



KIILTO'S TAX STRATEGY

Main principles of taxation

1. We follow all relevant local laws and regulations, as well as OECD Transfer Pricing Guidelines.
https://read.oecd-ilibrary.org/taxation/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-2022_0e655865-en#page1
2. We manage tax risks by considering the financial and tax impact of the planned business operation/transaction and the potential tax and reputational risks.
3. We maintain transparent and honest relationships with the tax authorities and aim to reach predictability on tax matters.
4. We report and respond accurately and in a timely manner and act with integrity in all tax matters. We are committed to paying the correct amount of tax at the right time.

Transfer pricing

Kiilto has a global transfer pricing model in place, and it is implemented consistently within the Group. The transfer pricing model is regularly evaluated to ensure its continuous alignment with OECD guidelines and the business model.

Transparency of taxation

Kiilto deals transparently, professionally, and appropriately with all tax authorities. We are committed to presenting all relevant information to the tax authorities for correct tax treatment of transactions and to avoid any major tax-related disputes later. Advance rulings or similar assurances are applied to support tax assumptions made in significant transactions or in uncertain tax positions.

Structuring of business operations and transactions

All tax transactions must be based on commercial rationale and business reasoning. We do not conduct aggressive tax planning, nor do we use so-called tax havens or similar jurisdictions defined by the European Union as non-cooperative jurisdiction for tax planning purposes. Where possible, we optimize payment of taxes by applying local and global structures such as tax groups or similar arrangements. We also use incentives and reliefs to minimize the tax costs when conducting business activities, but not for purposes knowingly contradictory to the legislation's intent.