

Kielce, 15th November 2023

The information on implemented tax strategy of podatkowej Midpoint71-Cornwall Investments Spółka z ograniczoną odpowiedzialnością spółka komandytowo-akcyjna in 2022

Midpoint71-Cornwall Investments Spółka z ograniczoną odpowiedzialnością spółka komandytowo-akcyjna („Midpoint”) is a corporate income tax payer based in the territory of Poland. MIDPOINT belongs to the Echo Investment S.A. capital group ("Echo Group"), in which Echo Investment S.A. ("Echo") is the parent company. MIDPOINT is a special purpose company that was established for investment purposes. It was formed as a result of the transformation of Project 22 - "Grupa Echo" Spółka z ograniczoną odpowiedzialnością spółka komandytowo-akcyjna in 2019. In recent years, the company was conducting an investment project in Wrocław at Powstańców Śląskich Street, in the form of an office building with retail and service functions.

MIDPOINT conducts its activities in an ethical manner. MIDPOINT adheres to Echo Investment's Code of Conduct implemented in late-2016, and to Echo Investment's Sustainable Growth Report prepared in 2022. In its activity MIDPOINT just like the whole Echo Group emphasizes corporate responsibility as well as considers responsible governance and tax compliance as its business duty.

As MIDPOINT is a special-purpose company in the Echo Group, and within the structure is a grandchild company of Echo Investment S.A., the management of tax issues relating to the Company is carried out at the level of Echo Investment S.A.

MIDPOINT complies with all of the provisions of Polish law, including all tax regulations. The tax strategy of MIDPOINT reflects this principle and can be summarized as follows:

1. Tax Strategy of MIDPOINT relies on:
 - a) fulfilling all legal requirements, tax filing and settlement of tax liabilities according to Polish legislation as well as in line with the best knowledge of responsible persons and with their due diligence;
 - b) aiming at the application of available reliefs and incentives in accordance with public policy objectives;
 - c) exercising due care in identifying tax implications of complex business decisions, e.g. acquisitions of other entities;
 - d) compliance with tax risks governance procedures as well as on ensuring Management Board's supervision in matters of such compliance.
2. In order to ensure the supervision of the correctness of tax liability settlements, as part of Echo's corporate structure, there is a Tax and Transfer Pricing Team, responsible for the substantive supervision of Echo Group's compliance with tax and transfer pricing regulations. Human Resources Department is responsible for tax, social contributions and other public duties settlements related to MIDPOINT's employees.
3. Echo Group's internal corporate structure is designed to ensure that:
 - a) The Management Board of MIDPOINT has the proper knowledge and understands the importance of ensuring the accuracy of the tax settlements of MIDPOINT and the means to achieve it.
 - b) There is an ongoing dialogue between the Management Board of MIDPOINT and those responsible for managing financial and tax issues at MIDPOINT in terms of managing the tax risk.

- c) There is regular dialogue between the MIDPOINT Management Board and those responsible for managing financial and tax issues at MIDPOINT regarding tax risk management.
- d) The business activity of MIDPOINT positively reflects the importance accuracy of tax settlements and fulfilment of all tax obligations.
4. When engaging in commercial activities MIDPOINT takes into account among others Polish tax provisions with regard to sustainable creation of values for its shareholders. Every reorganization must have commercial and economic substance as well as must fully consider an influence both on MIDPOINT and whole Echo Group's reputation and core objectives.
5. Given the scale of MIDPOINT business activity and the amount of its tax liabilities, occasionally there may arise some risks related to the interpretation of tax law as a result of its complex nature. MIDPOINT proactively identifies, assesses, monitors and manages these risks to ensure that compliance with tax obligations remains in line with company's main objectives. MIDPOINT's tax risk management processes are designed to fulfil all tax obligations under the tax law as defined in Article 3 point 2 of Polish Tax Ordinance (consolidated text Journal of Laws from 2022, item 2651 as amended). In case any tax risk is identified, MIDPOINT takes measures to mitigate this risk, which is ensured by application of tax risk management procedures. Where significant uncertainties or complex issues arise in relation to a particular tax risk, MIDPOINT obtains the services provided by professional Tax Advisors.
6. MIDPOINT's management processes reflect the fiscal procedures implemented for the Echo Investment Capital Group, such as:
 - a) Tax Policy;
 - b) Split Payment Mechanism Procedure;
 - c) Transfer Pricing Policy;
 - d) Procedure of avoiding non-compliance in regards to reporting obligations arising from the Mandatory Disclosure Regime (MDR).
7. Tax settlements issues are managed with the execution of abovementioned procedures and policies as well as through communication with tax authorities. In light of the above, Management Board of MIDPOINT cooperating with Echo has identified no further need to expand forms of voluntary cooperation with the Polish tax authorities (in principle through the execution of the so-called cooperation agreement).
8. In response to the Article 27c section 2 of the Polish Corporate Income Tax Act (consolidated text Journal of Laws from 2022, item 2587 as amended), MIDPOINT states as follows:
 - a) In 2022 MIDPOINT was engaged in related party transactions involving loan agreements, guarantees/sureties agreements, lease agreements - the value of which exceeded 5% of total book value of assets as included in the latest approved financial statements of MIDPOINT.

The Company declares that this document provides information on transactions with related parties which: i) individual value exceeded 5% of total book value of assets as included in the latest approved financial statements of MIDPOINT, and ii) total value calculated for the transactions of the same type exceeded 5% of total book value of assets as included in the latest approved financial statements of MIDPOINT.

- b) In 2022 MIDPOINT did not carry out carried out restructuring transactions that could affect the amount of its tax liabilities or the tax liabilities of related parties within the meaning of Article 11a Section 1 Point 4 of the Polish CIT Act.
- c) In 2022 MIDPOINT was an interested entity being a non-party to the proceedings in the application for individual tax ruling (with respect to Value Added Tax and Civil Law Tax) with respect to sale of the office building with retail and service functions.

- d) In 2022 MIDPOINT was not obliged to report any tax schemes to the Head of the National Tax Administration (KAS) under the *Mandatory Disclosure Rules* as the business activities conducted by MIDPOINT in 2022 did not meet the prerequisites of a tax scheme within the meaning of the aforementioned regulations.
- e) In 2022 MIDPOINT did not make any tax settlements in states and territories applying harmful tax competition as set forth in regulations issued on the basis of Article 11j section 2 of the Polish CIT Act, Article 23v section 2 Personal Income Tax Act (consolidated text Journal of Laws from 2022, item 2637 as amended) and in the announcement of the Minister of Finance from 14 October 2022 regarding the announcement of a list of states and territories indicated in the European Union's list of jurisdictions uncooperative in tax matters adopted by the European Union Council, which were not indicated in a list of states and territories applying harmful tax competition issued on the basis of Personal Income Tax Act provisions and Corporate Income Tax Act provisions, as well as the day of adoption of this list by the European Union Council (Official Gazette of the Republic of Poland "Monitor Polski" from 2022, item 992).

MIDPOINT reviews its tax strategy on an ongoing basis taking into account all legislative and regulatory amendments.

The Company declares that for the purpose of providing information on the implementation of the tax strategy, no confidential information that could involve commercial, industrial, professional or process secrecy was disclosed.