

Tax Strategy of HistoCyte Laboratories Ltd

SECTION 1: INTRODUCTION

1.1 Background

HistoCyte Laboratories is a provider of innovative control material and other products used in pathology labs, ultimately aiming to help improve diagnosis and treatment of disease worldwide. HistoCyte Laboratories is part of the Atlas Antibodies Group of companies headquartered in Stockholm, Sweden. This group is ultimately owned and controlled by Investor AB, a Swedish listed company holding stakes in a diverse range of businesses.

The Atlas Antibodies group of companies are fully committed to fair, sustainable and ethical business practices. This includes ensuring compliance with local tax legislation and taking a conservative approach to tax planning. As part of the group, HistoCyte adheres to this general approach to tax.

The UK market is an important part of HistoCyte's world-wide activities. HistoCyte's entire commercial business in the UK is carried out through the entity HistoCyte Laboratories Limited.

This document sets out the strategic tax objectives of HistoCyte Laboratories Limited ('HistoCyte') and satisfies the requirement to publish its tax strategy under paragraph 16(2), Schedule 19 of the Finance Act 2016.

1.2 Ownership and approval

This Tax Strategy is approved by the Board of Directors of HistoCyte.

The Group CFO of Atlas Antibodies AB is responsible for developing and maintaining this Tax Strategy, and the CEO of HistoCyte is responsible for leading its implementation into the day-to-day business of HistoCyte.

The Tax Strategy will be periodically reviewed, and any amendments will be approved by the Board of Directors.

This Tax Strategy relates to the period to 31 December 2022.

1.3 Scope

HistoCyte is exposed to a wide range of taxes, including corporation tax, VAT, insurance premium tax and national insurance contributions. In addition, HistoCyte has around 10 employees, generating a substantial further tax contribution to the economy through PAYE and NIC.

The Tax Strategy applies to HistoCyte Laboratories Ltd and the holding company Bioconnexions Ltd in terms of tax compliance and tax financial reporting.

SECTION 2: TAX STRATEGY

2.1 Summary

HistocYTE is committed to paying the correct amount of tax required under the laws and regulations of UK tax legislation and practice. HistocYTE takes a conservative approach to tax planning and does not pursue aggressive tax planning arrangements.

HistocYTE uses third party advisors to provide advice and guidance to help assess the tax risks and ensure its compliance with applicable laws, rules, regulations and disclosure requirements.

2.2 Risk Management

It is the policy of HistocYTE to ensure that all tax positions taken are consistent with good business practice and ethics, including with respect for the environment, for people and for communities. The policy ensures that HistocYTE pays the appropriate amount of tax in relation to its commercial activities.

The main tax risks for HistocYTE are identified as:

2.2.1 Tax compliance and reporting risks. These risks are associated with the failure to comply with the tax regulations of the appropriate authorities within each market HistocYTE operates in. The risk is reduced by using external professional advisers to prepare, advise and review tax computations and submissions.

2.2.2 Transactional risks. HistocYTE primarily has commercial activities in the United Kingdom, from time to time some raw materials are sourced internationally from third-party organisations. HistocYTE manufactured goods are also sold and dispatched into countries in Europe, the United States, and other markets. With the complex tax issues that cover international business, advice is generally taken from professional advisers when new channels are established in order to ensure adherence to the correct rates and treatment of tax.

2.2.3 Reputational risks. HistocYTE strives to be open and transparent with every governing entity in every market, although it will be primarily with the HMRC in the UK. HistocYTE has a conservative approach to tax planning and aims to have open communications with all tax authorities.

2.3 Documented Policies and Procedures.

HistocYTE will comply with documented policies and procedures in relation to tax risk management and will conduct risk assessments before entering any new initiatives. Where appropriate, this will include obtaining external professional opinions to verify and support HistocYTE's management team's conclusions.

2.4 Tax Planning

HistocYTE strives to maintain a low risk rating with HMRC.

Whilst seeking to be efficient in the tax affairs and reduce the tax liability through taking of reliefs and incentives where applicable, HistocYTE ensures that any tax planning is based on sound commercial principles and will show respect at all times for the intention and spirit of the law, as well as the letter of the law.

2.5 Relationship with HMRC and other tax authorities

HistocYTE seeks to build and sustain honest, transparent relationships with HMRC and other tax authorities that are constructive and based on mutual respect, avoiding unnecessary delays and disputes wherever possible.

SECTION 3: GOVERNANCE

3.1 Internal ownership and structure

The Atlas Antibodies CFO implements the world-wide group tax strategy, which includes the HistocYTE tax strategy. Within HistocYTE, the HistocYTE CEO is assisted by the Atlas Antibodies CFO.

3.2 External Consultants

For matters where the HistocYTE CEO and the Atlas Antibodies CFO consider they have insufficient skill or experience themselves or within their team, external expert consultants who have suitable knowledge of the HistocYTE business, the industry and tax law are engaged to provide advice and guidance.