The Swedish Tax Agency's Position Statement on the Allocation of Acquisition Cost for Shares in Connection with Hexagon AB's Distribution of Shares or Swedish Depositary Receipts in Octave Intelligence plc in 2026

Area: Income Tax (Capital)
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1. Summary

The Swedish Tax Agency has assessed the allocation of acquisition cost for shares in connection with Hexagon AB's distribution of shares or Swedish Depositary Receipts in Octave Intelligence plc in 2026.

Of the acquisition cost for shares in Hexagon AB, 78 per cent should be attributed to those shares and 22 per cent should be attributed to the shares or Swedish Depositary Receipts received in Octave Intelligence plc.

This assessment applies from and including the 2026 tax year onwards.

2. Question

Allocation of acquisition cost for shares in connection with the distribution by Hexagon AB in 2026, corporate registration number 556190-4771 (Hexagon), of shares or Swedish Depositary Receipts in Octave Intelligence plc (Octave).

2.1 The Offer

Hexagon has stated the following.

The Annual General Meeting resolved on 24 April 2026 to distribute all shares in the wholly-owned Irish subsidiary Octave to Hexagon's shareholders.

For every ten Class A shares in Hexagon, one Class A ordinary share in Octave was received, and for every ten Class B shares in Hexagon, one Class B ordinary share in Octave was received. For holders of Class B shares in Hexagon who are not affiliates of Hexagon under US securities legislation, the Class B ordinary shares in Octave were delivered through Swedish Depositary Receipts, so-called SDRs, to each shareholder's account with Euroclear Sweden. Each Swedish Depositary Receipt in Octave represents ownership of one underlying Class B ordinary share in Octave.

For shareholders whose holding in Hexagon was not evenly divisible by ten, each shareholder received fractions of a share or a Swedish Depositary Receipt in Octave. These fractions were aggregated into whole shares or Swedish Depositary Receipts and sold collectively, after which the proceeds were paid out to the shareholders concerned.

The record date for entitlement to receive shares or Swedish Depositary Receipts in Octave was 22 May 2026. The last day for trading in Hexagon shares with entitlement to participate in the distribution was 20 May 2026. The first day for trading in Hexagon shares without entitlement to the distribution was 21 May 2026.

3. Applicable Law

Chapter 42, Section 16 of the Swedish Income Tax Act (1999:1229) provides that a dividend from a Swedish limited liability company (the parent company) in the form of shares in a subsidiary shall not be included as income if certain conditions are met.

For shares acquired through such a dividend of shares in a subsidiary as referred to in Chapter 42, Section 16 of the Swedish Income Tax Act, the acquisition cost is, pursuant to Chapter 48, Section 8, first paragraph of the Swedish Income Tax Act, deemed to be that portion of the cost base for the shares in the parent company – calculated at the time of the distribution – that corresponds to the change in market value that the distribution brings about for those shares. When the cost base for the shares in the parent company is subsequently calculated, the average acquisition cost shall, in accordance with the second paragraph of that provision, be reduced correspondingly.

4. Assessment

A benefit for shareholders of receiving shares in another company without payment is taxed as a dividend. The dividend is tax-exempt if certain conditions are met (lex Asea).

The Swedish Tax Agency confirmed in a response letter dated 27 January 2026 that the conditions for tax exemption on the received distribution of shares or Swedish Depositary Receipts in Octave are satisfied. The distribution is therefore not taxable. Instead, the acquisition cost for the shares in Hexagon shall be allocated between those shares and the shares or Swedish Depositary Receipts received in Octave. This is done by transferring the decrease in value of a Hexagon share due to the distribution to the distributed share or Swedish Depositary Receipt in Octave. The remaining portion of the acquisition cost for the Hexagon share becomes the new acquisition cost for that share.

5. Calculation

The Class B shares in Hexagon are listed on Nasdaq Stockholm, while the Class A shares are not subject to equivalent market trading. When allocating the acquisition cost, therefore, the price change for Class B shares should form the basis for the calculations for both Class A and Class B shares.

The last day for trading in Hexagon shares with entitlement to the distribution of shares in Octave was 20 May 2026. The lowest recorded transaction price on that day was SEK 103.80. The first day for trading in such shares without entitlement to the distribution was 21 May 2026. The lowest recorded transaction price on that day was SEK 81.06.

Of the original acquisition cost for shares in Hexagon, (81.06 / 103.80 =) 78 per cent should therefore be attributed to shares in Hexagon and 22 per cent should be attributed to shares or Swedish Depositary Receipts received in Octave.

5.1 Example

At the time of the distribution of shares or Swedish Depositary Receipts in Octave, the acquisition cost for one share in Hexagon in this example is SEK 50. Of this amount, 78 per cent, or (0.78 × 50 =) SEK 39, should be attributed to the share in Hexagon, and 22 per cent should be attributed, or (0.22 × 50 =) SEK 11, to the share or Swedish Depositary Receipt received in Octave.