

Information on the tax strategy implemented by the Baltic Hub Tax Group for 2023.

1. Legal basis

Article 27c of the Corporate Income Tax Act (consolidated text: 24 November 2022, Journal of Laws of 2022, item 2587, as amended; "the CIT Act").

2. Registration data

Full name: Baltic Hub Tax Capital Group
Address: ul. Kontenerowa 7, 80-601 Gdańsk
NIP (Tax Identification Number): 1070046947

Parent company:

Full name: Baltic Hub Sp. z o. o.
Address: ul. Kontenerowa 7, 80-601 Gdańsk
NIP (Tax Identification Number): 5252761698
KRS (National Court Register): 0000743195
REGON (Statistical Number): 381140616

Subsidiary:

Full name: Baltic Hub Container Terminal Sp. z o. o.
Address: ul. Kontenerowa 7, 80-601 Gdańsk
NIP (Tax Identification Number): 2040000183
KRS (National Court Register): 0000936698
REGON (Statistical Number): 192967316

3. Description of activity

The Baltic Hub Tax Group (also referred to as "TG") is a Polish tax resident.

Members of the Tax Group include Baltic Hub Sp. z o. o. (also referred to as: "Baltic Hub") and Baltic Hub Container Terminal Sp. z o. o. (also referred to as: "BHCT"), referred to jointly as: "Companies".

The TG agreement was concluded on November 9, 2021 and registered by the Head of the First Masovian Tax Office in Warsaw on December 8 2021.

The TG agreement was concluded for the period of 3 tax years (i.e. from January 1, 2022 to December 31, 2024), after the expiry the Parties may extend the term of the TG agreement.

Baltic Hub is the parent company of within TG and the company representing TG within the meaning of Article 1a section 3a of the CIT Act.

Baltic Hub has is registered office in Gdańsk, at ul. Kontenerowa 7, 80-601. The Company was established in August 2018 (original company name: "Holbrook Sp. z o. o.") and is entered into the National Court Register maintained by the District Court Gdańsk-Północ in Gdańsk, Commercial Division No. 7, under KRS (National Court Register) entry number 0000743195.

Baltic Hub is the only shareholder of BHCT and serves as a holding company and a company involved in obtaining, managing and settling external financing from financial institutions and internal financing from shareholders within the Group. It is also the objective of Baltic Hub to set the direction of activity (develop the strategy) of the Group and BHCT.

The obligations of BH include in particular calculation, collection and payment of CIT advances and CIT resulting from the annual settlement on the TG income, and submission of the relevant tax returns in this regard. It is also the responsibility of Baltic Hub to report to the Head of the competent tax office any modifications in the TG agreement and changes in the share capital of the Companies forming the TG. Considering that Baltic Hub has commissioned

BHCT to provide organizational and technical support services, the obligations of the representing company are primarily performed by employees of the BHCT Finance Department.

BHCT is a subsidiary company within the TG.

BHCT has its registered office in Gdańsk, at ul. Kontenerowa 7. The company was established in May 2001. At present, BHCT is entered into the National Court Register maintained by the District Court for Gdańsk-Północ in Gdańsk, Commercial Division No. 7, under KRS (National Court Register) entry number 0000936698. Until the end of 2022, BHCT used the company name of DCT Gdańsk Sp. z o.o. (the change of the company name to "Baltic Hub Container Terminal Sp. z o.o." was registered by the Court on January 20, 2023).

BHCT container terminal has handled import, export, transit and transshipment of containerized cargo to and from Central and Eastern Europe since 2007. In 2023, BHCT handled approximately 2.1 million TEUs (*twenty-foot equivalent unit*; a unit of capacity used for ports and ships, equivalent to the volume of a 20-foot container).

The Company had 1,350 employees at the end of 2023.

BHCT conducts its activity on land leased from the Port of Gdańsk and implements investment projects from its own funds, shareholders' funds and loans. All infrastructure expenditure incurred by BHCT after the lease period will become the property of the Port of Authority in Gdańsk [Zarząd Portu Morskiego w Gdańsku] (i.e. indirect property of the State Treasury).

The activity of BHCT has led to a shift in the flow of goods from the North Sea countries to the Baltic Sea, which strengthening Poland's geopolitical position. According to the information obtained from the Pomerania Customs and Fiscal Office, in 2023 alone, the total amounts due from customs declarations for goods cleared at the "Container Terminal" Customs Branch in Gdańsk that serves BHCT exceeded PLN 6.7 billion (including excise duty, customs duty and VAT).

According to information published on the website of the Ministry of Finance, in terms of the amount of income tax paid for 2023, PGK Baltic Hub ranks 10th among all tax capital groups in Poland ¹.

BHCT has been consistently growing its business. With the latest investment in the T3 terminal, the Company can rank among the top container terminals in Europe. More information on the construction of the T3 terminal is available on the BHCT website: <https://baltichub.com/inwestycje/projekt-t3/aktualnosci-t3>

4. Information on the processes and procedures applied by the taxable person concerning management of the fulfilment of obligations under tax law and ensuring their proper implementation.

As part of the TG, the Companies apply internal processes and procedures to ensure that their tax obligations are properly fulfilled. In particular, the Companies have implemented the Tax Procedure for Corporate Income Tax Settlements within the "Baltic Hub" Tax Group.

Regardless of the above, the Companies have their own detailed procedures for tax settlements, including:

- i. the VAT procedure, the procedure for periodic verification of contracting parties, trade terms and conditions, purchase transactions and tax reporting, ,
- ii. the procedure for collecting evidence of the provision of services,
- iii. the procedure for dealing with tax schemes,
- iv. the payment procedure,
- v. the inventory procedure,
- vi. the procedure for settlement of business trips, ,
- vii. the procedure for settlement of withholding tax,

The Companies' employees are obliged to cooperate with employees of the Finance Department to the extent necessary to correctly determine the tax liabilities of TG, BH and BHCT and to consult doubts, if any.

The people responsible for settlements of TG, BH and BHCT have appropriate qualifications and experience allowing them to properly fulfil the obligations are properly fulfilled.

¹Source: website of the Ministry of Finance of November 25, 2024: <https://www.gov.pl/web/finanse/2023-bis>

The Companies' Management Boards supervise the employees responsible for the settlements of the TG, BH and BHCT and take measures to ensure that tax obligations are properly fulfilled.

If necessary, the Company's representatives consult the correctness of the applied solutions with external tax advisors.

5. Information on voluntary forms of cooperation used by the taxpayers with the National Revenue Administration bodies.

The TG and the Companies have not participated in voluntary forms of cooperation with the National Revenue Administration authorities.

6. Information on the fulfilment of tax obligations by the taxable person in the territory of the Republic of Poland, together with information on the number of items of information on tax schemes referred to in Article 86a § 1 item 10 of the Tax Ordinance, provided to the Head of the National Tax Administration, with a breakdown into taxes the information relates to.

The TG, BH and BHCT are Polish tax residents and fulfil their obligations under the tax in the territory of the Republic of Poland.

In 2023:

- a) Baltic Hub provided 2 information on a tax scheme to the Head of the National Tax Administration concerning the payment of interest on a loan (information on corporate income tax),
- b) BHCT submitted 1 information on a tax scheme to the Head of the National Tax Administration concerning the payment of a dividend (information on corporate income tax).

7. Information on transactions with related parties, within the meaning of Article 11a Section 1 item 4, whose value exceeds 5% of the balance sheet total of assets within the meaning of the accounting regulations, determined on the basis of the last approved financial statements of the company, including entities not being tax residents in the territory of the Republic of Poland.

In 2023, the following related party transactions exceeded 5% of the balance sheet total assets of the companies forming the TG (based on consolidated financial data for 2023):

- i) a loan granted to Baltic Hub by its shareholders (i.e. PSA Baltics NV, PFR Porty Sp. z o. o. and Global Infracore SARL),
- ii) a loan granted by Baltic Hub to BHCT,
- iii) a security for loan obligations to financial institutions granted to Baltic Hub by BHCT.

There were no other related party transactions exceeding 5% of the balance sheet total assets of the individual Companies (from the perspective of either BH or BHCT).

For the purpose of calculating the value of transactions referred to in Article 27c Section 2 item 3 letter (a) of the CIT Act, the principles described in Chapter 1a of the CIT Act were adopted.

8. Information on restructuring activities planned or undertaken by the taxable person, which might affect the amount of tax liabilities of the taxable person or its related parties within the meaning of Article 11a Section 1 item 4.

In 2023, there were not planned or undertaken restructuring activities which might affect the amount of tax liabilities of TG, BH, BHCT or related parties within the meaning of Article 11a Section 1 item 4.

9. Information on the taxable person's applications for issuance of:

- a) the general tax interpretation referred to in Article 14a Section 1 of the Tax Ordinance,
- b) the interpretation of the provisions referred to in Article 14b of the Tax Ordinance,
- c) the binding rate information referred to in Article 42a of the Goods and Services Tax Act
- d) the binding excise duty information referred to in Art. 7d Section 1 of the Excise Duty Act of 6 December 2008 (Dz. U. 2020, item 722, as amended 19).

In 2023, no applications were submitted on behalf of TG, BH or BHCT for issuance of:

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

- b) the binding rate information referred to in Article 42a of the Goods and Services Tax Act,
- c) the binding excise duty information referred to in Art. 7d Section 1 of the Excise Duty of 6 December 2008 (Dz. U. 2020, item 722, as amended 19).

In 2023, two applications for individual tax rulings were submitted on behalf of TG to the Director of the State Fiscal Information. Both applications concerned the interpretation of corporate income tax regulations and referred to the following issues:

- a) the need to recognise revenues from obtaining spare parts and the possibility of recognising the costs of obtaining those revenues;
- b) the moment of settlement of the costs of obtaining revenue from software implementation and settlement of subscription fees.

In 2023, BH and BHCT did not independently submit applications for individual interpretations of tax law provisions to the Director of the State Fiscal Information.

10. Information on filing tax returns and payment of taxes by the taxable person in the territories or countries applying harmful tax competition indicated in executive legislation issued pursuant to Article 11j Section 2 and Article 23v Section 2 of the Personal Income Tax Act of 26 July 1991 and in the announcement of the minister competent for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance.

The TG, BH and BHCT did not file any tax returns or pay any taxes in the territories or countries applying harmful tax competition indicated in subordinate legislation issued pursuant to Article 11j Section 2 and under Article 23v Section 2 of the Personal Income Tax Act of 26 July 1991 and in the announcement of the minister competent for public finance issued pursuant to Article 86a Section 10 of the Tax Ordinance.