

Financial statements of PKC GROUP POLAND HOLDING Sp. z o.o. for the period from 1 January to December 2020

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 2020, with total assets and liabilities plus equity of PLN 221 239 896,21;
3. profit and loss account for the period from 1 January to 31 December 2020 disclosing net profit of PLN 1 087 971,49;
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



Świątek Katarzyna
Member of the Management Board



Sandrine Lina Waechter
Member of the Management Board



Tomasz Walczak
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Introduction to the financial statements

1. Information on the entity:

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

Entity identifier

KRS No: 0000523290

VAT registration No 5252595828

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>	Other business activity and management advisory
2	<u>2611Z</u>	Production of electronic components
3	<u>2711Z</u>	Production of electric motors, generators and transformers
4	<u>2811Z</u>	Production of engines and turbines, excluding aircraft, car and motorcycle engines
5	<u>2920Z</u>	Production of motor vehicle bodies; production of trailers and semi-trailers
6	<u>3311Z</u>	Repair and preservation of metal products
7	<u>4511Z</u>	Wholesale and retail sale of passenger cars and delivery vans
8	<u>4611Z</u>	Activity of agents selling agricultural raw materials, live animals, textile industry raw materials and intermediate products
9	<u>4711Z</u>	Retail sale in non-specialised stores with prevalence of food, drinks and tobacco goods
10	<u>6810Z</u>	Purchase and sale of real estate on own account

2. Period covered by the financial statements:

From 01.01.2020

To 31.12.2020

Date of financial statements preparation: 23.03.2021

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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 the extent left by the law at the Company's discretion.

a) 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.

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.

Introduction to the financial statements

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.

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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.

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

b) 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.


c) determining 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.

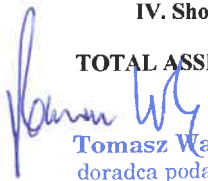


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Balance sheet

(in PLN)

	Note	31.12.2020	31.12.2019
ASSETS			
A. Fixed assets		215 025 059,68	249 880 139,62
I. Intangible assets	1	-	-
II. Tangible fixed assets	2	-	-
III. Long-term receivables		-	-
IV. Long-term investments	3	209 277 011,18	246 350 378,05
1. Real estate		-	-
2. Intangible assets		-	-
3. Long-term financial assets		209 277 011,18	246 350 378,05
a) in related parties		209 277 011,18	246 350 378,05
- shares		105 038 010,30	96 928 223,74
- other securities		104 239 000,88	149 422 154,31
- 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		-	-
V. Long-term prepayments	7	5 748 048,50	3 529 761,57
1. Deferred tax assets		5 748 048,50	3 529 761,57
2. Other prepayments		-	-
B. Current assets		6 214 836,53	6 101 387,75
I. Inventory		-	-
II. Short-term receivables	4, 5	460 310,96	147 766,10
1. Receivables from related parties		-	-
2. Receivables from other entities, in which the entity has significant capital involvement		-	-
3. Receivables from other entities		460 310,96	147 766,10
a) trade receivables, maturing:		-	-
b) receivables from tax, subsidy, customs, social security, health and other benefits		460 310,96	147 766,10
c) other		-	-
d) claimed at court		-	-
III. Short-term investments	6	5 754 525,57	5 953 621,65
1. Short-term financial assets		5 754 525,57	5 953 621,65
a) in related parties		-	-
b) in other entities		-	-
c) cash and other pecuniary assets		5 754 525,57	5 953 621,65
- cash in hand and at bank		5 754 525,57	5 953 621,65
- other cash		-	-
- other pecuniary assets		-	-
2. Other short-term investments		-	-
IV. Short-term prepayments	7	-	-
TOTAL ASSETS		221 239 896,21	255 981 527,37


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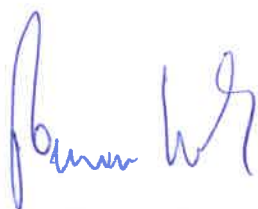
Introduction and additional information and explanations are an integral part of the financial statements



Balance sheet

(in PLN)

	Note	31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
A. Equity		41 377 488,44	40 289 516,95
I. Share capital (fund)	9	20 972 250,00	20 972 250,00
II. Supplementary capital (fund)		33 555 763,71	33 555 763,71
III. Revaluation reserve		-	-
IV. Other reserve capital (fund)		-	-
V. Previous years' profits (losses)		(14 238 496,76)	(12 985 122,22)
VI. Net profit (loss)	10	1 087 971,49	(1 253 374,54)
VII. Net profit written-off during the financial year (negative value)		-	-
B. Liabilities and provisions for liabilities		179 862 407,77	215 692 010,42
I. Provisions for liabilities	11	3 476 739,38	550 351,67
1. Provisions for deferred income tax		3 453 434,64	528 846,24
2. Provisions for retirement and similar benefits		-	-
3. Other provisions		23 304,74	21 505,43
- long-term		-	-
- short-term		23 304,74	21 505,43
II. Long-term liabilities	12	176 385 668,39	215 141 658,75
1. To related parties		176 385 668,39	215 141 658,75
2. To other entities, in which the entity has significant capital involvement		-	-
3. To other entities		-	-
III. Short-term liabilities		-	-
IV. Accruals and deferred income		-	-
TOTAL EQUITY AND LIABILITIES		221 239 896,21	255 981 527,37



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Profit and loss account

(in PLN)

	Note	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
A. Net revenues from sale and similar income, including:	15	-	-
B. Operating expenses		215 474,68	192 421,17
I. Amortization and depreciation		-	-
II. Consumption of material and energy		-	-
III. External services		209 975,65	192 421,17
IV. Taxes and charges, including:		5 499,03	-
- excise duty		-	-
V. Payroll		-	-
VI. Social security and other benefits		-	-
- for retirement		-	-
VII. Other expenses		-	-
VIII. Value of goods and materials sold		-	-
C. Profit (loss) on sale (A-B)		(215 474,68)	(192 421,17)
D. Other operating income	16	-	1,31
I. Gain on disposal of non-financial non-current assets		-	-
II. Subsidies		-	-
III. Revaluation of non-financial assets		-	-
IV. Other operating income		-	1,31
E. Other operating expenses	17	1,37	-
I. Loss on disposal of non-financial non-current assets		-	-
II. Impairment of non-financial fixed assets		-	-
III. Other operating expenses		1,37	-
F. Operating profit (loss) (C+D-E)		(215 476,05)	(192 419,86)
G. Financial income	18	8 532 844,99	5 282 094,79
I. Dividend and profit sharing		-	-
II. Interest, including:		5 476 459,83	5 282 094,79
- from related parties		5 476 459,83	5 282 094,79
III. Gain on disposal of investment		-	-
IV. Revaluation of investment		-	-
V. Other		3 056 385,16	-
H. Financial expenses	19	6 523 095,98	6 637 050,90
I. Interest, including:		6 523 095,98	6 272 311,43
- to related parties		6 522 946,98	6 272 311,43
II. Loss on disposal of investment		-	-
III. Revaluation of investment		-	-
IV. Other		-	364 739,47
I. Gross profit (loss) (F + G -H))		1 794 272,96	(1 547 375,97)
J. income Tax	20	706 301,47	(294 001,43)
K. Other obligatory decreases in profit (loss increase)		-	-
L. Net profit (loss) (I-J-K)		1 087 971,49	(1 253 374,54)

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Introduction and additional information and explanations are an integral part of the financial statements

Additional information and explanations

(in PLN)

1. Intangible assets

The Company did not possess intangible assets.

2. Tangible fixed assets

The Company did not possess tangible fixed assets.

3. Long-term investments

Long term investments include shares in Groclin Luxembourg Sàrl with registered office in Luxembourg in the amount of 105 038 010,30 PLN and bonds issued by Kabel Technik Poland Sp. z o.o. in the amount of PLN 104 239 000,88.

	Other investments	Total
Gross opening amount	246 350 378,05	246 350 378,05
Increases, including:	15 356 633,13	15 356 633,13
- real estate purchase	-	-
- bonds purchase	-	-
- valuation of shares	8 109 786,56	-
- valuation of bonds	7 246 846,57	-
- accrued interest on bonds	-	-
Decreases, including:	(52 430 000,00)	(52 430 000,00)
- sell of shares	-	-
- sell of bonds	-	-
- repayments of bond's capital	(52 430 000,00)	-
- accrued interest on previous year's bonds	-	-
Gross closing amount	209 277 011,18	209 277 011,18

4. Short-term receivables

As at 31 December 2020 the Company shown short-term receivables from other parties due to taxes, subsidies, duties, social and health insurance and other benefits which amounts to PLN 460 310,96 and are accounted for a surplus of input VAT over output in the amount of PLN 189 345,96 and CIT overpayment in the amount of PLN 270 965,00 PLN.

5. Write-downs of trade receivables maturing 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 accounts in EUR currency maintained by Pohjola Pankki OYJ and Nordea.

Bank account currency	Amount in the currency	Exchange rate	Amount in PLN
PLN	1 968,00	1,0000	1 968,00
EUR	33 961,62	4,6148	156 726,08
EUR	1 212 583,75	4,6148	5 595 831,49
		Total	5 754 525,57

7. List of essential items of accrued and prepaid expenses**Long-term prepayments, including:**

- deferred tax

Total

	31.12.2020	31.12.2019
- deferred tax	5 748 048,50	3 529 761,57
Total	5 748 048,50	3 529 761,57

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 Poland Sp. z o.o. in the amount of PLN 104 239 000,88.

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

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

Shareholders	Number of shares/stocks	Nominal value of 1 share/stock	Nominal value of shares/stocks	Ownership structure of shares/stocks
PKC Wiring Systems Oy	419 445	50,00	20 972 250,00	100%
Total	419 445	50,00	20 972 250,00	100%

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 propose profit distribution.

11. Provisions**Provisions, including:**

- provision for deferred income tax

- provision for accounting services related to the closure of the financial year

Total**31.12.2020**

3 453 434,64

23 304,74

3 476 739,38**31.12.2019**

528 846,24

21 505,43

550 351,67**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 176 385 668,39. This amount results from a loan granted for a total amount of 172 598 125,89 PLN transferred to on Company. In addition, the interest which the Company is obliged to pay is 3 787 542,50 PLN.

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

The Company had no liabilities secured on its assets.

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

Did not occur.

15. The territorial and type structure of net revenues from sale of products, goods and materials

The Company did not generate revenues from sale of products, goods and materials in the year ended 31 December 2020.

16. Other operating income**Other operating income, including:**

- other operating income, including:

- roundings

31.12.2020**31.12.2019**

-

-

-

1,31**1,31****1,31**

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Additional information and explanations

(in PLN)

17. Other operating expenses

	31.12.2020	31.12.2019
Other operating expenses, including:	1,37	-
- other operating expenses, including:	1,37	-
- roundings	1,37	-

18. Financial income

	31.12.2020	31.12.2019
Financial incomes, including:	8 532 844,99	5 282 094,79
- interest from the related parties, including:	5 476 459,83	5 282 094,79
- interest on bonds	5 476 459,83	5 282 094,79
- other financial incomes, including:	3 056 385,16	-
- exchange differences	3 056 385,16	-

19. Financial expenses

	31.12.2020	31.12.2019
Financial expenses, including:	6 523 095,98	6 637 050,90
- interest from the related parties, including:	6 522 946,98	6 272 311,43
- loan interest	6 522 946,98	6 272 311,43
- interest from the related parties, including:	149,00	-
- interest on state payables	149,00	-
- other financial expenses, including:	-	364 739,47
- exchange differences	-	364 739,47

20. Deferred income tax

	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Transitional differences between the amounts disclosed in the accounting books the value of assets and liabilities, and their tax value, including:		
- unpaid interest on the loan	3 692 970,95	11 251 862,57
- accruals and provisions	23 304,74	21 505,43
- unrealized exchange rate differences	14 650 992,26	1 962 187,88
- losses from previous years	6 583 661,41	5 342 136,62
- costs of debt financing (off-limit)	5 301 957,45	-
Total	30 252 886,82	18 577 692,50
Income tax rate	19%	19%
Gross value of deferred tax assets	5 748 048,00	3 529 762,00
Net value of deferred tax assets	5 748 048,00	3 529 762,00
Positive transitional differences:		
- unrealized exchange rate differences	18 175 971,76	2 783 401,26
Total	18 175 971,76	2 783 401,26
Income tax rate	19%	19%
The value of the deferred income tax provision	3 453 435,00	528 846,00
Deferred income tax assets disclosed in the balance sheet at beginning of the year	3 529 761,57	3 757 856,76
Deferred income tax assets disclosed in the balance sheet at beginning of the year after correction	-	3 738 301,81
Deferred income tax assets disclosed in the balance sheet at end of the year	5 748 048,50	3 529 761,57

Additional information and explanations

(in PLN)

Deferred income tax provision disclosed in the balance sheet at beginning of the year	528 846,24	1 031 387,91
Deferred income tax provision disclosed in the balance sheet at end of the	3 453 434,64	528 846,24
Change in net balance sheet assets / deferred tax assets	706 301,47	(294 001,43)

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:

Currency	Exchange rate as of 31.12.2020	Exchange rate as of 31.12.2019
1 EUR	4,6148	4,2585

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 2020 the Management Board members did not receive salaries from the Company.

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 (policy) made during the financial year

Did not occur.

25. Financial data providing comparability of financial statements for the previous period with the financial statements for the current financial year

Not applicable.

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

Not applicable.

28. Related party transactions

Financial assets	31.12.2020	31.12.2019
- shares in the Groclin Luxembourg Sàrl	105 038 010,30	96 928 223,74
- bonds issued by Kabel Technik Polska Sp. z o.o.	104 239 000,88	149 422 154,31
	209 277 011,18	246 350 378,05
Balances of account	31.12.2020	31.12.2019
- liabilities due to a loan received from PKC Wiring Systems OY	172 598 125,89	203 986 400,28
- liabilities due to interest on the loan	3 787 542,50	11 155 258,47
	176 385 668,39	215 141 658,75

Additional information and explanations

(in PLN)

Financial income

- from interest on bonds

31.12.2020	31.12.2019
5 476 459,83	5 282 094,79
5 476 459,83	5 282 094,79

Financial costs

- from interest on loans

31.12.2020	31.12.2019
6 522 946,98	6 272 311,43
6 522 946,98	6 272 311,43

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. 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 37 400 998,07 (PLN 172 598 125,89) and interest in the amount EUR 820 738,17 (PLN 3 787 542,50);
- shares in Groclin Luxembourg Sarl, based in Luxembourg for an amount of EUR 22 761 118,64 (PLN 105 038 010,30);
- bonds issued by Kabel Technik Poland Sp. z o.o. in the amount of EUR 22 587 978,00 (PLN 104 239 00,88);
- foreign currency account in the bank Pahjola Pankki OYJ in the amount of EUR 33 961,62 (PLN 156 726,08).
- foreign currency account in the bank Nordea in the amount of EUR 1 212 583,75 (PLN 5 595 831,49)

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 2020:

	<u>Amount in EUR</u>
- net revenues from sales and financial revenues	-
- net financial result	(22 611,4)
- equity	22 341 663,2
- assets	22 478 815,0

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.

Additional information and explanations

(in PLN)

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

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.

During the period covered by the financial statements, the merger did not occur.

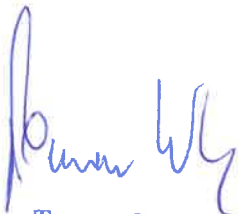
34. Going concern

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

At the end of 2019, first news from China about the coronavirus appeared. In the first months of 2020, the virus spread around the world, and its negative impact was very dynamic. Although this situation is still changing at the time of publication of these financial statements, the management did not notice a significant impact of the global epidemic on its business, however future effects are unpredictable. The management will continue to monitor the potential impact and will take all possible steps to mitigate any adverse effects on the entity.

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.


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

	Legal base (Art.)	01.01.2020 - 12.31.2020			01.01.2019 - 12.31.2019		
		Total	from capital gains	from other revenues	Total	from capital gains	from other revenues
A. Gross income (loss)		1 794 272,96	-	1 794 272,96	(1 547 375,97)	-	(1 547 375,97)
B. Non-taxable income (permanent differences between accounting profit/loss and taxable profit/loss), including:							
Total		-	-	-	-	-	-
C. Non-taxable income in the current year, including:	15a	71 246 891,13	-	71 246 891,13	36 787 234,96	-	36 787 234,96
- Unrealized foreign exchange differences		71 246 891,13	-	71 246 891,13	36 787 234,96	-	36 787 234,96
Total							
D. Current year taxable income, included in the previous years books:	12.4.2	-	-	-	160 486,61	-	160 486,61
- Interest accrued in the previous year and received in the current year		-	-	-	160 486,61	-	160 486,61
Total							
E. Non-deductible costs (permanent differences between accounting income/loss and taxable income/loss), including:	16.1.46	5 499,03	-	5 499,03	-	-	-
- Non-recoverable VAT	16.1.21	149,00	-	149,00	-	-	-
- Budget interest		5 648,03	-	5 648,03	-	-	-
Total							
F. Current year non-deductible costs, including:	15a	68 543 124,70	-	68 543 124,70	37 144 362,54	-	37 144 362,54
- Unrealized foreign exchange differences	16.1.11	3 692 970,95	-	3 692 970,95	6 272 311,43	-	6 272 311,43
- Interest accrued in the previous year and paid in the current year	15.4e	1 799,31	-	1 799,31	3 015,43	-	3 015,43
- Accruals	15c.1.	5 301 957,45	-	5 301 957,45	-	-	-
- Costs of debt financing (off limits)		77 539 852,41	-	77 539 852,41	43 419 689,40	-	43 419 689,40
Total							
G. Current year tax-deductible costs booked in previous years, including:	16.1.11	11 251 862,57	-	11 251 862,57	-	-	-
- Interest accrued in the previous year and paid in the current year		11 251 862,57	-	11 251 862,57	-	-	-
Total							
H. Loss from previous year, including:	7.5.	-	-	-	5 245 565,08	-	5 245 565,08
- Tax loss for FY2015		-	-	-	5 245 565,08	-	5 245 565,08
Total							
I. Other changes of tax base, including:		-	-	-	-	-	-
Total							
Taxable income	-	-	-	-	-	-	-
Taxable loss	-	(3 158 980,29)	-	(3 158 980,29)	(0,00)	-	(0,00)
J. Tax base	-	-	-	-	-	-	-
K. CIT	-	-	-	-	-	-	-

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