

**Financial statements of PKC GROUP POLAND HOLDING Sp. z o.o. for the financial year from 1 January to 31 December 2019**

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 2019, with total assets and liabilities plus equity of PLN 255 981 527,37;
3. profit and loss account for the financial year from 1 January to 31 December 2019 disclosing net loss of PLN 1 253 374,54;
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

  
Świętek Katarzyna  
Member of the Management  
Board

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

Translation of the financial statements for the financial year from 1 January to 31 December 2019 originally issued in the Polish language

**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:

	<b>PKD code(s)</b>	<b>Description</b>
1	7022Z	Other business activity and management advisory
2	2611Z	Production of electronic components
3	2711Z	Production of electric motors, generators and transformers
4	2811Z	Production of engines and turbines, excluding aircraft, car and motorcycle engines
5	2920Z	Production of motor vehicle bodies; production of trailers and semi-trailers
6	3311Z	Repair and preservation of metal products
7	4511Z	Wholesale and retail sale of passenger cars and delivery vans
8	4611Z	Activity of agents selling agricultural raw materials, live animals, textile industry raw materials and intermediate products
9	4711Z	Retail sale in non-specialised stores with prevalence of food, drinks and tobacco goods
10	6810Z	Purchase and sale of real estate on own account

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

From 01.01.2019

To 31.12.2019

Date of financial statements preparation: 06.03.2020

Introduction and additional information and explanations are an integral part of the financial statements  
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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 which the Polish Accounting Act leaves the right to choose, including:

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

## **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.

### **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.

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

## Introduction to the financial statements

### 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.

### 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.

**Introduction to the financial statements**

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.

## Balance sheet

(in PLN)

	Note	31.12.2019	31.12.2018
<b>ASSETS</b>			
<b>A. Fixed assets</b>		<b>249 880 139,62</b>	<b>252 668 117,61</b>
<b>I. Intangible assets</b>	1	-	-
<b>II. Tangible fixed assets</b>	2	-	-
<b>III. Long-term receivables</b>		-	-
<b>IV. Long-term investments</b>	3	<b>246 350 378,05</b>	<b>248 910 260,85</b>
1. Real estate		-	-
2. Intangible assets		-	-
3. Long-term financial assets		246 350 378,05	248 910 260,85
a) in related parties		246 350 378,05	248 910 260,85
- shares		96 928 223,74	97 872 810,15
- other securities		149 422 154,31	151 037 450,70
- 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>	5	<b>3 529 761,57</b>	<b>3 757 856,76</b>
1. Deferred tax assets		3 529 761,57	3 757 856,76
2. Other prepayments		-	-
<b>B. Current assets</b>		<b>6 101 387,75</b>	<b>932 964,69</b>
<b>I. Inventory</b>		-	-
<b>II. Short-term receivables</b>	4,5	<b>147 766,10</b>	<b>104 837,99</b>
1. Receivables from related parties		-	-
2. Receivables from other entities, in which the entity has significant capital involvement		-	-
3. Receivables from other entities		147 766,10	104 837,99
a) trade receivables, maturing:		-	-
b) receivables from tax, subsidy, customs, social security, health and other benefits		147 766,10	104 837,99
c) other		-	-
d) claimed at court		-	-
<b>III. Short-term investments</b>	6	<b>5 953 621,65</b>	<b>828 126,70</b>
1. Short-term financial assets		5 953 621,65	828 126,70
a) in related parties		-	-
b) in other entities		-	-
c) cash and other pecuniary assets		5 953 621,65	828 126,70
- cash in hand and at bank		5 953 621,65	828 126,70
- other cash		-	-
- other pecuniary assets		-	-
2. Other short-term investments		-	-
<b>IV. Short-term prepayments</b>	7	-	-
<b>TOTAL ASSETS</b>		<b>255 981 527,37</b>	<b>253 601 082,30</b>

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

**Balance sheet**

(in PLN)

	Note	31.12.2019	31.12.2018
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>			
		40 289 516,95	41 562 446,44
<b>I. Share capital (fund)</b>			
<b>II. Supplementary capital (fund)</b>	9	20 972 250,00	20 972 250,00
<b>III. Revaluation reserve</b>		33 555 763,71	33 555 763,71
<b>IV. Other reserve capital (fund)</b>		-	-
<b>V. Previous years' profits (losses)</b>		-	-
<b>VI. Net profit (loss)</b>	10	(12 985 122,22)	(12 043 503,00)
<b>VII. Net profit written-off during the financial year (negative value)</b>		(1 253 374,54)	(922 064,27)
		-	-
<b>B. Liabilities and provisions for liabilities</b>			
		215 692 010,42	212 038 635,86
<b>I. Provisions for liabilities</b>			
<b>1. Provisions for deferred income tax</b>	11	550 351,67	1 049 877,91
<b>2. Provisions for retirement and similar benefits</b>		528 846,24	1 031 387,91
<b>3. Other provisions</b>		-	-
- long-term		21 505,43	18 490,00
- short-term		-	-
		21 505,43	18 490,00
<b>II. Long-term liabilities</b>			
<b>1. To related parties</b>	12	215 141 658,75	210 973 210,18
<b>2. To other entities, in which the entity has significant capital involvement</b>		215 141 658,75	210 973 210,18
<b>3. To other entities</b>		-	-
<b>III. Short-term liabilities</b>			
<b>1. To related parties</b>		-	15 547,77
<b>2. To other entities, in which the entity has significant capital involvement</b>		-	-
<b>3. To other entities</b>		-	-
a) credits and loans		-	15 547,77
b) arising from issuance of debt securities		-	-
c) other financial liabilities		-	-
d) trade liabilities, maturing:		-	-
- up to 12 months		-	15 547,77
- over 12 months		-	15 547,77
e) received advances for deliveries		-	-
f) bill of exchange liabilities		-	-
g) tax, customs duties, insurance and other liabilities		-	-
h) payroll liabilities		-	-
i) other		-	-
<b>3. Special funds</b>		-	-
<b>IV. Accruals and deferred income</b>			
		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>255 981 527,37</b>	<b>253 601 082,30</b>



**Profit and loss account**

(in PLN)

	Note	01.01.2019- 31.12.2019	01.01.2018- 31.12.2018
<b>A. Net revenues from sale and similar income, including:</b>	15	-	-
<b>B. Operating expenses</b>			
I. Amortization and depreciation		192 421,17	203 730,60
II. Consumption of material and energy		-	-
III. External services		-	-
IV. Taxes and charges, including:		192 421,17	203 730,60
- 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>(192 421,17)</b>	<b>(203 730,60)</b>
<b>D. Other operating income</b>	16		
I. Gain on disposal of non-financial non-current assets		1,31	2,71
II. Subsidies		-	-
III. Revaluation of non-financial assets		-	-
IV. Other operating income		1,31	2,71
<b>E. Other operating expenses</b>			
I. Loss on disposal of non-financial non-current assets		-	-
II. Impairment of non-financial fixed assets		-	-
III. Other operating expenses		-	-
<b>F. Operating profit (loss) (C+D-E)</b>		<b>(192 419,86)</b>	<b>(203 727,89)</b>
<b>G. Financial income</b>	17		
I. Dividend and profit sharing		5 282 094,79	6 496 861,23
II. Interest, including:			
- from related parties		5 282 094,79	5 235 306,35
III. Gain on disposal of investment		5 282 094,79	5 235 306,35
IV. Revaluation of investment		-	-
V. Other		-	1 261 554,88
<b>H. Financial expenses</b>			
I. Interest, including:		6 637 050,90	7 336 325,80
- to related parties		6 272 311,43	7 336 325,80
II. Loss on disposal of investment		6 272 311,43	7 336 325,80
III. Revaluation of investment		-	-
IV. Other		364 739,47	-
<b>I. Gross profit (loss) (F + G -H))</b>	18	<b>(1 547 375,97)</b>	<b>(1 043 192,46)</b>
<b>J. Income Tax</b>	19	<b>(294 001,43)</b>	<b>(121 128,19)</b>
<b>K. Other obligatory decreases in profit (loss increase)</b>		-	-
<b>L. Net profit (loss) (I-J-K)</b>		<b>(1 253 374,54)</b>	<b>(922 064,27)</b>

**Additional information and explanations**

(in PLN)

**1. Intangible assets**

The company does not possess intangible assets.

**2. Tangible assets**

The company does not possess tangible assets.

**3. Long-term investments**

Long term investments include shares in Groclin Luxembourg Sàrl with registered office in Luxembourg in the amount of 96 928 223,74 PLN and bonds issued by Kabel Technik Poland Sp. z o.o. in the amount of 149 422 154,31 PLN.

	Other investments	Total
Gross opening amount	248 910 260,85	248 910 260,85
Increases, including:		
- real estate purchase	-	-
- bonds purchase	-	-
- accrued interest on bonds	-	-
Decreases, including:		
- valuation of shares	(2 559 882,80)	(2 559 882,80)
- valuation of bonds	(944 586,41)	(944 586,41)
- sell of shares	(1 456 151,09)	(1 456 151,09)
- sell of bonds	-	-
- accrued interest on previous year's bonds	-	-
Gross closing amount	(159 145,30)	(159 145,30)
	246 350 378,05	246 350 378,05

**4. Short-term receivables**

As at 31 December 2019 the Company shown short-term receivables from other parties due to taxes, subsidies, duties, social and health insurance and other benefits in the 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	2 046,00	1,0000	2 046,00
EUR	1 397 575,59	4,2585	5 951 575,65
		Total	5 953 621,65

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

- deferred tax

Total

	31.12.2019	31.12.2018
- deferred tax	3 529 761,57	3 757 856,76
Total	3 529 761,57	3 757 856,76

**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 149 422 143,31 PLN.

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/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%
Razem	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 cover the loss.

11. **Provisions**

**Provisions, including:**

	31.12.2019	31.12.2018
- provision for deferred income tax	528 846,24	1 031 387,91
- provision for accounting services related to the closure of the financial year	21 505,43	18 490,00
<b>Total</b>	<b>550 351,67</b>	<b>1 049 877,91</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 215 141 658,75. This amount results from a loan granted for a total amount of PLN 203 986 400,28 transferred to on Company. In addition, the interest which the Company is obliged to pay is PLN 11 155 258,47.

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 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 2019.

16. **Other operating income**

	31.12.2019	31.12.2018
<b>Other operating income, including:</b>	<b>1,31</b>	<b>2,71</b>
- other operating income	1,31	2,71
- roundings	1,31	2,71

**Additional information and explanations**

(in PLN)

**17. Financial incomes**

	31.12.2019	31.12.2018
<b>Financial incomes, including:</b>	<b>5 282 094,79</b>	<b>6 496 861,23</b>
- interest from the related parties	5 282 094,79	5 235 306,35
- interest on bonds	5 282 094,79	5 235 306,35
- other financial incomes, including:	-	1 261 554,88
- exchange differences	-	1 261 554,88

**18. Financial expenses**

	31.12.2019	31.12.2018
<b>Financial expenses, including:</b>	<b>6 637 050,90</b>	<b>7 336 325,80</b>
- interest from the related parties	6 272 311,43	7 336 325,80
- loan interest	6 272 311,43	7 336 325,80
- other financial expenses, including:	364 739,47	-
- exchange differences	364 739,47	-

**19. Deferred income tax**

<b>Transitional differences between the amounts disclosed in the accounting books the value of assets and liabilities, and their tax value, including:</b>	<b>01.01.2019- 31.12.2019</b>	<b>01.01.2018- 31.12.2018</b>
- unpaid interest on the loan	11 251 862,57	5 280 616,34
- accruals and provisions	21 505,43	18 490,00
- unrealized exchange rate differences	1 962 187,88	3 891 385,40
- losses from previous years	5 342 136,62	10 587 701,70
<b>Total</b>	<b>18 577 692,50</b>	<b>19 778 193,44</b>
Income tax rate	19%	19%
Gross value of the deferred tax assets	3 529 762,00	3 757 857,00
<b>Net value of asset of the deferred tax</b>	<b>3 529 762,00</b>	<b>3 757 857,00</b>
<b>Positive transitional differences:</b>		
- accrued interest on bonds	-	159 145,49
- unrealized exchange rate differences	2 783 401,26	5 269 211,99
<b>Total</b>	<b>2 783 401,26</b>	<b>5 428 357,48</b>
Income tax rate	19%	19%
<b>The value of the deferred income tax provision</b>	<b>528 846,00</b>	<b>1 031 388,00</b>
<b>Deferred income tax assets disclosed in the balance sheet at beginning of the year</b>	<b>3 757 856,76</b>	<b>3 113 578,77</b>
<b>Deferred income tax assets disclosed in the balance sheet at beginning of the year after correction</b>	<b>3 738 301,81</b>	-
<b>Deferred income tax assets disclosed in the balance sheet at end of the year</b>	<b>3 529 761,57</b>	<b>3 757 856,76</b>
<b>Deferred income tax provision shown in the balance sheet at the beginning of the year</b>	<b>1 031 387,91</b>	<b>508 238,11</b>
<b>Deferred income tax provision shown in the balance sheet at the end of the year</b>	<b>528 846,24</b>	<b>1 031 387,91</b>
<b>Change in net balance sheet assets / deferred tax assets</b>	<b>(294 601,43)</b>	<b>(121 128,19)</b>

## Additional information and explanations

(in PLN)

### 20. 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 at 31.12.2019	Exchange rate at 31.12.2018
1 EUR	4,2585	4,3000

### 21. Average employment in the financial year

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

### 22. 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 2019 the Management Board members did not receive salaries from the Company.

### 23. 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.

### 24. 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.

### 25. Changes regarding accounting rules (policy) made during the financial year

Did not occur.

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

In the financial year ending on 31 December 2019 the Company made an adjustment of net financial result for the previous financial year. The Company adjusted the balance of deferred tax assets and the amount of deferred income tax since they were incorrectly presented in the financial year 2018.

The results of the adjustments of approved balance sheet and profit and loss statement of the Company for the financial year ending on 31 December 2018 are presented in the table below.

Specification	Approved financial statements for financial year ending on 31.12.2018	Adjustment of fundamental errors	Approved financial statements for financial year ending on 31.12.2018 after adjustment
<b>Balance sheet</b>			
<b>ASSETS</b>			
<b>A. Fixed Assets</b>	<b>252 668 117,61</b>	<b>(19 554,95)</b>	<b>252 648 562,66</b>
<b>V. Long-term prepayments</b>	<b>3 757 856,76</b>	<b>(19 554,95)</b>	<b>3 738 301,81</b>
I. Deferred tax assets	3 757 856,76	(19 554,95)	3 738 301,81
<b>TOTAL ASSETS</b>	<b>253 601 082,30</b>	<b>(19 554,95)</b>	<b>253 581 527,35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A. Equity</b>	<b>41 562 446,44</b>	<b>(19 554,95)</b>	<b>41 542 891,49</b>
<b>VI. Net profit (loss)</b>	<b>(922 064,27)</b>	<b>(19 554,95)</b>	<b>(941 619,22)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>253 601 082,30</b>	<b>(19 554,95)</b>	<b>253 581 527,35</b>

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

**Additional information and explanations**

(in PLN)

Specification	Approved financial statements for financial year ending on 31.12.2018	Adjustment of fundamental errors	Approved financial statements for financial year ending on 31.12.2018 after adjustment
<b>Profit and loss account</b>			
I. Gross profit (loss)	(1 043 192,46)	-	(1 043 192,46)
J. Income tax	(121 128,19)	19 554,95	(101 573,24)
L. Net profit (loss)	(922 064,27)	(19 554,95)	(941 619,22)

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

Not applicable.

**28. Related party transactions**

**Financial assets**

	31.12.2019	31.12.2018
- shares in the Groclin Luxembourg Sarl	96 928 223,74	97 872 810,15
- bonds issued by Kabel Technik Polska Sp. z o.o.	149 422 154,31	150 878 305,40
	<b>246 350 378,05</b>	<b>248 751 115,55</b>

**Balances of account**

	31.12.2019	31.12.2018
- receivables from interest on bonds	-	159 145,30
- liabilities due to a loan received from PKC Wiring Systems OY	203 986 400,28	205 974 291,70
- liabilities due to interest on the loan	11 155 258,47	4 998 918,48
	<b>215 141 658,75</b>	<b>211 132 355,48</b>

**Financial income**

	31.12.2019	31.12.2018
- from interest on bonds	5 282 094,79	5 235 306,35
	<b>5 282 094,79</b>	<b>5 235 306,35</b>

**Financial costs**

	31.12.2019	31.12.2018
- from interest on loans	6 272 311,43	7 336 325,80
	<b>6 272 311,43</b>	<b>7 336 325,80</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 203 986 400,28) and interest in the amount EUR 2 619 527,83 (PLN 11 155 258,47);
- shares in Groclin Luxembourg Sarl, based in Luxembourg for an amount of EUR 22 761 118,64 (PLN 96 928 223,74);
- bonds issued by Kabel Technik Poland Sp. z o.o. in the amount of EUR 35 087 978 (PLN 149 422 154,31);
- foreign currency account in the bank Pajjola Pankki OYJ in the amount of EUR 1 397 575,59 (PLN 5 951 575,65).



**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	(22 898,0)
- equity	22 364 275,0
- assets	22 475 665,0

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.

**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**

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.

**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.

PKC GROUP POLAND HOLDING Sp. z o.o.

Translation of the financial statements for the financial year from 1 January to 31 December 2019 originally issued in the Polish language

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

		01.01.2019 - 12.31.2019		01.01.2018 - 12.31.2018	
	Legal base (Art.)	Total	from capital gains	Fiscal	from other revenues
<b>A. Gross income (loss)</b>		(1 547 375,97)	-	(1 043 192,46)	( 043 192,46)
<b>B. Non-taxable income (permanent differences between accounting profit/loss and taxable profit/loss), including:</b>					
<b>Total</b>					
<b>C. Non-taxable income in the current year, including:</b>					
- Unrealized foreign exchange differences	15p	36 787 234,96	-	7 922 845,06	7 922 845,06
- Interest accrued and not received in the current year	12.4d	36 787 234,96	-	159 145,49	159 145,49
<b>Total</b>					
<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	160 486,61	-	154 367,51	154 367,51
<b>Total</b>					
<b>E. Non-deductible costs (permanent differences between accounting income/loss and taxable income/loss), including:</b>					
<b>Total</b>					
<b>F. Current year non-deductible costs, including:</b>					
- Unrealized foreign exchange differences	15p	37 144 362,54	-	6 650 021,58	6 650 021,58
- Interest accrued in the previous year and paid in the current year	16.1.1)	6 272 311,43	-	5 172 630,91	5 172 630,91
- Accruals	15.4e	3 015,43	-	555,13	555,13
<b>Total</b>					
<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	16.1.1)	-	-	4 520 314,57	4 520 314,57
<b>Total</b>					
<b>H. Loss from previous year, including:</b>					
- Tax loss for FY2015	7.5	5 245 565,08	-	-	-
<b>Total</b>					
<b>I. Other changes of tax base, including:</b>					
<b>Total</b>					
<b>J. Taxable loss</b>					
<b>Total</b>					
<b>K. CIT</b>					
<b>Total</b>					