

# Tax Report 2024

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# cBrain's Tax Report 2024

## Our approach to taxes

Tax is a material topic for cBrain, and our approach to taxes is built on ethical values and transparency.

We comply with local laws, reject aggressive tax avoidance, and base our decisions on sound business practices wherever we operate worldwide.

This tax report outlines and provides insights into our general tax approaches and specific tax information for our global tax footprint in 2024.

## Tax policy

The policy outlines the principles and guidelines for managing global tax affairs. cBrain is committed to acting and behaving as a good citizen and conducting non-aggressive tax planning.

The tax policy is available on the company's website: [www.cbrain.com/csr/policies](http://www.cbrain.com/csr/policies).

## Tax strategies

cBrain's tax strategies are developed based on the principles of good citizenship, including:

- Paying the taxes expected of a good citizen\*
- Behaving expectantly and ensuring transparency
- Balancing the interests of the company and its owners with the interests of society
- Act and operate in the same way across all countries

*\*Being a "good citizen" is one of cBrain's core values. It ensures our responsibility to taxes, which means paying the right amount at the right time in all countries where we operate.*

## Governance and risk

The Board of Directors is responsible for and has approved cBrain's tax policy, which was updated at the latest in 2021. Board member Peter Sam Loft, former Permanent Secretary of the Ministry of Taxation in Denmark, has been appointed responsible for our tax committee within the Board of Directors.

cBrain's CFO is responsible for all operational aspects of the Group's tax policy and risk management, which the tax and audit committees regularly monitor.

cBrain's Finance and Governance departments employ qualified staff with tax expertise and use reputable external specialists and advisors when there is uncertainty about applying or interpreting tax laws.

Financial tax information for the Group and the parent company's financial statements, as disclosed in the Annual Report 2024, are audited by cBrain's independent external auditor, EY.

## Regulatory compliance

All cBrain's business and financial activities must comply with applicable local tax laws and reflect generally accepted principles of international taxation. This includes preparing complete and accurate tax returns and timely reporting and payment to tax authorities.

Local tax returns and other compliance work are outsourced to external specialists when cBrain lacks the necessary skills in-house.

The pricing mechanisms of intra-group transactions align with the OECD arm's length principle unless we are legally obliged to use an alternative pricing mechanism.

## Tax incentives

cBrain only utilizes government tax incentives that are transparent, regulated, and directly related to our commercial activities in the country offering the incentive. No tax incentives were used in 2024.

## Business structures

The business structures in the cBrain Group are established solely for commercial considerations aligned with our tax policy. cBrain does not establish artificially fragmented structures or contracts to avoid establishing a taxable presence in jurisdictions in which we operate.

The legal form used in the cBrain Group consists primarily of wholly owned subsidiaries. cBrain's business activities in Germany use the rules on permanent establishment abroad, and the branch is adapted to cBrain's commercial activity in the country.

cBrain has a limited presence in tax haven countries (countries with tax rates below 15%) or non-cooperative jurisdictions, including the UAE. Our present is solely a result of our regular commercial trading activities.

The country-by-country reporting presented in tables 1 and 2 on the next page includes the financial tax information for these countries.

## Sustainability goals

We are committed to supporting social development and sustainable growth through our business activities. We have signed up to the UN Global Compact and the UN Sustainable Development Goals, which we recognize as a robust plan to achieve a better and more sustainable future for all.

By strictly adhering to tax compliance and the correct, accurate, and timely payment of taxes, cBrain contributes to achieving several UN Sustainable Development Goals and the ten principles of the UN Global Compact. For example, it supports the mindset behind SDG16, the development of effective, accountable, and transparent institutions.

Our other work with the SDGs is described in our Sustainability reporting within the Annual Report, which can be found on the company's website: [www.cbrain.dk/financialreports/2024](http://www.cbrain.dk/financialreports/2024).

### Relationships with stakeholders

All cBrain Group companies, business units, and employees operate under cBrain's Code of Conduct, which, together with our Tax Policy, reiterates the behavior and standards expected of all our Group companies, business units, and employees.

The Code of Conduct can be found on the company's website: [www.cbrain.com/csr](http://www.cbrain.com/csr).

The Audit Committee manages cBrain's global whistleblower program, through which employees can speak up about confidentiality issues, such as critical tax issues, without fear of negative consequences.

We actively cooperate with the tax authorities in the countries where we operate and strive to have a positive and open dialog. Where possible, we will seek early guidance from tax authorities. In 2024, there are no ongoing investigations, inquiries, disputes, or pending cases with tax authorities.

For global expansion, cBrain partners with the Ministry of Foreign Affairs and trade organizations like Danish Industry (DI), reinforcing our commitment to responsible tax practices.

### Country-by-country reporting

To increase the transparency of the Group's tax payments, payable taxes and effective tax rates for the Group's countries with taxable income are presented in tables 1 and 2.

The materiality of countries is determined based on revenue and activity in each country. The country information represents 100% of the Group's total taxable income in 2024.

cBrain's Annual Report for 2024, available on our website, details the Group's companies on page 114: [www.cbrain.dk/financialreports/2024](http://www.cbrain.dk/financialreports/2024).

The total tax footprint of the cBrain Group during the year involved a total tax contribution of DKK 109,4m divided between DKK 25,7m as taxes borne and DKK 83,8m as taxes collected. See table 2 for disclosures of cBrain's global country-by-country tax footprint.

**Table 1 – General country-by-country information**

|                                   | Denmark | The UAE | Germany |
|-----------------------------------|---------|---------|---------|
| Group HQ                          | ●       |         |         |
| Direct customer sales or supplies | ●       | ●       |         |
| Product development               | ●       |         |         |
| Marketing and consulting services | ●       | ●       | ●       |

**Table 2 – Country-by-country reporting 2024**

| T.DKK                              | Denmark       | The UAE   | Germany    |
|------------------------------------|---------------|-----------|------------|
| <b>Income taxes</b>                |               |           |            |
| Taxable income for the year        | 83.653        | 87        | 974        |
| Paid advance taxes during the year | 9.486         | 0         | 383        |
| Tax payable as of December 31      | 8.918         | 0         | -89        |
| <b>Total</b>                       | <b>18.404</b> | <b>0</b>  | <b>294</b> |
| <b>Effective tax %</b>             | <b>22%</b>    | <b>0%</b> | <b>30%</b> |

### Total tax footprint

|   |                |            |              |
|---|----------------|------------|--------------|
| Corporate income taxes current year, borne  | 9.486          | 0          | 383          |
| Corporate income taxes previous year, borne | 15.636         | 0          | 0            |
| Property and other taxes, borne             | 164            | 0          | 0            |
| Employment tax, collected                   | 46.840         | 0          | 1.489        |
| Indirect taxes, collected                   | 35.148         | 284        | 0            |
| <b>Total</b>                                | <b>107.274</b> | <b>284</b> | <b>1.872</b> |

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