

CANPACK Slovakia s.r.o.
Podnikateľská 14
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Attn: Ing. Pavol Komjáthy

27. 2. 2025

REVIEW OF CORPORATE INCOME TAX RETURN FOR THE TAXABLE PERIOD 01.01.2024 - 31.12.2024

We enclose our calculation and report from the review of the corporate income tax return for the taxable period from 01.01.2024 - 31.12.2024 (hereinafter referred to as “FY 2024”) in relation to concluded agreement on tax advisory services related to the review of corporate income tax return of **CANPACK Slovakia s.r.o.** (hereinafter referred to as „**Company**”).

The tax base has been reviewed based on the supporting documentation and information provided by Mrs Ludmila Erdélyiová and Mrs Ružena Hud'ová via BDO portal, by e-mail and telephone communication as well as online Teams meeting held on 15th of January 2025.

Please note that the scope of the work carried out during review of the tax return does not include the identification of all risks or improper procedures. The work carried out by our consultants was focused exclusively on collecting data needed for reviewing the corporate income tax return. Additionally, please note that the information stated herein should be regarded as a professional recommendation to the Company in respect of the review of the tax return. The final decision on how individual items included in this Report will be disclosed in the tax return is the Company's responsibility.

When reviewing the Company's tax base, we assumed that the information provided, and the accounting documentation presented was complete and correct. During the review of the tax return, we did not verify whether the general ledger as at 31.12.2024 complied with the relevant accounting regulations. We also assumed that accounting books of the Company are complete, correct and fully comply with the relevant accounting legislation. We did, however, verify certain accounts that, based on our professional judgement, require special attention in tax-related terms. Following are our recommendations and conclusions.

1. CALCULATION OF TAX BASE AND TAX RETURN

Tax position of the Company is following:

Revenues	33 359 424,23 €
Costs	32 205 919,76 €
Accounting result before tax	1 153 504,47 €
Items increasing tax base	381 639,82 €
Items decreasing tax base	613 772,18 €
Tax base (+)/ Tax loss (-)	921 372,11 €
Tax loss utilization	0 €
Tax base after tax loss utilization	921 372,11 €
Tax liability	193 488,14 €
Total amount of paid tax prepayments	90 243,96 €
Tax overpayment (-)	103 244,18 €

In EUR

Based on the e-mail communication with Mrs Ľudmila Erdélyiová we understand that the Company will not extend a statutory deadline for submission of corporate income tax return for FY 2024 by 3 months. Therefore, the tax liability is due by 31 March 2025.

The tax return and the Financial Statements of the Company for tax period 01.01.2024 - 31.12.2024 (1x Financial Statements, 1x Notes to Financial Statements) have to be submitted to the Tax Office Košice electronically by **31 March 2025** at the latest.

We would like to remind you that the management of the Company has responsibility for the completeness and accuracy of the tax return. The tax return should be reviewed by the Company's responsible person before electronic submission to the tax office.

Detail of calculation of the tax liability for the tax period FY 2024 is enclosed to this report as the enclosure No. 2.

2. CORPORATE INCOME TAX PREPAYMENTS

Based on the information provided to us we understand that the Company paid **monthly corporate income tax prepayments** from April 2024 until the deadline for filing of current FY 2024 tax return in the monthly amount of EUR 7 520,33 calculated based on last know tax liability for FY 2023.

As the monthly prepayments for FY 2025 calculated based on current tax liability for FY 2024 should be in the amount of EUR 16 124,01, i.e. higher than prepayments calculated from the last know tax liability from previous period in the amount of EUR 7 520,33, the Company records **underpayment** on prepayments from January 2025 till March 2025 in the amount of EUR 25 811,04. The underpayment related to prepayments does not need to be settled.

3. OUR RECOMMENDATIONS AND COMMENTS

In the points below we present our comments and recommendations on calculation of tax base of the Company for FY 2024.

4.1 ITEMS ADJUSTING TAX BASE

4.1.1 Difference between tax and accounting depreciation

Based on the information provided we understand that accounting depreciation charges of the Company's long-term tangible assets booked on the account No. 551 are in the total amount of EUR 865 765,10. The tax depreciation charges of these assets were calculated by the Company in the amount of EUR 1 088 101,22 for FY 2024. During the verification of the correctness of the calculation of depreciation charges, we identified differences in the case of disposed assets.

As stated above, the total amount of the accounting depreciation charges, including minor assets, has been calculated by the Company at EUR 865 765,10. However, upon examination, we identified that there was accounting residual value of the disposed assets of EUR 3 356,66 incorrectly included in this amount. Therefore, for the purposes of calculating the difference between the tax and accounting depreciation charges of the Company's long-term assets, we have worked with the adjusted amount of the total accounting depreciation charges, including small assets, of EUR 862 408,44. The difference between the amount of accounting depreciation charges of long-term tangible assets and tax depreciation charges in the amount of **EUR 225 692,78** represents an item decreasing the Company's tax base for the tax period of FY 2024.

We also identified differences in the calculation of the amount of tax depreciation charges in connection with incorrect rounding. With effect from 1 January 2020, the annual depreciation charge and its proportional part with both the straight-line and accelerated depreciation method, the monthly depreciation charge with the time and performance depreciation method and its proportional part shall all be rounded to two decimal places.

4.1.2 Damages

Based on the information provided, we understand that the Company recorded in tax period 2024 damages as well as compensation for damages.

We would like to point out that based on Art. 21 (2) (e) of the Slovak Income Tax Act ("SITA"), the damages can be treated as tax deductible item up to the amount of compensation received. The damages exceeding the compensation received are treated as tax non-deductible item increasing the tax base.

Further, according to Art. 19 (2) (a) of SITA, the compensation for damage accounted for an expense for which the Company is responsible and which it is obliged to pay is treated as tax deductible cost.

4.1.3 Creation and use/release of tax non-deductible accruals

In accordance with Art. 20 (9) of SITA only creation of accruals to unused vacation and working time account including respective insurance contributions (except for the other specific accruals) could be treated as tax deductible item.

We understand that the Company in FY 2024 created the accruals on the accounts No. 323, which are in accordance with Art. 20 (9) of SITA treated as tax non-deductible and increase

Company's tax base. Due to this fact, the total amount of **EUR 320 762,98** represents tax non-deductible costs of the Company increasing the tax base in FY 2024.

In accordance with Art. 17 (23) of SITA the tax base of the Company was decreased by the used/released accruals in the amount of **EUR 357 812,27** which creation was considered as tax non-deductible in previous taxable periods.

Detailed overview of tax non-deductible accruals for the tax period FY 2024 is enclosed to this report as the enclosure No. 2.

We would like to note that the creation and use/release of accruals was analysed on the basis of information provided by the Company. We have not verified the correctness of the provided information and the merits of their amounts from the accounting perspective.

4.1.4 Expenses tax deductible after payment

Following the amended Art. 17 (19) of SITA effective from 1 January 2023 specific expenses, i.e. expenses for (i) compensation payments, (ii) expenses for lease/rent, (iii) expenses for marketing and other studies, (iv) retributions (commissions) for mediation, (v) expenses (costs) related to income payment from source in SR paid to taxpayer from non-contractual state, (vi) expenses for advisory services (e.g. audit, tax, accounting and payroll advisory, business management and business leadership) and legal services, (vii) lump-sum compensations of the cost connected with enforcement of receivable, contractual penalties, charges due to delay, interest on late payment, (viii) expenses on sponsorship, (ix) expenses on advertisement provided to non-profit organisations, (x) insurance tax paid by the policyholder or (xi) levy on the excess income, are considered as tax deductible after their payment.

The Company records expenses stated in Art. 17 (19) of SITA, in the amount of **EUR 19 403,24** which were not paid by 31.12.2024. Due to this fact this amount represents item increasing tax base of the Company in FY 2024. These expenses will represent item decreasing tax base of the Company in the subsequent tax period after their payment.

At the same time the settlement of such expenses in current period, which were considered as item increasing tax base in previous periods, represents item decreasing tax base in the amount of **EUR 6 981,48**.

Detailed overview of expenses tax deductible after payment for the tax period FY 2024 is enclosed to this report as the enclosure No. 2.

4.2 OTHERS

4.2.1 Transactions with related parties

We understand that the Company carries out in FY 2024 transactions with its related parties in the total amount of **EUR 34 268 294,68**.

In accordance with SITA, the Company is obliged to transact with related parties at arm's length for tax purposes. Pursuant the relevant legislation, Slovak taxpayers are required to maintain transfer pricing documentation supporting the arm's length nature of realized controlled transactions and applied prices considering the Slovak transfer pricing rules defined in the SITA.

Based on communication with the Company's representatives, we understand that the Company currently maintains records on the transfer pricing method used by the Client's group. Pursuant

to the SITA and guidelines of the Ministry of Finance of the Slovak Republic, the Company is obliged to prepare its own documentation, which is in accordance with Slovak legislation. In case the Company is not able to submit the documentation with the tax authorities within 15 days of the received request, the Company can be fined in amount up to EUR 3 000 repeatedly.

If the tax authorities successfully challenge the transfer prices applied in related party transactions or the applied methodology and the Company will not be able to prove the arm's length nature of related party transactions, the tax authorities may adjust the Company's tax base and assess additional tax on the difference ascertained. If additional tax is assessed, the tax authorities also levy a penalty in the amount of 3x the ECB base interest rate p.a. or flat rate of 10% p.a., whichever is higher.

Based on agreed scope of our work, we did not analyse whether the prices used in transactions of the Company with its related parties are set at the arm's length.

For the purposes of calculation of tax base for the tax period FY 2024 we understand that the Company is able to prove that all costs related to transactions with related parties included in the accounting books have been incurred in order to achieve, assure and sustain taxable revenues of the Company and the amount of these costs is determined in accordance with the arm's length principle.

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This Report is intended solely for internal purposes in order to explain the issues discussed. The Report is not a part of the tax return and shall not be submitted to the tax authority together with the tax return. By signing the Confirmation, which is an integral part of the Report/by sending the confirmation email, the Company confirms its understanding of the documents forming the integral part of the Report and its consent with the contents thereof. If you agree with the contents, please send the signed Confirmation back to us/the confirmation email.

Should you have any questions regarding the calculation of the tax base, do not hesitate to contact us.

Best regards,

Zuzana Šindleryová
Manager

ANNEX No. 1 - CONFIRMATION

ANNEX No. 2 - CALCULATION OF THE CORPORATE INCOME TAX FOR FY 2024

ANNEX No. 3 - QUESTIONNAIRE FROM THE PREPARATION OF CITR COMPLETED BY THE COMPANY



ANNEX 1 - CONFIRMATION

The Company's corporate income tax return for the period FY 2024 has been prepared in accordance with the existing tax, accounting, and other applicable acts and regulations and based on the information provided by the Company. The method and the scope of the preparation of the corporate income tax return have been agreed in the contract for preparation of the corporate income tax return.

When preparing the tax return, BDO Tax, spol. s r.o. assumed that the documents presented are authentic and that the information and the representations made by the Company and its employees are correct, unless the relevant documents obviously indicated otherwise. The information used for preparing the corporate income tax return has been derived from the data confirmed by the Company.

If, before the deadline for filing the tax return, the Company identifies any facts that could lead to a change in the tax liability or in the data stated in this Report, the Company shall be liable to inform BDO Tax, spol. s r.o. for the purpose of assessing the tax effects of such issues and for preparing an amendment hereto concerning the changes made.

By signing the Confirmation, the Company's statutory representative confirms that, to the best of their knowledge and belief, the tax return is correct and complete. The tax return cannot be submitted to the relevant tax authority if it is not signed by the statutory representative or a person authorised to act on behalf of the Company, or if the signed Confirmation has not been provided.

The undersigned parties agree with the content of the Report and confirm that the tax return has been prepared using all information and supporting documents that were available when preparing the tax return and that they are not aware of any other facts that could result in a different interpretation of the information provided and supporting documents used, or that could have an impact on the quantification of the Company's tax liability.

In Košice on 2025

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Ing. Pavol Komjáthy
Statutory representative
CANPACK Slovakia s.r.o.

In Bratislava on 2025

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Zuzana Šindléryová
Manager
BDO Tax, spol. s r. o.