costs / income not accepted for tax purposes
Taiwan	4,524	€7,800.26	€1,472.23	€167.34	€3,039.33	€208.25	€54.12	Certain costs / income not accepted for tax purposes
UK	9	€6.65	€0.84	€0.20	€0.19	€0.04	€0.05	Certain costs / income not accepted for tax purposes
United States	7,505	€2,007.31	€1,937.58	€360.94	€1,766.99	€474.42	€423.84	Certain costs / income not accepted for tax purposes, FDII deduction and R&D credits
Grand Total	39,086	€21,173.45	€30,472.98	€8,126.49	€13,784.55	€1,734.63	€1,666.19	0

1. Concerns aggregate net sales of all group entities in respective jurisdiction, without intercompany elimination.

2. Concerns aggregate income before income taxes of all group entities in respective jurisdiction without intercompany elimination.

3. Including legal mark-up upon intercompany transfer of assets.

Activities per legal entity

Summary of activities									
Tax Jurisdiction (Country)	Names of tax resident entities	Research and Development	Holding or Managing Intellectual property	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, Management or Support Services	Customer Services	Holding shares or other equity instruments	Dormant
Singapore	ASML Singapore Pte. Ltd.						X		
Singapore	Cymer Singapore Pte. Ltd.						X		
South Korea	ASML Korea Co. Ltd.						X		
South Korea	ASML Hong Kong Ltd Korea Branch						X		
South Korea	ASML Repair Center Korea Ltd.			X					
South Korea	Cymer Korea, Inc.			X	X			X	
Japan	ASML Japan Co. Ltd.						X		
Japan	Cymer Japan, Inc.						X		
China	ASML (Shanghai) LFST Co. Ltd.							X	
China	ASML (Shanghai) Electrical Equipment Co. Ltd.						X		
China	Brion Technologies (Shenzhen) Co. Ltd.	X							
China	Cymer Semiconductor Equipment (Shanghai) Co. Ltd.						X		
China	Hermes Microvision (Beijing) Co., Ltd.	X		X					
China	Hermes Microvision (Shanghai) Co., Ltd.								X
Malaysia	ASML Equipment Malaysia Sdn. Bhd.						X		
Hong Kong	ASML Hong Kong Ltd.							X	
Hong Kong	ASML Hong Kong Logistic Services Ltd.								X
United States	ASML US, L.P.	X							
United States	ASML US LLC			X	X			X	
United States	Cymer, LLC	X	X	X	X	X			
United States	Hermes Microvision, Inc.	X		X					
Taiwan	Cymer Southeast Asia Ltd.						X		

Our total tax contribution

Taxation on business activities

As well as paying income taxes, we also contribute to society through other taxes which are due as a tax payer or as an intermediate. Below we include information about our most material tax types for the countries where we are located. Our total tax contribution can be segmented into taxes borne (by ASML as a taxpayer) and taxes collected (by ASML as an intermediate) that we remit to tax authorities specifically for our employees or service providers.

Taxes borne by ASML

Taxes borne by ASML mainly relate to corporate income taxes that we pay on taxable profits generated from operational activities - the sales of lithography systems and related products and services. These sales are supported by our manufacturing and research & development activities. Profits derived from these operations from a value chain perspective are subject to tax at the income tax rates applicable in the country of operation.

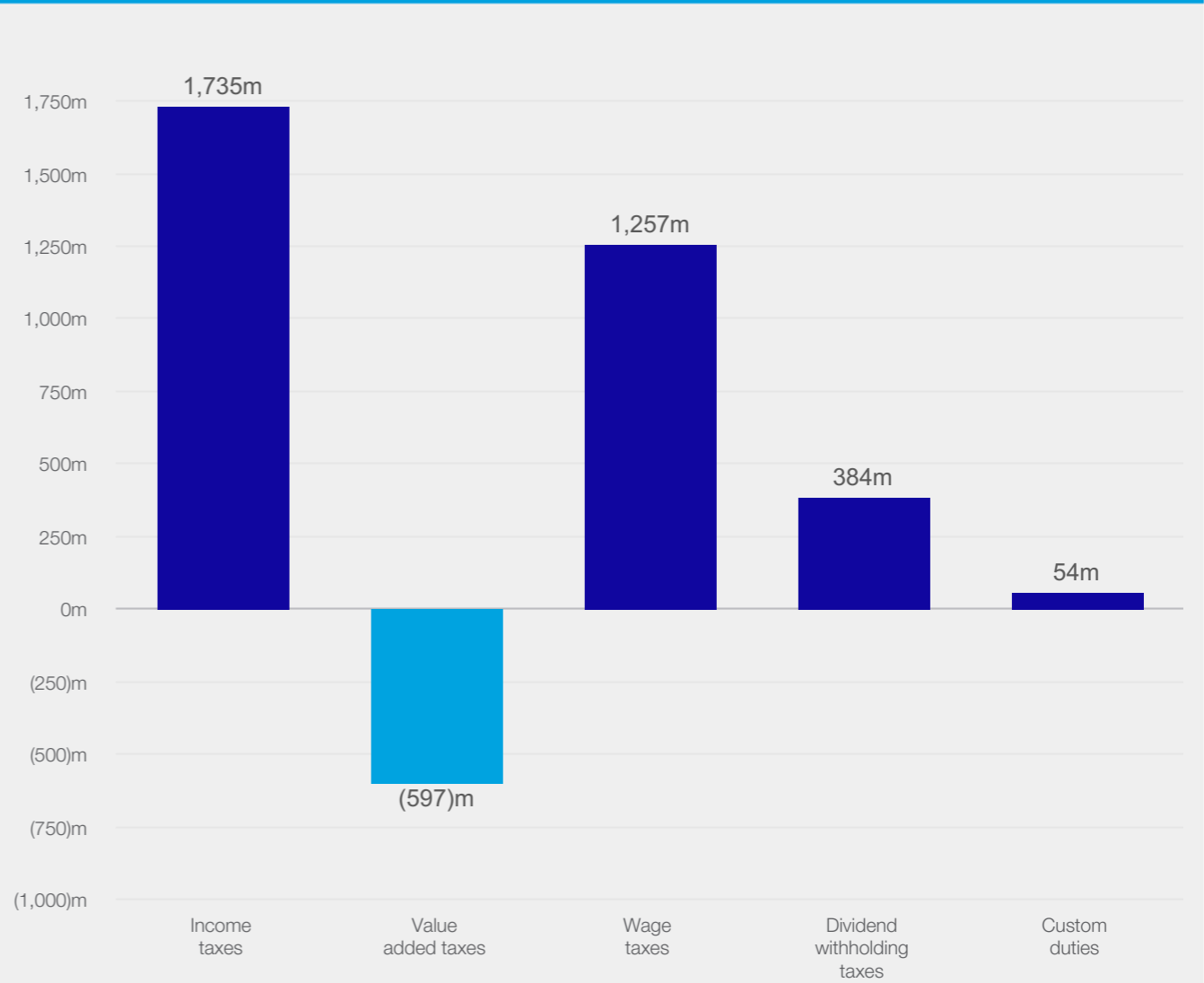
Additionally, in several countries we pay withholding taxes upon distribution of dividends or payment of license and/or service fees to our centralized functions.

Furthermore, we bear costs resulting from other tax types such as non-recoverable value added tax (VAT) on purchased services, customs duties, employer's share of wage taxes, stamp duties and several smaller items.

Taxes collected and remitted by ASML

As a company, we are obliged to collect and remit taxes for certain activities. The most relevant of these relate to salaries paid to our employees (wage taxes), VAT and withholding tax upon distribution of dividends to our shareholders.

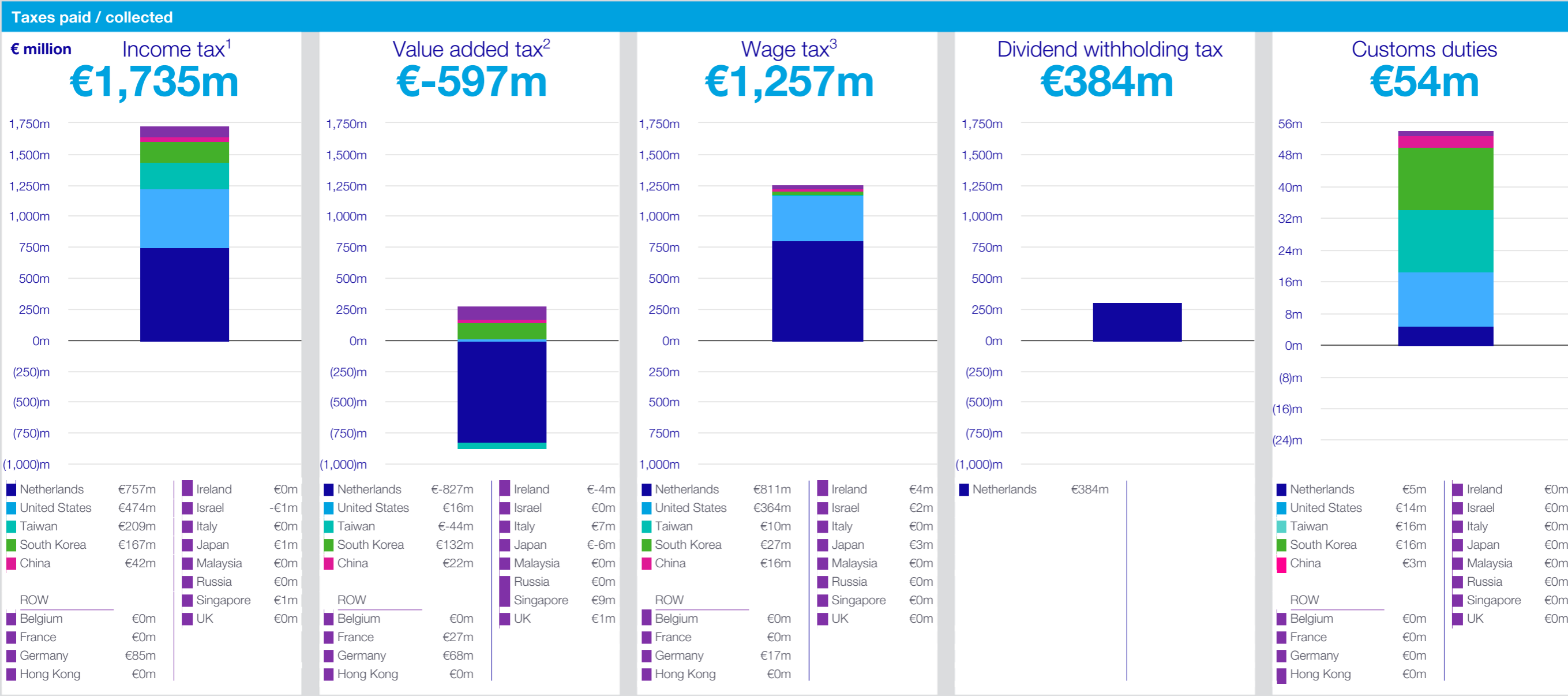
Total tax contribution 2022 in € millions



[See more detail on the next page >](#)

Our total tax contribution (continued)

As can be seen in the graphs below, in the Netherlands our most significant tax payments / collections are made due to the location and central role of our corporate headquarters. Amounts paid / collected at local level are increasing, commensurate with the expansion of our business activities in those local jurisdictions. We expect these to grow in the future as our organization further grows.



1. Income tax includes withholding taxes paid on certain payments between group companies. These withholding taxes have been presented as Income tax expense in the countries of remittance to local authorities.
 2. Value added tax are the net amounts paid to / refunded by tax authorities based on VAT returns filed. In the Netherlands we are in a VAT refundable position as a result of VAT charged to us by our suppliers, while our export sales are exempt from VAT.
 3. Only includes wage taxes; excluding social security contributions.

Forward Looking Statements

This document contains statements that are forward-looking within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements with respect to our plans, principles, strategy and commitments with respect to tax, our plans with respect to tax risk management, our plans and commitments on tax transparency including our plan to improve our transparency, statements with respect to ESG strategy and ESG sustainability, our plans and strategy with respect to tax compliance and control and our tax risk management and control framework and other non-historical statements. You can generally identify these statements by the use of words like "may", "will", "could", "should", "project", "believe", "anticipate", "expect", "plan", "estimate", "forecast", "potential", "intend", "continue", "target", "future", "progress", "committed to", "goal" and variations of these words or comparable words. These statements are not historical facts, but rather are based on current expectations, plans, strategies and goals and readers should not place undue reliance on them. Forward-looking statements do not guarantee future performance and involve a number of substantial known and unknown risks and uncertainties, including risks relating to our tax policies, strategies,

practices, controls and procedures, actions taken by tax authorities and other regulators, changes in tax laws, rules and regulations and the application of such laws, rules and regulations, stakeholder reaction to our tax policies, practices and procedures and other risks indicated in the risk factors included in our most recent Annual Report on Form 20-F and other filings with and submissions to the US Securities and Exchange Commission. These forward-looking statements are made only as of the date of this document. We undertake no obligation to update any forward-looking statements after the date of this report or to conform such statements to actual results or revised expectations, except as required by law.