

## Tax Strategy for Mutares UK

### Introduction

The following Tax Strategy outlines how the Mutares UK companies ("**Mutares UK**"), members of the global Mutares SE & Co. KGaA group ("**Mutares**"), adhere to the UK Finance Act 2016 (Paragraph 22 of Schedule 19) requirements of preparing and publishing a tax strategy. As a result, both Mutares UK and Mutares consider the publication of this Tax Strategy as compliance with, and fulfilment of, its duties resultant of the Finance Act 2016 (Paragraph 22 of Schedule 19). This Tax Strategy has been approved by the Board of Directors, was published on 17 January 2025, applies to the accounting period ended 31 December 2024, will be periodically reviewed and shall remain in force until further updated.

### Background

Mutares specialises in the acquisition of companies in special situations. Mutares pursues the aim of leading the acquired companies onto a stable path of profitable growth through intensive operational cooperation. The transaction teams of Mutares, which operate from twelve locations worldwide including the UK, identify suitable companies for acquisition. After acquisition, Mutares' operational teams, together with the management of the portfolio companies, develop a comprehensive improvement program along the entire value chain and support, through on-site daily cooperation, its subsequent implementation. The objective of Mutares is to return each portfolio company to sustainable and long-term success.

All of this is done in the knowledge of, and against the background that, it is important to comply with the applicable laws and regulations of all countries in which the entire Mutares Group operates, and to continue to pay appropriate taxes in order to contribute to these economies and societies as a responsible corporate citizen.

### Managing UK Tax Risks

Mutares' Tax Strategy and objectives are intended to establish a clear and unequivocal approach to all aspects of tax reporting and compliance. The Tax Strategy is focused on ensuring that taxes (and tax risks) are managed to provide outcomes that are both consistent with commercial reality and within the parameters of the overall strategic objectives of Mutares. The Tax Strategy also requires that all tax obligations are complied with in the UK and other relevant jurisdictions (for example – but not limited to – the meeting of all filing obligations in a timely manner and the payment of all taxes due in respect of Mutares' business activities).

The obligation to fulfil the fiscal requirements generally lies with Mutares' legal representatives who may further delegate these obligations to an internal team. In return, the delegating person receives an obligation to supervise the delegated tasks. In situations where the tax guidance is unclear or Mutares does not feel it has the necessary expert knowledge to assess the tax consequences adequately, advice is sought from external tax advisors to fulfil the fiscal obligations in the UK or, alternatively, competent authorities are contacted to support Mutares' decision-making process.

## **Attitude to Tax Planning**

Mutares aims to comply with all applicable tax rules and regulations. All activities undertaken by Mutares have a commercial purpose, are subject to a legality and legitimacy check and are not led by artificial tax planning considerations. Therefore, please also see Mutares' Code of Conduct which is published on the Mutares Group website. Mutares refrains from purely tax driven activities without a bona fide commercial reason. Accordingly, only those activities are initiated that are compatible with the application of tax laws.

The above activities are to be distinguished from, among others, practices recognised by case law and laid down in law (such as the formation of tax groups, claiming tax relief and allowances permitted under UK tax legislation to ensure tax efficiency, if applicable), which enable Mutares to optimise taxes easily and safely. Where necessary, Mutares will engage with external tax advisors to ensure its understanding of the tax law is correct, to evaluate risk areas and to assist in complying with its tax obligations in the UK.

## **Level of Risk in relation to UK taxation**

The level of risk which Mutares accepts in relation to UK tax is consistent with its overall objective of complying with regulatory and other obligations, as well as its overall objective to act in a way which supports its reputation as a responsible corporate resident. Mutares is committed to paying the right amount of tax, in the right place and at the right time. Mutares will seek to actively resolve any uncertainty in the interpretation of tax legislation with the relevant tax authority on a timely basis. Mutares endeavours to ensure both the integrity of all reported tax numbers and compliance with all its tax obligations across all Group companies. Mutares monitors new tax legislative changes and realigns internal tax processes to be compliant where necessary. It is a key goal of Mutares to ensure timely filing of all relevant tax returns and timely payment of all tax liabilities. Mutares' approach to tax risk governance, as highlighted above, assists in ensuring that any risks are captured and resolved in a timely, proactive and transparent manner.

## **Relationship with Tax Authorities**

Mutares seeks to build constructive working relationships with tax authorities around the world, including HMRC. Mutares engages with HMRC constructively, honestly and in a timely and professional manner. Mutares will seek to resolve disputed matters through active and transparent engagement. By this, Mutares strives to reduce tax risks by obtaining opinions or agreements from the respective authorities prior to any transaction if a transaction arises for which the tax interpretation is unclear. In the event that Mutares receives guidance from the tax authorities, Mutares will endeavour to clarify and resolve the issues in a positive and professional manner, and in doing so reduce the likelihood of a future recurrence.

## **Any other relevant information relating to taxation**

Mutares supports global standards regarding tax transparency and the coordination of national tax systems. To the extent that intra-group business transactions do exist between Mutares group entities, intercompany charges are to be established consistent and in accordance with the arms-length-principle outlined in the OECD Transfer Pricing Guidelines and further applicable transfer pricing rules. Based on the value created through its business activities, Mutares pays appropriate taxes in the relevant tax jurisdictions as stipulated by the tax laws of those countries. Mutares also prepares and maintains transfer pricing documentation in accordance with the tax laws and regulations of the respective jurisdictions. Mutares submits such documentation to the tax authorities in those jurisdictions where required or requested.

Mutares does not artificially transfer profits from one business location to another to avoid taxation. Mutares does not tolerate tax evasion or the facilitation of tax evasion, in accordance with corporate criminal law, which makes the failure to prevent tax evasion a criminal offence. Mutares applies appropriate procedures and controls to prevent persons acting on behalf of Mutares from committing tax evasion.