



Information on the implemented Tax Strategy for the tax year from 1 October 2021 to 30 September 2022

Axpo Polska spółka z ograniczoną odpowiedzialnością

Axpo Polska sp. z o.o.
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With its registered office in Warsaw, Rondo Daszyńskiego 2B, entered into the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division, under the KRS number: 0000020839, NIP 5262483798, REGON 016380846, with share capital 241 250 000 PLN

Dear Sirs,

This document provides information on the implementation of the tax strategy by Axpo Polska sp. z o.o. ("**Axpo**", the "**Company**") for the tax year from 1. October 2021 to 30. September 2022 (the "**Tax Year**").

The information on the implementation of the tax strategy has been prepared and made public pursuant to Article 27c(1) in conjunction with Article 27b(2)(2) of the Corporate Income Tax Act of 15 February 1992 (the "**CIT Act**"). At the same time, the scope of the data included and presented in the document in question has been prepared taking into account the nature, type and size of the business activities carried out by Axpo and complies with the catalogue of information required under Article 27c(2) of the aforementioned CIT Act.

Information that is covered by trade, industrial, professional or manufacturing process secrets, as well as information to which access is restricted due to applicable laws or contractual obligations in this regard or arising from business decisions planned or made by the Company, may have been excluded from publication.

1. Introduction

Axpo is a Polish company with activities in the energy sector. The company's core business is trading in electricity. Axpo has been present on the Polish market for over 20 years, where it has become one of the leading independent recipient of green energy. Customers in Poland can benefit from tailored offers for energy repurchase and supply based on structured and long-term contracts, trade balancing, trading in property rights or guarantees of origin.

The company is part of the Axpo Group (the "**Group**"), which is Switzerland's largest producer of renewable energy and an international leader in the trading and promotion of solar and wind energy. The Group's goal is to shape a sustainable future through innovative energy solutions, hence all activities, both strategic and operational, are undertaken by the Group with sustainability in mind. Accordingly, the Group has developed and implemented an internal sustainability policy that provides a common framework and standards for all its member companies in terms of (i) conducting its business taking into account environmental, social and economic aspects, and (ii) performing its duties with integrity in all areas related to the conduct of its business (including tax matters).

The Company is committed to ensuring that the tax obligations imposed on it by law are carried out correctly and in a timely manner, based in this regard on the values of integrity, transparency and responsibility. Furthermore, Axpo maintains an open and partnership approach in its dealings with tax authorities.

2. Information on Axpo's processes and procedures for managing and ensuring the proper performance of its tax law obligations

The Company's main objective in relation to tax matters is to fulfill its tax obligations correctly and reliably, including the settlement of tax liabilities in the amount and within the deadlines required by tax law. The above is carried out using principles and mechanisms developed over the years in the business.

Axpo has a number of processes in place (including unwritten ones), the observance of which is aimed at ensuring the correct discharge of the obligations provided for by the tax law. In the process of applying tax law, the Company operates on the basis of the law, applicable good practice, the generally accepted interpretation of tax legislation and sound judgement made on the basis of its knowledge and professional experience.

The Company's overall approach to the area of implementation of the tax function is set out in the internal document "Tax Strategy", which sets out (i) the general principles and processes to ensure that the Company properly performs its tax obligations and (ii) the basic principles of tax risk management in the organisation.

Due to the dynamic development of Axpo's business activities with the simultaneous volatility of tax law, the Company works closely with reputable external advisors and companies, whose scope of support depends on the identified needs.

3. Voluntary forms of cooperation with the National Tax Administration (KAS) authorities

In the Tax Year, the Company submitted a request to the Lublin Tax Office in Lublin for an opinion on the payer's application of an exemption (preference) from collecting lump-sum income tax on dues paid to the taxpayer referred to in Article 21(1)(1) of the CIT Act.

Apart from the above, during the Tax Year, the Company did not pursue other voluntary forms of cooperation with the KAS authorities, in particular:

- has not entered into the co-operation agreement referred to in Article 20s § 1 of the Act of 29 August 1997. - Tax Ordinance ("**Tax Ordinance**");
- did not apply for and did not participate in the pilot version of the Co-operation Programme;
- did not conclude or apply for an Advance Pricing Agreement (APA) as referred to in Article 83 of the Act of 16 October 2019 on the Settlement of Double Taxation Disputes and the Conclusion of Advance Pricing Agreements;
- did not conclude or apply for an Investment Agreement (PI) as referred to in Article 20zs § 1 of the Tax Code;
- did not apply for an individual tax ruling, a general tax ruling, binding rate information, binding excise information, binding tariff information and binding origin information.

In addition, the Company has not applied for the so-called VAT Cross-Border Ruling (CBR) - a cross-border interpretation of VAT law, which Polish entrepreneurs may currently also apply for.

Despite the lack of participation in voluntary forms of cooperation with KAS authorities, the Company is open to cooperation with tax authorities, based on the principles of mutual understanding and partnership, also in the case of possible inspections or checking activities.

4. Information on the implementation of tax obligations on the territory of the Republic of Poland, together with information on the number of information on tax schemes referred to in Article 86a § 1 item 10 of the Tax Ordinance, provided to the Head of KAS

The Company indicates that in the Tax Year it timely fulfilled all its obligations under the tax laws in force in the territory of the Republic of Poland.

During the Tax Year, the Company timely submitted to the relevant tax authorities all declarations, ensuring that their content was complete, understandable and corresponding to actual economic events, and timely paid tax liabilities arising:

- in corporate income tax;
- in value added tax;
- as a result of fulfilling the duties of a payer of personal income tax;
- in excise duties.

During the Tax Year, the company also fulfilled, within the required timeframe, the tax information or reporting obligations it was obliged to fulfil, including the preparation of transfer pricing documentation and transfer pricing information.

During the Tax Year, Axpo did not observe any events that would involve the need to provide the Head of the National Tax Administration with information on tax schemes referred to in Article 86a § 1(10) of the Tax Ordinance.

5. Information on transactions with related parties within the meaning of Article 11a(1)(4) of the CIT Act, the value of which exceeds 5% of the balance sheet total assets

During the Tax Year, the Company entered into the following transactions with related parties within the meaning of Article 11a(1)(4) of the CIT Act, the value of which exceeded 5% of the Company's total assets within the meaning of the accounting regulations, determined on the basis of the last approved financial statements:

- **sale of electricity** - a transaction with a related company, with its country of domicile or management in Switzerland, Italy and Ukraine;
- **purchase of electricity** - a transaction with a related company, with its country of domicile or management in Switzerland, Italy and Norway;
- **obtaining a guarantee** - from a related party based in Switzerland;
- **a loan** - from a related party based in Luxembourg.

At the same time, the Company indicates that the above information relates to homogeneous transactions within the meaning of the transfer pricing regulations, the value of which (per unit) exceeds the limit indicated by the legislator.

6. Information on restructuring activities planned or undertaken by Axpo which may have an impact on the amount of tax liabilities of the Company or its affiliates within the meaning of Article 11a section 1 point 4 of the CIT Act

During the Tax Year, no restructuring activities took place, including those that may affect the tax liabilities, either of the Company or of its related parties within the meaning of Article 11a(1)(4) of the CIT Act.

Furthermore, such actions were not planned in the Tax Year and are not anticipated at the time of publishing information on the implemented tax strategy, nevertheless Axpo does not exclude the implementation of restructuring actions in the future.

7. Information on Axpo's requests for individual interpretation, general interpretation, binding rate information, binding excise information

During the Tax Year, the Company did not make any requests for:

- general tax interpretation referred to in Article 14a § 1 of the Tax Ordinance;
- the interpretation of tax regulations referred to in Article 14b of the Tax Ordinance;
- binding rate information referred to in Article 42a of the act of 11 March 2004 on tax on goods and services;
- binding excise duty information referred to in Article 7d(1) of the Act of 6 December 2008 on Excise Duty.

8. Information on the Company's tax settlements in territories or countries practising harmful tax competition

The Company did not, in the Tax Year, settle taxes in the territories or countries practising harmful tax competition indicated in the executive acts issued on the basis of Article 11j(2) of the CIT Act and on the basis of Article 23v(2) of the Personal Income Tax Act of 26 July 1991 and in the announcement of the Minister competent for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance.

In particular, in the Tax Year, the Company:

- did not make or hold a registration for tax purposes in any country applying harmful tax competition,
- did not perform any tax settlements and did not file any tax returns in countries applying harmful tax competition,
- did not receive any refunds or make any payments of taxes in countries applying harmful tax competition, including withholding tax.