

PIERER E-Bikes UK Ltd.

## UK Tax Strategy

### 1. Scope

The PIERER Mobility Group with its seat in Austria is Europe's leading manufacturer of powered two-wheelers („PTW“).

PIERER E-Bikes GmbH, Austria, is engaged in the development and sale of electric bicycles as well as bicycle, especially under the brands “Husqvarna E-Bicycles”, “R RAYMON” and “GASGAS” (for further details please refer to the website [www.pierermobility.com/en/](http://www.pierermobility.com/en/) ).

PIERER E-Bikes GmbH – as a subsidiary of PIERER Mobility Group – has a subsidiary with its seat in UK.

The PIERER E-Bikes Group's Tax Strategy as provided in this document outlines the tax principles as they relate to PIERER E-Bikes subsidiary in UK, named **PIERER E-Bikes UK Ltd** (in short “PIERER E-Bikes subsidiary”).

### 2. Compliance with legislation

The strategy is published in accordance with the requirements of Schedule 19, Part 2, paragraph 22(2), Finance Act 2016 and will be reviewed for adjustments regularly. The tax strategy is relating to business year 2021.

The principles of the Group include to follow all laws and regulations relating to taxes that are required in the UK. Furthermore, an open and honest relationship should be maintained with the tax authorities. Another principle is to ensure an appropriate governance though applying diligence and care in the management of any procedures and processes that related to taxes.

The PIERER E-Bikes Group, and therefore also the PIERER E-Bikes UK subsidiary, has a strong commitment to corporate social responsibility. Therefore, the professional management of tax compliance, and the fulfilment of all its tax responsibilities is one of the basic principles.

These basic principles relate to all legal representatives and employees of PIERER E-Bikes UK subsidiary. Employees of PIERER E-Bikes UK subsidiary are required to comply with the PIERER E-Bikes Group Code of Conduct.

### 3. How PIERER E-Bikes manages UK tax risks

One of the objectives of PIERER E-Bikes Executive Board is to ensure worldwide tax compliance of PIERER E-Bikes Group. Therefore, tax risk in the UK is managed with the diligent care and judgement

of the professionals involved. PIERER E-Bikes has set up a department for Group Accounting and Taxes with detailed knowledge on processes for all subsidiaries worldwide to identify any tax risks. Regular meetings and conferences are held with local employees to notice any changes in short time. Due to the size of the companies in UK, the PIERER E-Bikes Group team as well as the local employees are supported by specialized external tax advisors to ensure tax compliance.

#### **4. PIERER E-Bikes attitude to tax planning**

The general business model of PIERER E-Bikes Group and therefore the worldwide sales processes precede over strategic tax planning possibilities, and all tax planning processes are undertaken in this context. However, the commercial needs will never override tax legislation.

For the PIERER E-Bikes UK subsidiary it is ensured that the taxes are duly paid and PIERER E-Bikes Group will not engage in tax planning that would adversely affect the brand or reputation.

Where the tax law is unclear or subject to interpretation, written advice would be requested by external tax consultants, including discussing the matter with HMRC for advance clearance where appropriate, to ensure that the position taken is more likely than not to be settled in PIERER E-Bikes UK subsidiary favor should it be challenged by HMRC.

#### **5. The level of risk to accept for UK taxation**

PIERER E-Bikes Group seeks to minimize the level of tax risk through submitting all UK tax returns on a timely basis with appropriate disclosures, and well as paying taxes at time to operate in a manner of a responsible taxpayer. Due to the small size of the companies in UK, the tax calculations are done by specialized external tax advisors.

Transactions between PIERER E-Bikes Group companies are conducted at an arm's-length basis and in accordance with OECD principles. Therefore, PIERER E-Bikes's Group Accounting and Tax department ensures compliance in terms of transfer pricing.

The PIERER E-Bikes Executive Board requires from the PIERER E-Bikes's Group Accounting and Tax department to identify, monitor and manage tax risks within the business and to identify where specialist external advice is required to ensure compliance. Therefore, specialized external tax advisors are used to assist the business in achieving its core tax principles.

#### **6. How your business works with HMRC**

In order to meet statutory and legislative tax requirements in UK, PIERER E-Bikes Group takes into account the principle of a timely filing of returns and disclosures as well as responds to queries and information requests. Furthermore, it is important for PIERER E-Bikes Group to be open and transparent about governance, decision-making and tax planning and to seek clarification from HMRC or the judiciary, where any points are unclear or uncertain.

Dated December 31, 2021