

Information on the tax strategy executed
in the fiscal year ended
on the 31st December 2022

Megatech Industries Tomaszów sp. z o.o.

December 2023

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1.0 Introduction

This document was prepared in accordance with Article 27c Section 1 and 2 of Polish Act of 15 February 1992 on corporate income tax (consolidated text Journal of Laws 2022, item 2587; hereinafter: "**CIT Act**") and outlays information required to be published with respect to the tax strategy of Megatech Industries Tomaszów sp. z o.o. ("**the Company**"), executed in fiscal year commenced on the 1st January 2022 and ended on the 31st December 2022.

2.0 Objectives

The goal of the tax strategy is to comply with all obligations arising from tax law. Fulfillment of public law obligations and timely settlement of receivables to the State Treasury is a fundamental aspect of the Company's business.

Considering the nature, type and size of the Company's business, this document presents information required by the binding law provisions with respect to:

- processes and procedures for managing tax obligations and tax risks,
- voluntary forms of cooperation with the bodies of the National Revenue Administration,
- information on performance of obligations with respect to provisions on Mandatory Disclosure Reporting (DAC6) and on tax schemes reported, in line with Article 86a § 1 point 10 of the Act of 29 August 1997 Tax Code (consolidated text in the Journal of Laws of 2023, item 2383; "**Tax Code**"), including information about taxes to which tax schemes were related,
- transactions with related parties within the meaning of Art. 11a clause 1 point 4 of CIT Act, whom with the transactions exceeded 5% of balance sheet value of the Company's assets,
- undertaken and planned restructuring activities, which had or might have impact on tax settlements of the Company or its related parties,
- information on filed applications for: general or individual tax rulings, binding VAT rate information and binding excise tax information,
- information on tax settlements and transactions executed in the territories and countries applying harmful tax competition (tax havens),

for the fiscal year commenced on the 1st January 2022 and ended on the 31st December 2022.

3.0 Business activity

Megatech Industries Tomaszów spółka z ograniczoną odpowiedzialnością with its registered seat in Tomaszów Mazowiecki, Piaskowa 120, 97-200 Tomaszów Mazowiecki, registered in the entrepreneurs register of the National Court Register, kept by the District Court for Łódź-Śródmieście in Łódź, XX Economic Department, under the number (KRS) 0000019720, Statistical ID (REGON): 590460799, Tax ID (NIP): 7731591947, having share capital of PLN 28 117 260,00 zł.

The Company is a member of the Megatech Group ("**Megatech Group**"). During fiscal year 2022, the Company was a taxpayer with respect to Corporate Income Tax ("**CIT**"), Value Added Tax ("**VAT**") and tax remitter with respect to Personal Income Tax ("**PIT**") and social security contributions ("**ZUS**") due in Poland.

This information on the executed tax strategy applies to all Polish taxes applicable to the Company for the fiscal year ending on the 31st December 2022.

The Company's business activities primarily encompass manufacturing automotive components.

The scope of the Company's activities as indicated in the National Court Register (KRS) includes:

The subject of the main activity	
29, 32, Z	Production of other parts and accessories for motor vehicles, excluding motorcycles
The subject of the remaining activity	
73, 20, Z	Market and public opinion research
74, 90, Z	Other professional, scientific, and technical activities elsewhere not classified
74, 10, Z	Specialized design activities
82, 99, Z	Other business support service activities elsewhere not classified
69, 20, Z	Accounting, bookkeeping, and tax consultancy activities, excluding activities reserved for certified auditors and tax advisors.

As previously mentioned, the Company is part of the Megatech Group since June 2016. Megatech is a leading international supplier in the automotive industry and a development and production partner for systems, modules, and personalized plastic interior and exterior finishing elements for both passenger and commercial vehicles.

Currently, Megatech Industries group comprises 10 production facilities and 1 research and development center across 6 countries worldwide.

Megatech Industries employs approximately 2,200 people and generated consolidated annual revenues of around EUR 257.5 million in the fiscal year 2022.

The Megatech Group supplies its products to major car manufacturers such as Audi, Bentley, BMW, Citroen, Honda, Hyundai, Jaguar, Kia, Land Rover, Mini, Opel, Peugeot, Porsche, Renault, Rolls Royce, Seat, Skoda, Smart, Tesla, and Volkswagen.

Since March 31, 2023, Megatech Industries GmbH, a company based in Vienna/Austria, is the sole shareholder of the Company, holding directly 100% of the share capital (52.069 shares with a total nominal value of PLN 28.117.260) and of the voting rights of Megatech Industries Tomaszów sp. z o.o.. Megatech Industries GmbH acquired 100% of the Company's shares based on a non-cash contribution in kind agreement concluded on November 25, 2022 with retroactive effect on March 31, 2023. Previously, i.e. until March 30, 2023 including, the sole shareholder of the Company has been Megatech Industries Aktiengesellschaft based in Vaduz/Principality of Liechtenstein (legal owner of 100% of the shares of the Company) respectively Megatech MIFL AG Zweigniederlassung Wien, a branch based in Vienna/Austria (economic owner of 100% of the shares of the Company).

4.0 Approach to tax obligations and risks

The Company and its affiliates manages its tax affairs in compliance with the following principles:

- the payment of tax is an important contribution to the economies and societies we operate in and we believe in the obligation to pay our fair share of tax legally due in Poland and any other country at the right time,
- we exercise due diligence to ensure the accuracy of tax settlements,
- we comply with all relevant laws and regulations, considering policy intent,
- we ensure our systems, processes and controls enable us to fulfill our tax obligations,
- we endeavor to establish open working relationships with tax authorities,
- we act in a transparent, co-operative, accurate and timely manner when dealing with tax authorities in order to resolve issues that may arise,
- we consider the context of this Tax Strategy and balance the interests of stakeholders in making tax decisions,
- when necessary, we will make judgements that are properly documented, carried out by our qualified tax professionals and supported by external tax advice where appropriate,
- we instruct internal or external resource acting for or on our behalf to act in accordance with this Tax Strategy so that they can discharge their obligations in a manner consistent with this Strategy,
- we support initiatives to increase public trust and transparency in national and international tax regimes, which is aligned with our core values of fairness, transparency and integrity,
- we do not undertake purely artificial transactions to obtain a tax benefit,
- we establish and maintain a clear division of duties and competencies among individual organs, including defining the scope of responsibilities for individual positions and delineating the competencies of organizational units,
- we demonstrate a proactive approach in highlighting values and fostering an organizational culture, particularly in terms of transparency in tax settlements,
- we emphasize the verification of contractors and business partners, both in terms of their economic credibility and the location of their registered office and conducted economic activity,
- we ensure adequate protection of tax obligations by establishing formalized procedures (both strictly tax-related and related to the tax function) and shaping practical processes that serve as a standard operating model,
- we expand the knowledge of our staff in the field of tax law by investing in employee education,
- we make decisions to limit tax risk by minimizing risks in this area from external environment.

The accounting books are kept by the Company on its own. In 2022, the Company used tax advisory services purchased from entities providing professional tax advisory services with an established position on the market.

5.0 Information on implemented procedures and policies related to tax management and obligations imposed by tax law and ensuring their proper performance

The Company takes all necessary measures to accurately determine and timely settle public-law obligations.

The Company adheres to procedures aimed at ensuring proper compliance with tax laws, considering the organizational structure of the Company. The Company implements (either formally or as practical procedural steps) the following control procedures and processes to

identify, assess, monitor, and internally report tax issues and risks, regulating in detail the execution of accounting and tax functions:

- formally implemented accounting policy,
- formally implemented Group Transfer Pricing Guideline 2021-2022 (GTPG),
- procedures ensuring compliance with the transfer pricing obligations under the GTPG,
- procedures ensuring compliance with the reporting obligations under the Mandatory Disclosure Rules (MDR),
- procedures ensuring due diligence in VAT and verification of counterparties,
- procedures for accounting for intra-community, export, and import transactions,
- procedures for withholding tax (WHT) settlements,
- procedures for preparing, verifying, and approving tax declarations and information.

6.0 Information on applied forms of voluntary cooperation with tax authorities (National Revenue Administration)

During fiscal year 2022, the Company did not apply any forms of voluntary cooperation with tax authorities, did not apply for Advanced Pricing Agreements or agreement for cooperation, stipulated in the Article 20zb of the Polish Tax Code.

7.0 Information on the approach to Mandatory Disclosure Reporting (DAC6) obligations including information on number of tax arrangements reported and scope of reports (taxes, to which these reports were related)

During fiscal year 2022, the Company did not report any tax schemes to the Head of National Revenue Administration.

8.0 Transactions with related parties exceeding 5% of balance sheet value of assets

On 31 December 2022, the balance sheet value of assets amounted to PLN 195.558.732,89. Thus, the Company hereby presents breakdown of transactions with related parties, whom the transactions exceeding the threshold of 5% balance sheet value of its assets (PLN 9.777.936,64):

	Name of the Related Party / State of seat	Description of Transaction	Value (PLN)
1	Megatech Industries Deutschland GmbH / Germany Megatech Industries GmbH / Austria	Purchase of financial and administrative services	149 750 884,37
2	Megatech Industries Ebersdorf GmbH & Co. KG / Germany Megatech Industries Plzen s.r.o. / Czech Republic Megatech Industries GmbH / Austria Megatech Industries Hlinsko s.r.o. / Czech Republic Megatech Engineering Munich GmbH / Germany	Sales of finished goods and merchandise	47 868 229,68

	MEGATECH Industries Jablonec s.r.o. / Czech Republic Megatech Industries Deutschland GmbH / Germany		
3	Megatech Engineering Munich GmbH / Germany Megatech Industries Plzen s.r.o. / Czech Republic Megatech Industries GmbH / Austria Megatech MIFL AG Zweigniederlassung Wien (Oddział) / Austria	Purchase of support services	14 893 341,95
4	Megatech Engineering Munich GmbH / Germany Megatech Industries Technical Center, S.L. / Spain	Purchase of production tools and development services	20 386 171,23
5	Megatech Industries Aktiengesellschaft/ Principality of Liechtenstein	Credit guarantee	14 062 800,00

9.0 Plann ed and undertaken restructurings, which may have tax impact on settlements of taxpayer and related parties

During 2022, the Company did not undertake nor participate in any restructuring activities. Based on the Company's knowledge, such activities are not planned in 2023.

10.0 Information on applications filed for tax rulings or binding information on VAT or customs rates

In the fiscal year 2022, the Company did not apply for, nor receive, any of the following:

- general tax interpretation referred to in Article 14a Section 1 of the Polish Tax Code,
- interpretation of tax law provisions referred to in Article 14b Polish Tax Code,
- binding rate information referred to in Article 42a of the Polish VAT Act,
- binding excise information referred to in Article 7d Section 1 of the Act of 6 December 2008 on Excise Duty (Journal of Laws of 2022, item 143, as amended).

11.0 Tax settlements in the territories or countries applying harmful tax competition

The Company did not execute any tax settlements or transactions in territories or countries applying harmful tax competition indicated in executive acts issued on the basis of Article 11j Section 2 of the CIT Act and on the basis of Article 23v section 2 of the Polish PIT Act and in the announcement of Minister of Finance issued on the basis of Article 86a Section 10 of the Polish Tax Code.