



**Media and Games  
Invest Group**

# **TAX POLICY**

# Content

1. DOCUMENT APPROVAL AND UPDATE HISTORY	3
2. INTRODUCTION & PURPOSE	3
3. PRINCIPALS	3
3.1. COMPLIANCE	3
3.2. COOPERATION WITH AUTHORITIES AND TRANSPARENCY	4
4. SHAREHOLDER VALUE	5
5. TAX GOVERNANCE RESPONSIBILITIES	6

## 1. DOCUMENT APPROVAL AND UPDATE HISTORY

The first version of this Policy was approved by the Board of Directors on 2023-02-08, in consultation with the CEO, CFO and Audit Committee.

This Policy will be reviewed annually and revised if needed. The Group Tax Manager is responsible for updating and publishing this policy after review by the CEO, CFO and approval by the Board of Directors.

Version	Date	Reviewed by	Approved by	Changes Made
1.0	2023-02-08	Remco Westermann, Paul Echt	Board of Directors	New. Document created.

## 2. INTRODUCTION & PURPOSE

This Policy is intended to set forth MGI's tax strategy, based on excellence and a commitment to the application of good tax practices within the framework of the corporate and governance structure of the Group.

MGI's tax strategy consists basically of ensuring compliance with applicable tax laws and regulations and seeking to establish an appropriate coordination of the tax practices followed by the companies of the Group, all within the framework of fulfilling the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions.

To that end, MGI considers all legitimate interests, including public interests, that converge in its business. In this connection, the taxes that the companies of the Group pay in the countries and territories in which they do business are their main contribution to sustaining public expenditures and, accordingly, one of their contributions to society and to the achievement of goal eight of the Sustainable Development Goals (SDGs) <sup>1</sup>approved by the United Nations (UN).

## 3. PRINCIPALS

### 3.1. COMPLIANCE

In conducting our business, we will observe and act in compliance with relevant laws, practice and international guidelines. Our tax principles set the direction in the MGI Group for how we conduct our tax affairs in pursuit of a compliant and competitive tax position.

**3.1.1.** We are committed to fulfilling our global tax obligations, which means we will comply with national tax laws in the countries in which we operate and accept the benefits and obligations that follow from OECD guidelines, double tax treaties, EU regulation and commonly accepted international tax principles. We will comply not only with the wording of the law but also its intent, where such intent is clearly communicated.

**3.1.2.** We will apply best practice and act in accordance with relevant legislation in our tax computations and reporting to ensure that we pay our taxes accurately and timely.

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<sup>1</sup> <https://sdgs.un.org/goals/goal8>

**3.1.3.** We believe that our tax affairs are best managed through strong compliance, high degree of certainty and in continuous support of commercial activities through:

- Identification of relevant tax laws and regulations.
- Adherence to local practice and international guidance.
- Technical assessment and documentation of positions.
- Obtaining professional opinions and advice where the intention or interpretation of applicable law is not clear.
- Rulings from tax authorities to confirm the treatment based on full disclosure of the relevant facts when feasible.
- Adoption of tax positions that are justifiable and which we are prepared to defend in tribunals or courts.

**3.1.4.** Manuals and guidelines are issued to provide details on how to comply with the policy.

**3.1.5.** In a global business as ours, uncertainties relating to Tax will inevitably arise. Through our Tax Risk Management, the MGI Group Tax department systematically monitors and collects information on tax risks in cooperation with local stakeholders.

On a biannual basis, the MGI Group's tax risks are reported to the Executive Management and annual to the Audit Committee.

**3.1.6.** All inter-company transactions (transfer pricing) are calculated and charged using arm's length principles, and closely managed to ensure that taxes are paid where value is being created.

## **3.2. COOPERATION WITH AUTHORITIES AND TRANSPARENCY**

We recognize the interest of our various stakeholders in our tax affairs, including insight into our tax management and fulfillment of disclosure requirements.

**3.2.1.** We value a good working relationship with tax authorities and rely on their support. In this context, we strive to establish and maintain a constructive working relationship with authorities on all aspects of taxation and to engage in a constructive dialogue with these authorities in all markets in which we operate.

**3.2.2.** We work with the authorities to ensure transparency with respect to our business transactions and tax reporting.

**3.2.3.** We consider tax laws in all countries to be equally important and do not rank or prioritize such laws. We are committed to following established procedures when dealing with tax authorities and when accepting government grants.

**3.2.4.** While conducting business globally, there may be uncertainties or differences in the application of tax laws, leading to discussions with tax authorities. Regardless of the issues, relevant employees and supporting functions must actively seek open dialogue with tax authorities and, if required, involve tax authorities in resolving potential double taxation issues that may arise.

**3.2.5.** We will respond to reasonable, legitimate and specific requests from tax authorities and disclose information required to enable an informed assessment of our tax position.

**3.2.6.** We will engage in dialogue with policymakers as a way of ensuring equal conditions for all market participants. We urge policymakers to implement coordinated and coherent tax reforms that minimize the risk of double taxation.

## **4. SHAREHOLDER VALUE**

We aim to have a compliant and competitive tax position within the context of our commercial activities, and to contribute to the societies in which we do business. We undertake tax planning based on sound commercial rationale and focus on preventing double taxation.

**4.1.** Within the limits established by laws and regulations, and subject to the principles set out in the Tax Policy and Code of Conduct, we manage our tax affairs proactively, seeking to maximize shareholder value in accordance with our Group's Strategy while at the same time contributing to society by paying the right amount of tax at the right time. This includes a.o.:

- Tax planning based on interpretation of applicable laws aligned with the substance of the economic and commercial activity.
- Reduction of tax cost and risk of double taxation, e.g., by using appropriate debt financing, holding companies and tax loss carryforwards.
- Use of all reasonable means available to minimize double taxation, including use of double tax treaties applicable to our commercial activities that fulfil the requirements.
- Monitoring and reviewing current and legacy tax positions and structures with a view to changes in tax practice.

**4.2.** As countries' fiscal policies evolves governments have introduced tax incentives to encourage specific investments and activities as part of their long-term financial strategy.

Tax incentives often consist of accelerated write-off of capital expenditures, R&D credits, R&D cost deductibility exceeding 100% or application of special tax regimes and rates for certain industries.

MGI actively pursue benefits from such opportunities provided by governments where these are in line with our Code of Conduct and commonly available to businesses in the jurisdiction.

**4.3.** We do not undertake aggressive tax planning such as exploitation of inconsistencies in technicalities or tax regimes through e.g.:

- Passive investments in countries officially classified by the EU or OECD as "secrecy jurisdictions" or "non-co-operative countries".
- Artificially transferring profits from one country to another to avoid taxation by using hybrid financing and entities or by abuse of double tax treaties or similar structures.

We do not use so-called "tax havens" to avoid taxes on activities that take place elsewhere. Any MGI Group entities that are incorporated and resident in low- or zero-tax jurisdictions are commercially justified.

## 5. TAX GOVERNANCE RESPONSIBILITIES

<u>Body/function/individuals</u>	<u>Roles and responsibilities</u>
Board of Directors	The Tax Policy is reviewed annually by the CEO, CFO, SVP Finance & Group Tax Manager and approved by the Board of Directors. The Audit Committee and Board of Directors receives regular updates on tax affairs in the Group.
Executive Management	Approves the Tax Policy and exercises oversight of tax affairs in the Group.
Group Tax Manager	Policy owner with overall responsibility to the Executive Committee/Audit Committee/ Board of Directors for tax affairs in the MGI Group. Also has overall responsibility for issuing, implementing, and adhering to the Tax Policy, ensuring that all material tax risks in the Group are duly attended to and communicated to the Executive Committee/Audit Committee/Board of Directors as relevant.
Group Tax	Responsible for monitoring compliance with the requirements of the policy, ensuring that the policy is adhered to in day-to-day work, and issuing guidelines and manuals on how to conduct tax affairs.
Local Heads of Finance/Accounting (and/or local tax staff)	Responsible for ensuring that the policy is implemented and adhered to, and that all relevant employees are made aware of the policy and its requirements. Responsible for all local tax matters, including accounting and reporting of taxes.
Management, employees and third- party personnel of all entities in the MGI Group	Responsible for adhering to this policy.



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