Information

on the tax strategy pursued by

GRINEA sp. z o.o.

for the tax year 2023

GRINEA

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A. General information

1. Purpose of the information on the tax strategy pursued

The purpose of the information on the tax strategy pursued, prepared by GRINEA sp. z o.o., is to comply with the obligation of the Company according to which the taxpayers whose value of revenue for the previous year exceeded the equivalent of EUR 50 million are obliged to prepare and publish the information on the tax strategy pursued for the tax year.

This document presents the position of GRINEA sp. z o.o. as regards the implementation of the tax strategy for the year 2023 and fulfilment of tax obligations in the Republic of Poland.

The information on the tax strategy pursued has been prepared for the tax year starting on 1 January 2023 and ending on 31 December 2023.

The document has been published on the website www.grinea.eu.

2. Legal basis

The information on the tax strategy pursued has been prepared in accordance with the requirements of Article 27c of the Corporate Income Tax Act of 15 February 1992 (Journal of Laws [*Dziennik Ustaw, Dz. U.*] of 2023, item 2805).

Pursuant to Article 27c, the scope of information on the tax strategy pursued covers, taking into account the nature, type and size of the activity carried out, in particular:

1) information on the taxpayer's application of:
a) processes and procedures for managing the fulfilment of obligations resulting from tax law and ensuring their proper fulfilment,
b) voluntary forms of cooperation with the bodies of the National Revenue Administration [*Krajowa Administracja Sądowa, KAS*]
2) information on the taxpayer's compliance with tax obligations in the Republic of Poland with the information on the amount of information on the tax schemes referred to in Article 86a(1)(10) of the Tax Ordinance Act submitted to the Head of the National Revenue Administration, broken down by the taxes they concern,
3) information on:
a) transactions with related entities within the meaning of Article 11a(1)(4) whose value exceeds 5% of balance sheet total of assets within the meaning of the accounting provisions determined on

the basis of the last approved financial statements, including the entities that are non-residents of the Republic of Poland,

b) restructuring actions planned or taken by the taxpayer that could have an impact on the amount of tax liabilities of the taxpayer or related entities within the meaning of Article 11a(1)(4),

4) information on the applications submitted by the taxpayer regarding:

a) general tax interpretation referred to in Article 14(a)(1) of the Tax Ordinance Act,

b) interpretation of tax law regulations referred to in Article 14b of the Tax Ordinance Act,

c) Binding Rate Information referred to in Article 42a of the Value Added Tax Act,

d) Binding Excise Information referred to in Article 7d(1) of the Excise Tax Act of 6 December 2008 (Journal of Laws of 2023, items 1542, 1598 and 1723),

5) information on the settlement of the taxpayer's taxes in the territories or countries applying harmful tax competition indicated in the implementing acts adopted pursuant to Article 11j(2) and pursuant to Article 23v(2) of the Personal Income Tax Act of 26 July 1991 and in the Notice of the minister in charge of public finances issued pursuant to Article 86 a(10) of the Tax Ordinance Act

- excluding information subject to commercial, industrial, professional or manufacturing process secrets.

3. Information on the Company

The Company's registered office is located in Rzeszów, at ul. Przemysłowa 1, while the offices are located in Krakow on the 4th floor of Centrum Biurowe [*Office Centre*] Azbud, at Aleja Pokoju 78 and in Warsaw in Park Rozwoju [*Development Park*] at ul. Konstruktorska 12.

The Company is entered into the register of business entities kept by the District Court in Rzeszów, 12th Commercial Division of the National Court Register under the number 0000085091. GRINEA sp. z o.o. is also a registered taxpayer with a NIP [*tax identification number*] number 813-30-39-695 and REGON [*National Business Registry Number*]: 690680026. From the very beginning, the energy sector construction has been our primary activity. The primary activity of the Company according to the Polish Classification of Activity (PKD) are works related to construction of telecommunications and electricity lines.

Our history started in 1976 when ZWSE Rzeszów was established as a unit of the Zakłady Energetyczne Okręgu Wschodniego [*Power Distribution Companies of the Eastern District*]. With the development of the market and technology, we have gained knowledge and experience. At present, we are a private enterprise offering specialist services for the energy sector.

We have operated as a Polish limited liability company [*sp. z o.o.*] since 1 November 1999. On that day, pursuant to the Notarial Deed, Register A no. 4678/99, the Company took over the assets of the state enterprise Zakład Wykonawstwa Sieci Elektrycznych Rzeszów from the State Treasury for paid use.

On 24 January 2004, pursuant to the Notarial Deed, Register A no. 195, the Agreement on the Transfer of Ownership of the Enterprise was concluded with the State Treasury.

On 17 October 2022, pursuant to the Notarial Deed, Register A no. 195, the Company's name was changed into GRINEA sp. z o.o. The Company has been established for an indefinite period of time.

The Company pays corporate income tax, value added tax, it is a payer of advance personal income tax, it pays local taxes. The tax strategy pursued by GRINEA sp. z o.o. ensures reliable and timely fulfilment of tax obligations imposed on the Company by the legislator. Due fulfilment of activities resulting from tax law regulations by the Company contributes to the social, economic and societal functioning of the state.

GRINEA Rzeszów sp. z o.o. benefits from subsidies awarded by the public administration authorities as part of its business activity.

B. Information on the tax strategy pursued

1. Processes and procedures for managing the fulfilment of obligations resulting from tax law and ensuring their proper fulfilment

The tax procedures and processes used by the Company help to mitigate tax risk and to systematise the tasks on the part of those in charge of them. The Board of Directors and management of GRINEA sp. z o.o. ensure effective and adequate control of the organisation from the perspective of fulfilling the obligations imposed on the Company by tax law, in particular:

- they exercise due diligence to ensure the accuracy of tax settlements;

- they identify tax risk areas that are exposed to the occurrence of irregularities and manage and monitor them appropriately, and when it is possible, they eliminate them completely;
- they make an analysis of tax effects prior to the commencement of the activities or transactions planned;
- they submit all declarations and pay tax liabilities in a timely manner;
- they comply with the reporting obligations resulting from the provisions of law;
- they put an emphasis on the verification of contractors and business partners.

The tax strategy of GRINEA sp. z o.o. is reviewed regularly, it is adjusted to the changes in and around the organisation and to the areas exposed to the tax risk related to the operation in the energy market.
While planning the activities and discharging public-law liabilities, including those resulting from tax obligations, they apply the following rules:

a) compliance with the laws,
b) fairness and transparency of activities,
c) ethical attitude of the Company and its bodies,
d) payment of taxes in accordance with the relevant regulations,
e) no non-economic transactions,
f) benefiting only from available tax reliefs and incentives,
g) no cooperation with countries applying harmful tax competition.

The Company does not apply an aggressive tax strategy. All business operations and transactions are real and are not motivated by creative planning of tax liabilities.
The IT systems used by the Company and internal processes of tax management are designed to enable the observance of tax laws and regulations.
The risk is regularly analysed and mitigated using appropriate measures. For this purpose, the Accounting Department of the Company stays in regular touch with all departments of the Company. If necessary, the Company uses the services of outside consultants.
Tax obligations are determined and complied by responsible and qualified employees of the Company in accordance with the applicable tax regulations. They ensure that the law is applied and observed through continuous acquisition and expansion of knowledge on the current tax law provisions, among others. The Company's cooperation with statutory auditors plays an important role in this regard. The amounts of tax

liabilities are calculated on the basis of the regulations and in accordance with the real course of economic events, and are paid by deadlines resulting from the laws.

In order to standardise the rules of functioning within the structure, GRINEA sp. z o.o. has prepared and implemented dozens of procedures, instructions and regulations governing the Company's processes. These include the ones that affect tax issues directly or in a significant manner, such as:

- Due diligence procedure in tax settlements;
- WHT procedure (withholding tax);
- Procedure for counteracting non-compliance of GRINEA sp. z o.o. with the obligation to submit information on the tax schemes (MDR procedure);
- Transfer pricing policy;
- Instruction on the circulation of financial and accounting documents;
- Instruction on due diligence in VAT settlement;
- Instruction on the management of the assets;
- Inventory instruction;
- Instruction on the use of cars;
- Purchasing instruction;
- Supplier qualification instruction;

The above-mentioned procedures aim at ensuring the correct application of tax laws and timely fulfilment of the resulting tax obligations and allow for the assignment of roles to individual participants of the processes in the Company. These procedures are regularly verified in terms of changes to tax regulations, positions of tax authorities, judicial decisions of administrative courts and organisational changes within the Company.

2. Voluntary forms of cooperation with the bodies of the National Revenue Administration

In tax year 1 January 2023 - 31 December 2023, the Company did not use any voluntary forms of cooperation with the bodies of the National Revenue Administration, it did not conclude advance pricing agreements, it did not request safeguard opinions against the General Anti-Avoidance Rule.

Based on mutual respect, positive relations with public institutions and the National Revenue Administration bodies are built, resulting in good cooperation.

3. A list of tax obligations and the amount of information on the tax schemes submitted to the Head of the National Revenue Administration

The Company is a Polish tax resident and fulfils its tax obligations in accordance with the law.
In tax year 1 January 2023 - 31 December 2023, it declared and paid or remitted as a payer the following taxes:

- corporate income tax (CIT),
- value added tax (VAT),
- personal income tax (PIT),
- real estate tax,
- tax on civil law transactions,
- tax on perpetual usufruct of land.

The obligations regarding the above-mentioned taxes were fulfilled in a timely manner, while the tax returns were submitted by the deadlines specified by tax law regulations.
In tax year 1 January 2023 - 31 December 2023, the Company did not identify any tax schemes, therefore, it did not submit any information on the tax schemes referred to in Article 86a(1)(10) of the Tax Ordinance Act to the Head of the National Revenue Administration.

4. Transactions with related entities

In tax year 1 January 2023 - 31 December 2023, the Company did not enter into transactions with related entities within the meaning of Article 11a(1)(4) whose value exceeded 5% of the balance sheet total of assets within the meaning of the accounting provisions determined on the basis of the Company's last approved financial statements, including the entities being non-residents of the Republic of Poland.

5. Restructuring actions planned or taken

In tax year 1 January 2023 - 31 December 2023, the Company did not plan or take any restructuring actions that could have an impact on the amount of tax liabilities.

6. ORD-OG, ORD-IN, WIS, WIA applications

In tax year 1 January 2023 - 31 December 2023, the Company did not apply for:

a) general tax interpretation (ORD-OG) referred to in Article 14(a)(1) of the Tax Ordinance Act,
b) interpretation of tax law regulations referred to in Article 14b of the Tax Ordinance Act,
c) Binding Rate Information (WIS) referred to in Article 42a of the Value Added Tax Act,
d) Binding Excise Information (WIA) referred to in Article 7d(1) of the Excise Tax Act of 6 December 2008 (Journal of Laws of 2023, items 1542, 1598 and 1723).

7. Tax havens

In tax year 1 January 2023 - 31 December 2023, the Company did not settle taxes in the territories or countries applying harmful tax competition indicated in the implementing acts issued pursuant to Article 11j(2) of the Corporate Income Tax Act of 15 February 1992 and pursuant to Article 23v(2) of the Personal Income Tax Act of 26 July 1991 and in the Notice of the minister in charge of public finances issued pursuant to Article 86 a(10) of the Tax Ordinance Act.