

**PKC GROUP POLAND HOLDING Sp. z o.o.**

**Financial statements  
for the financial year  
from 1 January to 31 December 2018**

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## Financial statements of PKC GROUP POLAND HOLDING Sp. z o.o. for the financial year from 1 January to 31 December 2018

In accordance with the Accounting Act of 29 September 1994 (uniform text - Journal of Laws 2019 item 351 with amendments, further: the Accounting Act) the Management Board of the Company ensured preparation of the attached financial statements including:

1. introduction to the financial statements;
2. balance sheet prepared as at 31 December 2018, with total assets and liabilities plus equity of PLN 253 601 082,30;
3. profit and loss account for the financial year from 1 January to 31 December 2018 disclosing net loss of PLN 922 064,27;
4. additional information and explanations.

The attached financial statements present in a true and fair way the Company's economic and financial position, financial result and profitability. While preparing the financial statements the selection and consistency of accounting principles suitable for Company's business activity were ensured.

In measurement of assets and liabilities and determination of the financial result, the Company was assumed to operate as a going concern for the foreseeable future on the same scale, which is in line with its actual and legal status.

The Management Board is responsible for fulfilling the statutory accounting duties.

**The Management Board**



Sanna Helena Raatikainen  
Member of the Management Board



Katarzyna Świętek  
Member of the Management Board

**Introduction to the financial statements**

**1. Information on the entity:**

Name: PKC GROUP POLAND HOLDING Sp. z o.o.

Entity identifier 5252595828

KRS No: 0000523290

Registered seat (in Poland):

Street Aleja Jana Pawła II

No 22 Apartment no

Town Warszawa

Post Warszawa ZIP code 00-133 Country code PL

Commune Warszawa

District Warszawa

Voivodship Mazowieckie

Scope of business activities:

	PKD code(s)	Description
1	<u>7022Z</u>	Business and other management consultancy activities
2	<u>2611Z</u>	Manufacture of electronic components
3	<u>2711Z</u>	Manufacture of electric motors, generators and transformers
4	<u>2811Z</u>	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
5	<u>2920Z</u>	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
6	<u>3311Z</u>	Repair and maintenance of fabricated metal products
7	<u>4511Z</u>	Sale of cars and light motor vehicles
8	<u>4611Z</u>	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods
9	<u>4711Z</u>	Retail sale in non-specialised stores with food, beverages or tobacco predominating
10	<u>6810Z</u>	Buying and selling of own real estate

**2. Period covered by the financial statements:**

From 01.01.2018

To 31.12.2018

Date of financial statements preparation: 28.03.2019

### Introduction to the financial statements

#### 3. Going concern assumption:

Were the financial statements prepared based on the assumption that the Company will continue to operate as a going concern in the foreseeable future?

Yes

Are there no circumstances indicating that the Company may not be a going concern?

Yes

#### 4. Internal organizational units data inclusion:

Indication whether the financials statements contain aggregated data provided that the entity consist of internal organizational units preparing individual financial statements:

Do the financial statements contain aggregated data of individual organizational units?

No

#### 5. Mergers and acquisitions:

Are the financial statements prepared after merger/acquisition?

No

#### 6. Accounting principles

##### Description of adopted accounting principles:

in which the Polish Accounting Act leaves the right to choose

including:

##### principles of measuring assets and liabilities:

##### **Tangible fixed assets**

Fixed assets are measured at the actual prices paid for their acquisition or the manufacturing costs, taking into account the prudence principle, less accumulated depreciation.

Fixed assets are depreciated using straight-line metod over the estimated useful lives. For tax purposes depreciation rates are determined in accordance with the Corporate Income Tax Act of 15 February 1992 defining the tax deductible amount of depreciation.

##### **Lease**

In the case of financial lease agreements, based on which the entire risk and benefits arising from possession of the assets subject to the agreement are transferred, the subject of the lease is recognized as fixed asset at a fair value determined on the starting day of a lease or at the current value of minimum lease payments, if lower than the fair value. Lease payments are broken down between financial expenses and decrease of liabilities in order to obtain a fixed interest rate on the liability remaining to be paid off. Financial expenses are recognized directly in the profit and loss account.

Tangible fixed assets used on the basis of a rent, lease or other similar agreement, are depreciated over the shorter of expected economic life and duration of the lease.

## **Introduction to the financial statements**

Lease payments under agreements, which do not meet the criteria of financial lease, are recognized during the period of lease in the profit and loss account as expenses using the straight-line method.

### **Financial assets**

Financial assets at the time of recording in the books of accounts are measured at purchase prices, which are fair value of the consideration received.

After initial recognition, held-to-maturity financial assets are measured at adjusted purchase price, using the effective interest rate method. Gain and losses arising from re-measurement are recognised as financial income or financial cost applicable to the reporting period, in which re-measurement occurred.

Financial assets available for sale are evaluated at their fair value. Gain and losses on the re-measurement are recognized as revaluation capital reserve.

### **Inventories**

Inventories are valued at the lower of: the average purchase cost or net realisable value determined on the basis of the cost method.

### **Receivables**

Receivables are valued in the amounts required for payment, taking into account the prudence principle. They are presented at their net value (after deduction of amounts written off).

Receivables are subject to revaluation based on their age and probability of repayment.

### **Monetary assets**

Monetary assets include assets in form of domestic currency, foreign currencies and accrued interest calculated on financial assets.

Monetary assets denominated in domestic currency are presented at their nominal value. Monetary assets denominated in foreign currencies are valued at the balance sheet date accordingly to the exchange rate given by the National Bank of Poland.

### **Prepayments**

Prepayments are related to costs concerning further financial reporting periods. Prepayments are recognized in accordance with the time passing. The time and the way of recognition is based on the nature of expenses, taking into account the prudence principle.

### **Share capital**

Share capital is presented at its nominal value and equals to the amount subscribed and registered in the National Court Register.

### **Liabilities**

Liabilities are measured at the balance sheet date at amounts due, but financial liabilities which are under a contract, shall be settled by the delivery of financial assets other than cash or by an exchange for a financial instrument – at a fair value.

## Introduction to the financial statements

### Accruals

The Company recognizes accrued expenses at the amount of probable liabilities which are related to the current reporting period, in particular with respect to goods and services provided to the Company by its contractors, if the amount of liability can be estimated in a reliable manner.

### Deferred tax

Deferred tax is determined using the method comparing the liability to all temporary differences existing at the balance sheet date, between the tax value of assets and liabilities and their value disclosed in the financial statements.

Deferred tax liability is created for all taxable temporary differences, unless the deferred tax liability arises from the amortization of goodwill or the initial recognition of assets or liabilities in a transaction that does not constitute a business combination and at its conclusion, it affects neither the gross result nor taxable profit or loss.

Deferred tax asset is recognized for all deductible temporary differences and unused tax losses carried forward to future years, in the amount at which the future taxable profit is likely to be.

Deferred tax asset is reviewed at each balance sheet date and is reduced if sufficient taxable income is no longer likely to be realized.

Deferred tax asset and the reserve for deferred taxes are measured using the tax rates at the balance sheet date that will apply during a period until the asset is realized or the liability is settled.

Deferred tax asset and reserve for deferred tax are presented in the balance sheet at net value.

### Transactions in foreign currency

Transactions denominated in foreign currency are recognized in the accounts at the moment of transaction at the following exchange rate:

- actual exchange rate applied by the bank - in case of sales/purchase of currency and payment of receivables or liabilities;
- average exchange rate announced by the National Bank of Poland on the day preceding the day of transaction - for all other types of transactions.

Assets and liabilities denominated in foreign currencies are revaluated at the year end with average exchange rate announced by National Bank of Poland at the balance sheet date.

Positive or negative foreign exchange differences arising at the moment of payment due to difference between exchange rate used for payment and exchange rate at the moment of establishment of receivable/liability are recognized as financial income or financial expense.

Surplus of foreign exchange losses over gains is presented as financial costs and surplus of foreign exchange gains over losses as financial income.

## Introduction to the financial statements

### determining the financial result:

#### Revenue and expenses

According to accrual basis of accounting, revenue and costs relating to current period are recognized in the profit and loss account of this period, regardless of time of receipt or payment.

The Company considers as revenue and income probable economic benefits during the reporting period, at reliably determined value, in the form of increase of total value of assets or decrease of total value of liabilities leading to an increase in equity or reduction of its deficit by means other than shareholders' contributions.

The Company considers as costs and losses probable reduction of economic benefits during the reporting period, at reliably determined value, in the form of decrease of total value of assets or increase of total value of liabilities and provisions leading to a reduction in equity or an increase of its deficit in a different way than withdrawal of funds by shareholders or owners.

Net result of the year includes:

- result on operating activities, including other operating income and operating expenses (indirectly related to operational activity),
- result on financial operations,
- income tax and other obligatory deductions based on separate regulations.

#### Current income tax

Current corporate income tax is calculated in accordance with Corporate Income Tax law.

### determining the method of preparing the financial statements:

#### Profit and loss account

The Company prepares profit and loss account by nature of expense.

#### Cash flow statement

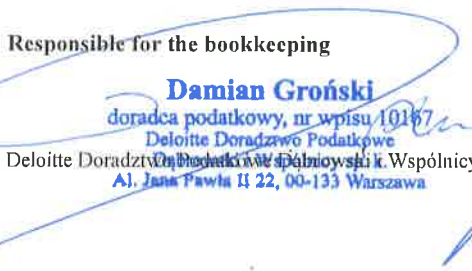
The Company has no obligation to prepare a cash flow statement.

#### The Management Board

  
Sanna Helena Raatikainen  
Member of the  
Management Board

  
Świętek Katarzyna  
Member of the  
Management Board

#### Responsible for the bookkeeping

  
**Damian Groński**  
doradca podatkowy, nr wpisu 10187  
Deloitte Doradztwo Podatkowe  
Deloitte Doradztwo Podatkowe Spółność z ograniczoną odpowiedzialnością  
Al. Jana Pawła II 22, 00-133 Warszawa



**Balance sheet**

(in PLN)

	Note	31.12.2018	31.12.2017
<b>ASSETS</b>			
<b>A. Fixed assets</b>		<b>252 668 117,61</b>	<b>244 550 742,32</b>
<b>I. Intangible assets</b>	1	-	-
<b>II. Tangible fixed assets</b>		-	-
<b>III. Long-term receivables</b>		-	-
<b>IV. Long-term investments</b>	3	<b>248 910 260,85</b>	<b>241 437 163,55</b>
1. Real estate		-	-
2. Intangible assets		-	-
3. Long-term financial assets		248 910 260,85	241 437 163,55
a) in related parties		248 910 260,85	241 437 163,55
- shares		97 872 810,15	94 934 349,74
- other securities	8	151 037 450,70	146 502 813,81
- loans granted		-	-
- other long-term financial assets		-	-
b) in other entities, in which the entity has significant capital involvement		-	-
c) in other entities		-	-
4. Other long-term investments		-	-
<b>V. Long-term prepayments</b>	7	<b>3 757 856,76</b>	<b>3 113 578,77</b>
1. Deferred tax assets		3 757 856,76	3 113 578,77
2. Other prepayments		-	-
<b>B. Current assets</b>		<b>932 964,69</b>	<b>3 224 266,75</b>
<b>I. Inventory</b>		-	-
<b>II. Short-term receivables</b>	4,5	<b>104 837,99</b>	<b>58 708,42</b>
1. Receivables from related parties		-	-
2. Receivables from other entities		104 837,99	58 708,42
a) trade receivables, maturing:		-	-
b) receivables from tax, subsidy, customs, social security, health and other benefits		104 837,99	58 708,42
c) other		-	-
d) claimed at court		-	-
<b>III. Short-term investments</b>	6	<b>828 126,70</b>	<b>3 165 558,33</b>
1. Short-term financial assets		828 126,70	3 165 558,33
a) in related parties		-	-
b) in other entities		-	-
c) cash and other pecuniary assets		828 126,70	3 165 558,33
- cash in hand and at bank		828 126,70	3 165 558,33
- other cash		-	-
- other pecuniary assets		-	-
2. Other short-term investments		-	-
<b>IV. Short-term prepayments</b>	7	-	-
<b>TOTAL ASSETS</b>		<b>253 601 082,30</b>	<b>247 775 009,07</b>

**Balance sheet**

(in PLN)

	Note	31.12.2018	31.12.2017
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>		<b>41 562 446,44</b>	<b>42 484 510,71</b>
<b>I. Share capital (fund)</b>	9	<b>20 972 250,00</b>	<b>20 972 250,00</b>
<b>II. Supplementary capital (fund)</b>		<b>33 555 763,71</b>	<b>33 555 763,71</b>
<b>III. Revaluation reserve</b>		-	-
<b>IV. Other reserve capital (fund)</b>		-	-
<b>V. Previous years' profits (losses)</b>		<b>(12 043 503,00)</b>	<b>(9 032 143,50)</b>
<b>VI. Net profit (loss)</b>	10	<b>(922 064,27)</b>	<b>(3 011 359,50)</b>
<b>VII. Net profit written-off during the financial year (negative value)</b>		-	-
<b>B. Liabilities and provisions for liabilities</b>		<b>212 038 635,86</b>	<b>205 290 498,36</b>
<b>I. Provisions for liabilities</b>	11	<b>1 049 877,91</b>	<b>526 172,98</b>
1. Provisions for deferred income tax		1 031 387,91	508 238,11
2. Provisions for retirement and similar benefits		-	-
3. Other provisions		18 490,00	17 934,87
- long-term		-	-
- short-term		18 490,00	17 934,87
<b>II. Long-term liabilities</b>	12	<b>210 973 210,18</b>	<b>26 387 546,49</b>
1. To related parties		210 973 210,18	26 387 546,49
2. To other entities, in which the entity has significant capital involvement		-	-
3. To other entities		-	-
<b>III. Short-term liabilities</b>	13	<b>15 547,77</b>	<b>178 376 778,89</b>
1. To related parties		-	178 365 925,64
a) trade liabilities, maturing:		-	-
b) other		-	178 365 925,64
2. To other entities		15 547,77	10 853,25
a) credits and loans		-	-
b) arising from issuance of debt securities		-	-
c) other financial liabilities		-	-
d) trade liabilities, maturing:		15 547,77	10 853,25
- up to 12 months		15 547,77	10 853,25
- over 12 months		-	-
e) received advances for deliveries		-	-
f) bill of exchange liabilities		-	-
g) tax, customs duties, insurance and other liabilities		-	-
h) payroll liabilities		-	-
i) other		-	-
3. Special funds		-	-
<b>IV. Accruals and deferred income</b>		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>253 601 082,30</b>	<b>247 775 009,07</b>

**Balance sheet**

(in PLN)

Note 31.12.2018 31.12.2017

**The Management Board**



Sanna Helena Raatikainen

**Member of the Management Board**



Świątek Katarzyna

**Member of the Management Board**

**Responsible for the bookkeeping**



**Damian Groński**

doradca podatkowy, nr wpisu 10167

Deloitte Doradztwo Podatkowe

Deloitte Doradztwo Podatkowe Damianowski i Wspólnicy sp.k.

Al. Jana Pawła II 22, 00-133 Warszawa

**Profit and loss account**

(in PLN)

	Note	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
<b>A. Net revenues from sale and similar income, including:</b>	16	-	-
<b>B. Operating expenses</b>		<b>203 730,60</b>	<b>139 249,14</b>
I. Amortization and depreciation		-	-
II. Consumption of material and energy		-	-
III. External services		203 730,60	139 249,14
IV. Taxes and charges, including:		-	-
- excise duty		-	-
V. Payroll		-	-
VI. Social security and other benefits		-	-
- for retirement		-	-
VII. Other expenses		-	-
VIII. Value of goods and materials sold		-	-
<b>C. Profit (loss) on sale (A-B)</b>		<b>(203 730,60)</b>	<b>(139 249,14)</b>
<b>D. Other operating income</b>	17	<b>2,71</b>	<b>0,82</b>
I. Gain on disposal of non-financial non-current assets		-	-
II. Subsidies		-	-
III. Revaluation of non-financial assets		-	-
IV. Other operating income		2,71	0,82
<b>E. Other operating expenses</b>		<b>-</b>	<b>1,19</b>
I. Loss on disposal of non-financial non-current assets		-	-
II. Impairment of non-financial fixed assets		-	-
III. Other operating expenses		-	1,19
<b>F. Operating profit (loss) (C+D-E)</b>		<b>(203 727,89)</b>	<b>(139 249,51)</b>
<b>G. Financial income</b>	18	<b>6 496 861,23</b>	<b>5 169 585,05</b>
I. Dividend and profit sharing		-	-
II. Interest, including:		5 235 306,35	5 169 585,05
- from related parties		5 235 306,35	5 169 585,05
III. Gain on disposal of investment		-	-
IV. Revaluation of investment		-	-
V. Other		1 261 554,88	-
<b>H. Financial expenses</b>	19	<b>7 336 325,80</b>	<b>8 612 242,44</b>
I. Interest, including:		7 336 325,80	6 174 763,89
- to related parties		7 336 325,80	6 174 763,89
II. Loss on disposal of investment		-	-
III. Revaluation of investment		-	-
IV. Other		-	2 437 478,55
<b>I. Gross profit (loss) (F + G -H)</b>		<b>(1 043 192,46)</b>	<b>(3 581 906,90)</b>
<b>J. Income Tax</b>	20	<b>(121 128,19)</b>	<b>(570 547,40)</b>
<b>K. Other obligatory decreases in Profit (loss increase)</b>		<b>-</b>	<b>-</b>
<b>L. Net profit (loss) (I-J-K)</b>		<b>(922 064,27)</b>	<b>(3 011 359,50)</b>

**Profit and loss account**

(in PLN)

Note	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
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**The Management Board**



Santia Helena Raatikainen

Member of the Management Board



Świątek Katarzyna

Member of the Management Board

Responsible for the bookkeeping



**Damian Groński**  
doradca podatkowy, nr wpisu 10167  
Deloitte Doradztwo Podatkowe

Deloitte Doradztwo Podatkowe Groński i Wspólnicy sp.k.  
Al. Jana Pawła II 22, 00-133 Warszawa

**Additional information and explanations**

(in PLN)

**1. Intangible assets**

The Company did not possess intangible assets.

**2. Tangible assets**

The Company did not possess tangible assets.

**3. Long-term investments**

The Company possess long-term investments including shares in Groclin Luxembourg Sarl with the registered seat in Luxmebourg in the amount of PLN 97 872 810,15, bonds issued by Kabel Technik Poland sp. z o.o. in the amount of PLN 150 878 305,40 and accrued interest of bonds in the amount of PLN 159 145,30.

	Other investments	Total
<b>Gross book value opening balance</b>	<b>241 437 163,55</b>	<b>241 437 163,55</b>
<b>Increases, including:</b>	<b>7 627 464,80</b>	<b>7 627 464,80</b>
- real estate aquisition	-	-
- bonds acquisition	-	-
- valuation of shares	2 938 461,85	2 938 461,85
- valuation of bonds	4 529 857,93	159 145,02
- interest accrued on bonds	159 145,02	159 145,02
<b>Decreases, including:</b>	<b>-154 367,50</b>	<b>-154 367,50</b>
- sale of shares	-	-
- sale of bonds	-	-
- interest accrued on bonds from the previous year	(154 367,50)	(154 367,50)
<b>Gross book value closing balance</b>	<b>248 910 260,85</b>	<b>248 910 260,85</b>

**4. Short-term receivables**

The Company shown short-term receivables from other parties due to taxes, subsidies, duties, social and health insurance and other benefits in amount of PLN 104 837,99 and accounted for a surplus of input VAT over output.

**5. Write-downs on receivables for deliveries and services with repayment period up to 12 months**

The Company did not make write-downs on receivables. There was no reduction in the probability of repayment of the Company's receivables.

**6. Short-term investments**

Short-term investments include cash accumulated on a bank account in PLN currency maintained by Bank PKO SA and on a bank account in EUR currency maintained by Pohjola Pankki OYJ.

Bank account currency	Amount in the currency	Exchange rate	Amount in PLN
PLN	2 515,80	1,0000	2 515,80
EUR	192 002,53	4,3000	825 610,90
		<b>Total</b>	<b>828 126,70</b>

**7. List of essential items of accrued and prepaid expenses**

There were no prepayments identified by the Company, but long-term accruals for deffered income tax in the amount of PLN 3 757 856,76 have occurred.

**Long-term prepayments, including:**  
- deffered tax

	31.12.2018	31.12.2017
- deffered tax	3 757 856,76	3 113 578,77
	<b>3 757 856,76</b>	<b>3 113 578,77</b>

**Additional information and explanations**

(in PLN)

**8. Number and nominal value of securities or rights, including stock warrants, debt securities and stock options with an indication of the rights they confer**

The Company holds bonds issued by Kabel Technik Polska Sp. z o.o.

Type of securities	Amount
Bonds	150 878 305,40
Accrued interest on bonds	159 145,30

**9. Description of the ownership structure of stated capital, as well as the number and nominal value of shares as at the balance sheet date**

As at the balance sheet date, the ownership structure of the Company's share capital was as follows:

Shareholders	Number of shares	Nominal value of shares	% of the share capital	% of the number of votes
PKC Wiring Systems Oy	419 445	50,00	20 972 250,00	100%
<b>Total</b>	<b>419 445</b>	<b>-</b>	<b>20 972 250,00</b>	<b>100%</b>

**10. Proposed profit distribution or loss coverage for the financial year**

At the date of preparation of the financial statements, no resolution was adopted to cover the loss.

**11. Provisions**

Provisions for liabilities at the end of the financial year amount to 1 049 877,91 PLN, Items that make up the reserve are shown below.

Provisions, including:	31.12.2018	31.12.2017
- provision for deferred income tax	1 031 387,91	508 238,11
- provision for accounting services related to the closure of the Financial Year	18 490,00	17 934,87
<b>Total provisions for liabilities</b>	<b>1 049 877,91</b>	<b>526 172,98</b>

**12. Breakdown of long-term liabilities, according to balance sheet items, with contractual maturity as on the balance sheet date**

The Company has long-term liabilities to the shareholder of PKC Wiring Systems Oy with total value of PLN 210 973 210,18. This amount results from a loan granted for a total amount of PLN 205 974 291,70 transferred to on Company. In addition, the interest which the Company is obliged to pay is PLN 4 998 918,48.

**13. Short-term liabilities towards other entities**

Short-term liabilities to other entities as at 31 December 2018 amount to PLN 15 547,77. This amount includes liabilities resulting from supplies and services with a maturity not exceeding 12 months.

**14. List of liability groups secured on assets as of the balance sheet date**

The Company had no liabilities secured on its assets.

**15. Contingent liabilities including guarantees and sureties by the entity as well as bill guarantees and sureties**

Did not occur.

**16. The territorial and type structure of net income from sales of products, goods and materials**

The Company did not generate revenues from sales of products, goods and materials in the year ended 31 December 2018.

**Additional information and explanations**

(in PLN)

**17. Other operating income**

	31.12.2018	31.12.2017
<b>Other operating income, including:</b>	2,71	0,82
- other operating income	2,71	0,82
- roundings	2,71	0,82

**18. Financial incomes**

	31.12.2018	31.12.2017
<b>Financial incomes, including:</b>	6 496 861,23	5 169 585,05
- interest from the related parties	5 235 306,35	5 169 585,05
- interest on bonds	5 235 306,35	5 169 585,05
- other financial incomes, including:	1 261 554,88	-
- exchange differences	1 261 554,88	-

**19. Financial expenses**

	31.12.2018	31.12.2017
<b>Financial expenses, including:</b>	7 336 325,80	8 612 242,44
- interest from the related parties	7 336 325,80	6 174 763,89
- loan interest	7 336 325,80	6 174 763,89
- other financial expenses, including:	-	2 437 478,55
- exchange differences	-	2 437 478,55

**20. Deferred income tax**

	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
<b>Transitional differences between the amounts disclosed in the accounting books the value of assets and liabilities, and their tax value, including:</b>		
- unpaid interest on the loan	5 280 616,34	5 033 975,73
- accruals and provisions	18 490,00	17 934,87
- unrealized exchange rate differences	3 891 385,40	2 415 566,84
- losses from previous years	10 587 701,70	8 919 779,26
<b>Razem</b>	<b>19 778 193,44</b>	<b>16 387 256,70</b>
Income tax rate	19%	19%
Gross value of the deferred tax asset	3 757 857,00	3 113 579,00
Write-downs	-	-
<b>Net value of the deferred tax asset</b>	<b>3 757 857,00</b>	<b>3 113 579,00</b>
<b>Positive transitional differences</b>		
- accrued interest on bonds	159 145,49	154 367,51
- unrealized exchange rate differences	5 269 211,99	2 520 569,95
<b>Total</b>	<b>5 428 357,48</b>	<b>2 674 937,46</b>
Income tax rate	19%	19%
<b>The value of the deferred income tax provision</b>	<b>1 031 388,00</b>	<b>508 238,00</b>



**Additional information and explanations**

(in PLN)

<b>Deferred income tax assets disclosed in the balance sheet at beginning of the year</b>	3 113 578,77	4 409 600,09
<b>Deferred income tax assets disclosed in the balance sheet at end of the year</b>	3 757 856,76	3 113 578,77
<b>Deferred income tax provision shown in the balance sheet at the beginning of the year</b>	508 238,11	2 374 806,83
<b>Deferred income tax provision shown in the balance sheet at the end of the year</b>	1 031 387,91	508 238,11
<b>Change in net balance sheet assets / deferred tax assets</b>	(121 128,19)	(570 547,40)

**21. Exchange rates applied for the purpose of valuation of items denominated in foreign currencies**

According to the NBP tables effective on the balance sheet date, exchange rates taken for the purpose of valuation of receivables, liabilities and cash were as follows:

<b>Currency</b>	<b>Exchange rate at 31.12.2018</b>	<b>Exchange rate at 31.12.2017</b>
1 EUR	4,3000	4,1709

**22. Average employment in the financial year**

During the financial year the Company did not have any employees.

**23. Salaries, including profit sharing, paid or payable to members of management and supervisory bodies (for each group) or liabilities arising from pensions and similar benefits for former members of those bodies or liabilities incurred in connection with these pensions**

In the financial year ending on 31 December 2018 the Management Board members did not receive salaries.

**24. Information on the remuneration of a statutory auditor or an entity authorized to audit financial statements for the financial year**

The Company's financial statements were not audited by an authorized entity.

**25. Significant events after the balance sheet date**

By the day of preparing these financial statements, there were no significant post-balance sheet events in the Company, which would require to be included or additionally presented in the financial statements.

**26. Changes regarding accounting rules**

Did not occur.

**27. Information on joint-ventures which are not subject to consolidation**

Not applicable.

**Additional information and explanations**

(in PLN)

**28. Related party transactions**

The transactions with related entities shown in the financial statements are as follows:

	31.12.2018	31.12.2017
<b>Financial assets</b>		
- shares in the Groclin Luxembourg Sarl	97 872 810,15	94 934 349,74
- bonds issued by Kabel Technik Polska Sp. z o.o.	150 878 305,40	146 348 446,31
	<b>248 751 115,55</b>	<b>241 282 796,05</b>
<b>Balances of account</b>		
- receivables from interest on bonds	159 145,30	154 367,50
- liabilities due to a loan received from PKC Wiring Systems OY	205 974 291,70	199 790 272,85
- liabilities due to interest on the loan	4 998 918,48	4 963 199,28
	<b>211 132 355,48</b>	<b>204 907 839,63</b>
<b>Financial income</b>		
- from interest on bonds	5 235 306,35	5 169 585,05
	<b>5 235 306,35</b>	<b>5 169 585,05</b>
<b>Financial costs</b>		
- from interest on loans	7 336 325,80	6 174 763,89
	<b>7 336 325,80</b>	<b>6 174 763,89</b>

**29. Risk****Interest rate risk**

The Company has no significant risk associated with changes in interest rates. The loans obtained by the Company and possessed bonds due at fixed interest rates.

**Interest and credit risk**

The Company holds bonds issued by an entity affiliated Kabel Technik Poland Sp. z o.o. The risk associated with the redemption is very low.

**Foreign currency risk**

At the balance sheet date, the Company has the following transactions in a foreign currency:

- obligations under the loan granted by the main shareholder of PKC Wiring Systems Oy in the amount of EUR 47 900 998,07 (PLN 205 974 291,70) and interest in the amount EUR 1 162 539,16 (PLN 4 998 918,48 );
- shares in Groclin Luxembourg Sarl, based in Luxembourg for an amount of EUR 22 761 118,64 (PLN 97 872 810,15)
- bonds issued by Kabel Technik Poland Sp. z o.o. in the amount of EUR 35 087 978 (PLN 150 878 305,40);
- interest on bonds issued by Kabel Technik Poland Sp. z o.o. in the amount of EUR 37 010,47 (PLN 159 145,02);
- foreign currency account in the bank Pajhola Pankki OYJ in the amount of EUR 192 002,53 (PLN 825 610,90).

**Additional information and explanations**

(in PLN)

**30. List of companies (name, address), in which the Company holds at least 20% of the share capital or total number of votes in the decision-making body of the entity**

The Company holds 100% of the share capital and voting rights in Groclin Luxembourg Sàrl, based in Bertrange, rue du Puits Romain 33.

Key economic and financial indicators of a subsidiary Groclin Luxembourg Sàrl in 2018:

	<u>Amount in EUR</u>
- net revenues from sales and financial revenues	-
- net financial result	(22 784,81)
- equity	22 387 172,85
- assets	22 476 717,19

The Company did not hire employees.

**31. Information on consolidated financial statements prepared by the entity**

The Company is exempt from preparation of consolidated financial statements. The basis for the withdrawal from the consolidation of a subsidiary is art. 56 sec. 1 of the Accounting Act. At the balance sheet date of the financial year and the date of the balance sheet of the year preceeding the fiscal year consolidated data of the parent Company and all subsidiaries at all levels not exceeded the required size of the net proceeds from the sale of goods and products and the average annual employment in FTE.

**32. Name and registered seat of the entity preparing consolidated financial statements at the highest and the lowest level of the capital group, a part of which the Company is as a subsidiary, as well as information where these financial statements are available**

The company preparing the consolidated financial statements at the highest level of the Capital Group, which includes the Company, is Motherson Sumi Systems Limited with its registered office in New Delhi.

**33. Financial statements covering the period in which the Company merge with other companies.**

Not applicable.

**34. Going concern**

No threat to the continuation of business activities was pronounced for the following financial year.

**35. Other significant information concerning economic and financial standing and financial result of the entity**

The financial statements include all information concerning economic and financial position and the financial result of the Company.

## Additional information and explanations

(in PLN)

### The Management Board



Sanna Helena Raatikainen

Member of the Management Board



Świątek Katarzyna

Member of the Management Board

### Responsible for the bookkeeping



**Damian Groński**

doradca podatkowy, nr wpisu-10167

Deloitte Doradztwo Podatkowe

Deloitte Doradztwo Podatkowe Groński i Wspólnicy sp.k.

Al. Jana Pawła II 22, 00-133 Warszawa

PKC GROUP POLAND HOLDING Sp. z o.o.

Translation of the financial statements for the financial year from 1 January to 31 December 2018 originally issued in the Polish language

**Reconciliation of the difference between CIT tax base and gross financial result (profit, loss)**  
(in PLN)

	Legal base (Art.)	01.01.2018 - 12.31.2018		01.01.2017 - 12.31.2017	
		Total	from capital gains from other revenues	Total	from capital gains from other revenues
<b>A. Gross income (loss)</b>					
<b>B. Non-taxable income (permanent differences between accounting profit/loss and taxable profit/loss), including:</b>					
Total		(1 043 192,46)	(1 043 192,46)	(3 581 906,90)	(3 581 906,90)
<b>C. Non-taxable income in the current year, including:</b>					
- Unrealized foreign exchange differences	15a	7 922 845,06	7 922 845,06	154 367,51	154 367,51
- Interest accrued and not received in the current year	12.4.2	159 145,49	159 145,49	12 677 755,33	12 677 755,33
Total		8 081 990,55	8 081 990,55	12 832 122,84	12 832 122,84
<b>D. Current year taxable income, included in the previous years books:</b>					
- Interest accrued in the previous year and received in the current year	12.4.2	154 367,51	154 367,51	238 159,89	238 159,89
Total		154 367,51	154 367,51	238 159,89	238 159,89
<b>E. Non-deductible costs (permanent differences between accounting income/loss and taxable income/loss), including:</b>					
- Interest on loans excluded from tax deductible costs due to thin capitalization regulations	16.1.6	-	-	73 880,84	73 880,84
Total		-	-	73 880,84	73 880,84
<b>F. Current year non-deductible costs, including:</b>					
- Unrealized foreign exchange differences	15a	6 650 021,58	6 650 021,58	14 914 456,51	14 914 456,51
- Interest accrued in the previous year and paid in the current year	16.1.11	5 172 630,91	5 172 630,91	5 033 975,73	5 033 975,73
- Accruals	15.4e	555,13	555,13	(1 088,33)	(1 088,33)
Total		11 823 207,62	11 823 207,62	19 947 343,91	19 947 343,91
<b>G. Current year tax-deductible costs booked in previous years, including:</b>					
- Interest accrued in the previous year and paid in the current year	16.1.11	4 520 314,57	4 520 314,57	5 602 113,92	5 602 113,92
Total		4 520 314,57	4 520 314,57	5 602 113,92	5 602 113,92
<b>H. Loss from previous year, including:</b>					
Total		-	-	-	-
<b>I. Other changes of tax base, including:</b>					
Total		-	-	-	-
<b>Taxable loss</b>					
<b>J. Tax base</b>		(1 667 922,45)	(1 667 922,45)	(1 756 759,02)	(1 756 759,02)
<b>K. CIT</b>		-	-	-	-