

**Information on the implemented tax strategy
for the tax year
from 1 January 2022 to 31 December 2022
for
FORTACO SPÓŁKA Z OGRANICZONĄ
ODPOWIEDZIALNOŚCIĄ**



The information on the implemented tax strategy for the tax year ended 31 December 2022 has been prepared in accordance with Article 27c (1)-(2) in conjunction with Article 27b (2) (2) of the Corporate Income Tax Act of 15 February 1992 (consolidated text Journal of Laws 2022, item 2587, as amended; hereinafter called the **CIT Act**).

I. General information

A. Basic information

Taxpayer details

Taxpayer name:	Fortaco spółka z ograniczoną odpowiedzialnością (also referred to as " Fortaco, the Company ")
NIP:	5252504168
REGON:	1428972010
KRS:	0000387337
Head office address:	ul. Fabryczna 10, 53-609 Wrocław
Registration Court:	District Court for Wrocław-Fabryczna, VI Economic Division of the National Court Register
Share capital:	PLN 29,430,800.00
Website:	www.fortacogroup.com

B. Characteristics of the Company (nature of the Company's business, its type and size):

The Company is part of the Finnish Fortaco Group, which primarily manufactures for the mechanical engineering industry and for the engineering industry. Fortaco Group has highly specialised technical expertise and supplies ready-to-install components, operator cabs and end assemblies throughout the supply chain via all directly and indirectly connected subsidiaries. The portfolio of products and services offered by Fortaco Group consists of welded components and structures, operator cabins, assembly services, turnkey delivery services, and machinery and outsourcing services, among others.

The Company's core business is the manufacture and sale of steel structures and their parts, as well as metalworking and metal coating for customers in the global market. In 2022, the Company continued to expand its operations in the assembly business, which should be one of the Company's main growth areas in the coming years.

The Company is mainly a manufacturer of welded frames, booms and other steel structures for the production and assembly of heavy equipment. In addition to its manufacturing operations, the Company is engaged in R&D activities closely related to its manufacturing operations.

In 2022, the Company employed an annual average of 412 employees (including 333 in blue-collar jobs and 79 in other white-collar jobs). In 2022, the Company achieved sales revenues of over PLN 325 m.

The Company operates in Wrocław on Fabryczna and Wagonowa Streets.

II. Information on the Company's processes and procedures related to managing the performance of its tax law obligations and ensuring their proper execution (Article 27c, section 2, item 1(a) of the CIT Act).

As part of the Company's business activities related to managing the fulfilment of obligations under the tax law and ensuring their proper execution, the Company applies a number of internal processes or procedures related to this in particular in the area of:

- accounting,
- workflow,
- storage of tax and accounting records,
- transfer pricing,
- reporting of tax schemes,
- exercising due diligence in the selection of contractors,
- vetting contractors as part of ongoing tax settlements,
- verification of suppliers' bank accounts,
- preparing and sending JPK VAT and other data in the form of uniform control files,
- preparation of other tax returns,
- application of the split payment mechanism,
- use of company vehicles,
- fixed asset management,
- accounting for withholding tax,
- identification of tax risks.

III. Information on the Company's voluntary forms of cooperation with the National Tax Administration authorities (Article 27c(2)(1)(b) of the CIT Act)

In 2022, the Company was subject to a decision by the Head of the National Tax Administration on an Advance Pricing Arrangement for controlled transactions involving a transaction for the purchase of low-value-added operational support services and a transaction for the purchase of non-low-value-added operational support services from a related party, according to the decision.

In addition, in 2022, the Company cooperated with its relevant tax authorities actively and on an ongoing basis, in particular, in ongoing tax settlements and verification activities.

The purpose of cooperation with the Company's competent tax authorities was to maintain good and long-term relations with the tax authorities, and thus to conduct continuous cooperation with the tax authorities in carrying out the Company's tax obligations based on the principle of acting in confidence in the tax authorities and the principle of transparency of the Company's tax accounts.

IV. Information regarding the Company's implementation of tax obligations on the territory of the Republic of Poland, together with information on the number of information on tax schemes provided to the Head of the National Tax Administration as referred to in Article 86a § 1(10) of the Tax Ordinance, with a breakdown of the taxes involved (Article 27c(2)(2) of the CIT Act).

A. Information on the taxpayer's ongoing tax obligations

In 2022, the Company delivered on its tax obligations in terms of:

- corporate income tax (including withholding tax on non-residents),

- personal income tax – as a payer of this tax, in particular, for salaries paid under employment contracts in accordance with the provisions of the personal income tax act of 26 July 1991 (consolidated text Journal of Laws 2022, item 1128 as amended)
- value added tax in accordance with the provisions of the VAT tax of 11 March 2004 (consolidated text Journal of Laws 2022, item 931 as amended)
- excise tax in accordance with the provisions of the excise tax act of 6 December 2008 (consolidated text Journal of Laws 2022, item 143 as amended).

B. Information on schemes submitted to the Head of the National Tax Administration tax (MDR)

In 2022, the Company provided one piece of information on tax schemes related to the use of Advance Pricing Arrangement (APA).

V. **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 total assets within the meaning of the accounting regulations, determined on the basis of the Company's last approved financial statements, including with entities that are not tax residents of the Republic of Poland (Article 27c(2)(3)(a) of the CIT Act).**

The total balance of assets in the approved financial statements for 2022 amounted to:

PLN 109,444 k

5% of total assets: **PLN 5,472.2 k**

Name of related counterparty	Sale	Purchase
Fortaco Oy Kalajoki	Materials and components	
Fortaco Group Oy	Support services	
Fortaco Group Oy		Support services

VI. **Information on restructuring activities planned or undertaken by the Company which may affect the tax liability of the taxpayer or related parties within the meaning of Article 11a Section 1(4) of the CIT Act (Article 27c Section 2(3)(b) of the CIT Act).**

A. Planned restructuring activities

In 2022, The Company has not planned any restructuring activities that may affect the tax liability of the taxpayer or related parties within the meaning of Article 11a Section 1(4) of the CIT Act.

B. Restructuring measures taken

In 2022, The Company did not undertake any restructuring measures **that could affect the tax liability of the taxpayer or** related parties within the meaning of Article 11a(1)(4) of the CIT Act).

VII. Information on applications submitted by the Company for the general tax interpretation referred to in Article 14a § 1 of the Tax Ordinance (Article 27c(2)(4)(a) of the CIT Act).

In 2022, the Company did not apply for the general tax interpretation referred to in Article 14a § 1 of the Tax Ordinance.

VIII. Information on applications submitted by the Company for tax law interpretations referred to in Article 14b of the Tax Ordinance (Article 27c(2)(4)(b) of the CIT Act).

In 2022, the Company did not file applications for tax law interpretations referred to in Article 14b of the Tax Ordinance.

IX. Information, on applications submitted by the Company for the issuance of binding rate information referred to in Article 42a of the Value Added Tax Act (Article 27c(2)(4)(c) of the CIT Act).

In 2022, The Company did not apply for the issuance of binding rate information referred to in Article 42a of the CIT Act.

X. Information on applications submitted by the Company for the issuance of binding excise information, as referred to in Article 7d section 1 of the Excise Tax Act of December 6, 2008 (Journal of Laws of 2020, item 143 11137, 1488, 1987, 2180 and 2236) (Article 27c section 2 item 4 letter d of the CIT Act).

In 2022, The Company did not apply for the binding excise information referred to in Article 7d(1) of the Excise Tax Law of December 6, 2008 (2022, item 143 11137, 1488, 1987, 2180 and 2236).

XI. Information concerning the Company's tax settlements in territories or countries practicing harmful tax competition indicated in the executive acts issued pursuant to Article 11j(2) and pursuant to Article 23v(2) of the Personal Income Tax Act of July 26, 1991, and in the announcement of the minister responsible for public finance issued pursuant to Article 86a § 10 of the Tax Ordinance (Article 27c(2)(5)(a) of the CIT Act).

In 2022, The Company did not effect tax settlements of the taxpayer in territories or countries practicing harmful tax competition indicated in the executive acts issued on the basis of Article 11j section 2 and on the basis of Article 23v section 2 of the Personal Income Tax Act of July 26, 1991, and in the announcement of the minister responsible for public finance issued on the basis of Article 86a § 10 of the Tax Ordinance.