

**Financial statement
of
Jotul Poland Sp. z o.o.
as of 30.06.2022**

BALANCE SHEET

ASSETS	As of 30.06.2022	As of 31.12.2021
A. FIXED ASSETS	29 342 633,19	30 570 650,13
I. Intangible assets	0,00	5 668,00
1. Development costs	0,00	0,00
2. Goodwill	0,00	0,00
3. Other intangible assets	0,00	5 668,00
4. Advances on intangible assets	0,00	0,00
II. Tangible fixed assets	29 250 712,64	30 478 341,58
1. Fixed assets	28 349 383,64	29 958 436,85
a) land (including the right of perpetual usufruct of land)	0,00	0,00
b) buildings, premises and land and water engineering facilities	35 072,99	36 296,83
c) plant and machinery	24 700 458,21	26 365 368,71
d) means of transport	45 329,24	59 455,12
e) other fixed assets	3 568 523,20	3 497 316,19
2. Fixed ussets under construction	901 329,00	519 904,73
3. Prepayments for fixed ussets under construction	0,00	0,00
III. Long-term receivables	91 920,55	86 640,55
1. From related parties	0,00	0,00
2. From other entities in which the entity has an equity exposure	0,00	0,00
3. From other entities	91 920,55	86 640,55
IV. Long-term investments	0,00	0,00
1. Real estate property	0,00	0,00
2. Intangible assets	0,00	0,00
3. Long-term financial assets	0,00	0,00
a) in related entities	0,00	0,00
– shares or stocks	0,00	0,00
– other securities	0,00	0,00
– loans granted	0,00	0,00
– other long-term financial assets	0,00	0,00
b) in other entities in which the entity has an equity exposure	0,00	0,00
– shares or stocks	0,00	0,00
– other securities	0,00	0,00
– loans granted	0,00	0,00
– other long-term assets financial assets	0,00	0,00
c) in other entities	0,00	0,00
– shares or stocks	0,00	0,00
– other securities	0,00	0,00
– loans granted	0,00	0,00
– other long-term financial assets	0,00	0,00
4. Other long-term investments	0,00	0,00
V. Long-term prepayments and accrued income	0,00	0,00
1. Deferred tax assets	0,00	0,00
2. Other prepayments and accrued income	0,00	0,00
B. Current assets	161 141 234,81	148 663 878,12
I. Inventory	68 288 588,57	56 494 754,78
1. Materials	29 897 046,95	29 668 348,66
2. Semi-finished products and products in progress	18 571 581,49	8 998 336,37
– including built-up objects in progress		
3. Finished products	19 819 960,13	17 828 069,75
4. Goods	0,00	0,00
5. Advances on deliveries and services	0,00	0,00
II. Short-term receivables	83 849 414,80	81 933 442,84
1. Receivables from related entities	70 796 029,80	66 694 863,81
a) for deliveries and services, with the repayment period:	70 796 029,80	66 694 863,81
– up to 12 months	70 796 029,80	66 694 863,81
– over 12 months	0,00	0,00
b) other	0,00	0,00
2. Receivables from other entities in which the entity has equity exposure	0,00	0,00
a) for deliveries and services, with the repayment period:	0,00	0,00
– up to 12 months	0,00	0,00
– over 12 months	0,00	0,00
b) other	0,00	0,00
3. Receivables from other entities:	13 053 385,00	15 238 579,03
a) for deliveries and services, with the repayment period:	6 133 093,58	4 884 045,93
– up to 12 months	6 133 093,58	4 884 045,93
– over 12 months	0,00	0,00
b) due to taxes, subsidies, custom duties, social and health security and other public law titles	6 811 167,37	10 258 849,09
c) other	109 124,05	95 684,01
d) receivables claimed in court	0,00	0,00
III. Short-term investments	8 840 861,21	9 263 771,89
1. Short-term financial assets	8 840 861,21	9 263 771,89
a) in related entities	0,00	0,00
– shares or stocks	0,00	0,00
– other securities	0,00	0,00
– loans granted	0,00	0,00
– other short-term financial assets	0,00	0,00
b) in other entities	0,00	0,00
– shares or stocks	0,00	0,00
– other securities	0,00	0,00
– loans granted	0,00	0,00
– other short-term financial assets	0,00	0,00
c) cash and other monetary assets	8 840 861,21	9 263 771,89
– cash in hand and on accounts	8 470 186,65	9 258 382,43
– other cash	370 674,56	5 389,46
– other monetary assets	0,00	0,00
2. Other short-term investments	0,00	0,00
IV. Short-term prepayments and accrued income	162 370,23	971 908,61
– including: assets from uncompleted construction contracts	0,00	0,00
C. Payments due to share capital not paid	0,00	0,00
D. Own shares (stocks)	0,00	0,00
TOTAL ASSETS	190 483 868,00	179 234 528,25

BALANCE SHEET

LIABILITIES	As of 30.06.2022	As of 31.12.2021
A. Equity	-59 733 786,70	-60 346 352,28
I. Share capital	2 265 000,00	2 265 000,00
II. Reserve capital, including:	5 203 800,00	5 203 800,00
– share premium	0,00	0,00
III. Revaluation capital, including:	0,00	0,00
– due to revaluation of fair value		
IV. Other reserve capital, including:	127 902,50	127 902,50
– created in accordance with the company's articles of association	0,00	0,00
– for own shares (stocks)	0,00	0,00
V. Profit (loss) from previous years	-67 943 054,78	-42 400 723,11
VI. Net profit (loss)	612 565,58	-25 542 331,67
VII. Write offs from net profit during the financial year (negative value)	0,00	0,00
B. Liabilities and provisions	250 217 654,70	239 580 880,53
I. Provisions	751 971,82	751 971,82
1. Deferred tax provision	77 941,52	77 941,52
2. Provision for pensions and other post-employment benefits	674 030,30	674 030,30
– long-term	0,00	80 821,00
– short-term	674 030,30	593 209,30
3. Other provisions	0,00	0,00
– long-term	0,00	0,00
– short-term	0,00	0,00
II. Long-term liabilities	0,00	0,00
1. To related entities	0,00	0,00
2. To other entities in which the entity has an equity exposure	0,00	0,00
3. To other entities	0,00	0,00
a) credits and loans	0,00	0,00
b) due to the issue of debt securities	0,00	0,00
c) other financial liabilities	0,00	0,00
d) bills of exchange		0,00
e) other	0,00	0,00
III. Short-term liabilities	247 085 229,54	237 719 039,04
1. Liabilities due to related entities	229 430 426,40	219 032 184,14
a) for deliveries and services, with the payment period:	38 015 369,22	29 036 538,93
– up to 12 months	38 015 369,22	29 036 538,93
– over 12 months	0,00	0,00
b) other	191 415 057,18	189 995 645,22
2. Liabilities to other entities in which the entity has an equity exposure	0,00	0,00
a) for deliveries and services, with the payment period:		0,00
– up to 12 months		0,00
– over 12 months		0,00
b) other		0,00
3. Liabilities to other entities	17 495 521,15	18 682 215,45
a) credits and loans	0,00	0,00
b) due to the issue of debt securities	0,00	0,00
c) other financial liabilities	0,00	0,00
d) for deliveries and services, with the payment period:	13 480 526,46	16 000 914,12
– up to 12 months	13 480 526,46	16 000 914,12
– over 12 months	0,00	0,00
e) advances received on deliveries and services	0,00	0,00
f) bills of exchange	0,00	0,00
g) due to taxes, customs duties, social and health security and other	2 425 320,31	1 480 598,78
h) due to remunerations	1 568 074,50	1 178 143,11
i) other	21 599,88	22 559,44
4. Special funds	159 281,99	4 639,45
IV. Accruals	2 380 453,34	1 109 869,67
1. Negative goodwill	0,00	0,00
2. Accruals for construction contracts		0,00
3. Other accruals	2 380 453,34	1 109 869,67
– long-term	0,00	0,00
– short-term	2 380 453,34	1 109 869,67
TOTAL LIABILITIES	190 483 868,00	179 234 528,25

PROFIT AND LOSS ACCOUNT

	For the period 01.01.2022 - 30.06.2022	Result for the period 01.01.2021 - 30.06.2021
A. Net revenues from sales and equivalent	132 820 094,48	95 082 678,42
– from related entities	122 300 533,84	64 636 182,42
I. Net revenues from sales of products	123 217 307,36	86 899 588,42
II. Inventory change (increase – positive value, decrease – negative value)	-132 540,52	313 248,56
– including built-up objects in progress	0,00	0,00
III. The cost of manufacturing of products for entity's own needs	0,00	0,00
IV. Net revenues from sales of goods and materials	9 735 327,64	7 869 841,44
B. Operating expenses	129 650 815,74	105 197 365,05
I. Depreciation	1 735 522,38	1 567 556,40
II. Consumption of materials and energy	90 994 558,84	68 734 237,72
III. Outsourced services	9 401 468,13	9 349 670,05
IV. Taxes and charges, including:	433 351,53	123 925,12
– excise duty	0,00	0,00
V. Remunerations	14 407 983,19	11 222 203,34
VI. Social security and other benefits, including:	2 794 229,06	2 655 448,94
– pensions	0,00	0,00
VII. Other operating expenses	644 467,51	667 839,62
VIII. Value of sold goods and materials	9 239 235,10	10 876 483,86
C. Profit (loss) from sales (A–B)	3 169 278,74	-10 114 686,63
D. Other operating revenues	315 413,05	388 878,04
I. Profit from the disposal of non-financial fixed assets	0,00	0,00
II. Grants	0,00	0,00
III. Revaluation of non-financial assets	0,00	0,00
IV. Other operating revenues	315 413,05	388 878,04
E. Other operating expenses	868 674,09	4 795 333,60
I. Loss from the disposal of non-financial fixed assets	0,00	0,00
II. Revaluation of non-financial assets	0,00	0,00
III. Other operating expenses	868 674,09	4 795 333,60
F. Profit (loss) from operating activity (C+D–E)	2 616 017,70	-14 521 142,19
G. Financial revenues	1 014 619,34	891 425,12
I. Dividends and share in profits, including:	0,00	0,00
a) from related entities, including:	0,00	0,00
– in which the entity has an equity exposure	0,00	0,00
b) from other entities, including:	0,00	0,00
– in which the entity has an equity exposure	0,00	0,00
II. Interest, including:	5 565,64	0,00
– from related entities	0,00	0,00
III. Profit on the disposal of financial assets, including:	0,00	0,00
– in related entities	0,00	0,00
IV. Revaluation of financial assets	0,00	0,00
V. Other	1 009 053,70	891 425,12
H. Financial expenses	3 018 071,46	2 281 635,44
I. Interest, including:	3 018 071,46	2 281 635,44
– for related entities	2 990 418,68	2 215 217,95
II. Loss on the disposal of financial assets, including:	0,00	0,00
– in related entities	0,00	0,00
III. Revaluation of financial assets	0,00	0,00
IV. Other	0,00	0,00
I. Gross profit (loss) (F+G–H)	612 565,58	-15 911 352,51
J. Income tax	0,00	0,00
K. Other mandatory decrease of profit (increase of loss)	0,00	0,00
L. Net profit (loss) (I–J–K)	612 565,58	-15 911 352,51

Cash flow (PLN) (indirect method)

	For the period 01.01.2022 - 30.06.2022	For the period 01.01.2021 - 30.06.2021
A. Cash flow from operating activities		
I. Net profit (loss)	612 565,58	-15 911 352,51
II. Corrections - total	600 311,73	-22 903 264,22
1. Depreciation and amortization	1 735 522,38	1 567 556,40
2. Exchange rate differences gains (losses)	-465 096,95	0,00
3. Interest and dividends	3 018 071,46	2 281 635,44
4. Profit (loss) on investment activities	0,00	0,00
5. Change in provisions	0,00	0,00
6. Income tax	0,00	0,00
7. Change in stock	-11 793 833,79	-8 287 865,94
8. Change in receivables	-1 921 251,96	-29 214 776,22
9. Change in short-term liabilities, except for loans and credits	7 946 778,53	-5 440 999,50
10. Change in prepayments and accrued income	2 080 122,05	16 191 185,60
11. Other corrections	0,00	0,00
III. Net cash flow from operating activities (I+II)	1 212 877,31	-38 814 616,73
B. Cash flow from investment activities		0,00
I. Inflows	0,00	0,00
1. Proceeds from tangible and intangible fixed assets	0,00	0,00
2. Proceeds from investments in property and intangible assets	0,00	0,00
3. From financial assets, including:	0,00	0,00
a) in related entities	0,00	0,00
– sale of financial assets	0,00	0,00
– dividends	0,00	0,00
– repayment of long-term loans granted	0,00	0,00
– interest	0,00	0,00
– other	0,00	0,00
b) in other entities	0,00	0,00
– sale of financial assets	0,00	0,00
– dividends	0,00	0,00
– repayment of long-term loans granted	0,00	0,00
– interest	0,00	0,00
– other	0,00	0,00
4. Other investment inflows	0,00	0,00
II. Outflows	-502 225,44	-692 745,53
1. Purchase of tangible and intangible fixed assets	-502 225,44	-692 745,53
2. Investments in property and intangible assets	0,00	0,00
3. For financial assets, including:	0,00	0,00
a) in related entities	0,00	0,00
– purchase of financial assets	0,00	0,00
– long-term loans granted	0,00	0,00
b) in other entities	0,00	0,00
– purchase of financial assets	0,00	0,00
– long-term loans granted	0,00	0,00
4. Other investment outflows	0,00	0,00
III. Net cash flow from investment activities (I–II)	-502 225,44	-692 745,53
C. Cash flow from financing activities		0,00
I. Inflows	1 884 508,91	39 367 520,46
1. Net proceeds from the issue of shares and other equity instruments and capital contributions	0,00	0,00
2. Credits and loans	1 884 508,91	39 367 520,46
3. Debt securities issue	0,00	0,00
4. Interest received	0,00	0,00
5. Other financial inflows	0,00	0,00
II. Outflows	-3 018 071,46	-2 281 635,44
1. Purchase of own shares	0,00	0,00
2. Dividends and other payments to owners	0,00	0,00
3. Profit distributions, other than payments to owners,	0,00	0,00
4. Repayment of loans and credits	0,00	0,00
5. Redemption of debt securities	0,00	0,00
6. Due to other financial liabilities	0,00	0,00
7. Payment of liabilities under financial lease agreements	0,00	0,00
8. Interest paid	-3 018 071,46	-2 281 635,44
9. Other financial outflows	0,00	0,00
III. Net cash flow from financing activities (I–II)	-1 133 562,55	37 085 885,02
D. Total net cash flow (A.III.+B.III+C.III)	-422 910,68	-2 421 477,24
E. Balance sheet change in cash, including:	-422 910,68	-2 421 477,24
– change in cash due to exchange rate differences	0,00	0,00
F. Cash at the beginning of the period	9 263 771,89	9 198 554,07
G. Cash at the end of the period (F+D), including:	8 840 861,21	6 777 076,83
– with restricted disposability	0,00	0,00

Accounting Policy 2022 of Jotul Poland Sp. z o.o.

(a) Legal basis

The accounting principles applied when preparing the financial statements are in accordance with the Accounting Act of 29 September 1994, hereinafter referred to as the Act, which sets out, *inter alia*, the general accounting principles for entities having their registered office or place of management in the territory of the Republic of Poland.

Accounting records are measured at historical cost.

The following accounting policies have been applied for the period ended 31 December 2022.

(b) Tangible and intangible fixed assets

Fixed assets are non-current and equated assets with an expected economic life of more than one year, fit for use and intended for the needs of the entity.

Intangible assets include property rights used by an entity in the conduct of its business activities that have an expected economic life of more than one year.

Intangible assets are valued at acquisition or production cost or at revalued amount, less depreciation or amortisation and valuation allowances.

Tangible fixed assets also include third-party fixed assets used by the entity on the basis of rental, lease or similar contracts, if the contract meets the conditions set out in the Accounting Act. These assets are depreciated over the life of the contract or the economic life of the asset, whichever is shorter.

Fixed assets under construction are future fixed assets included in tangible fixed assets during the period of their construction, assembly or improvement of an existing fixed asset.

Prepayments for fixed assets under construction are cash or cash equivalents transferred to suppliers for future deliveries of fixed assets and assets under construction.

Tangible fixed assets are shown in the financial statements at net book value, i.e. at their initial value less depreciation and valuation allowances.

The initial value of tangible assets and assets under construction consists of the total costs incurred by the entity, for the period of construction, assembly, improvement and adaptation of the asset for use, including non-deductible value added tax and the cost of liabilities incurred, less revenue therefrom. In particular, capitalisable liability costs may include interest, commissions and exchange rate differences on loans and borrowings, as well as prepayments and trade payables for the construction period.

Revenues that reduce capitalised costs may relate to interest received from the investment of temporarily unused cash from liabilities incurred.

A valuation allowance is recognised when it is highly probable that an item of tangible fixed assets under an entity's control will not generate all or a significant portion of expected future economic benefits.

In case of a change in production technology, destined for liquidation, withdrawal from use or other reasons resulting in the permanent loss of value of a fixed asset, an appropriate valuation allowance is charged to other operating costs.

Depreciation is provided on a straight-line basis. Depreciation is charged starting from the month following the month in which the tangible or intangible asset is placed in service.

The correctness of the applied useful lives and other data is periodically reviewed by the head of the entity, resulting in a corresponding adjustment to the annual rates and amounts of depreciation starting from the first month of the following financial year.

The Company applies the following annual rates for the basic groups of fixed assets:

Investments in third-party fixed assets 10% - 50%

Technical devices and machines 10% -33%

Other fixed assets 10% -50%

The Company applies the following annual rates for the core groups of intangible assets:

Software 33%

Fixed assets under construction and land, including the right of perpetual usufruct of land, are not depreciated.

(c) Receivables

Receivables are classified as long-term receivables if the repayment period at the balance sheet date is longer than one year and as short-term receivables if the repayment period at the balance sheet date is shorter than one year.

Receivables are valued as at the balance sheet date at the amount due, including any interest added for late payment of receivables, and are stated at net value (i.e. less any valuation allowances made).

The value of receivables is updated considering the degree of probability of their payment by means of a valuation allowance which is charged to other operating costs or financial operations costs, depending on the type of receivables.

Receivables from taxes, grants and social security and other receivables are measured at the amount due based on regulations, contracts or other documents.

(d) Inventories

The Company values inventories at standard cost (inventory price), not higher than the net selling price, which is reviewed at least quarterly for items whose actual prices have deviated significantly from the previously established standard.

Valuation allowances for impaired inventories and those resulting from valuation at net selling prices (in cases where the standard cost was higher than the net selling price) are included in other operating expenses.

(e) Pecuniary assets

Pecuniary assets include cash in hand, funds in bank accounts, cash deposits payable within 3 months and cheques, foreign bills of exchange and similar documents if they are payable within 3 months of their date of issue.

Accrued interest on financial assets is also included in pecuniary assets.

Cash is measured at nominal value.

Interest received and receivable is classified as income from financial operations

(f) Accruals

i. Prepayments

Prepayments include expenses relating to later periods than the one in which they were incurred. The timing and method of settlement shall be justified by the nature of the costs to be accounted for, with prudent valuation.

ii. Accrued expenses

Accrued expenses are made at the amount of probable liabilities falling due in the current reporting period, resulting in particular:

- from services rendered to the entity by the entity's counterparties when the amount of the liability can be reliably estimated, shown in the balance sheet as trade payables

- from performance obligations related to current operations, future performances to unknown persons, the amount of which can be estimated, although the date on which the obligation arises is not yet known, including for warranty repairs and warranties for long-life products sold.

Write-offs of accrued expenses occur according to the size of the benefits. The timing and method of settlement is justified by the nature of the costs to be accounted for, subject to the principle of prudence.

iii. Prepayments and accrued income

Prepayments and accrued income are made on a prudent valuation basis and includes, in particular:

– the equivalent of funds received or receivable from counterparties for services to be performed in subsequent reporting periods;

– cash received to finance the acquisition or production of fixed assets, including fixed assets under construction and development work, if they do not increase equity under other laws. Amounts credited to prepayments and accrued income gradually increase other operating income in parallel with depreciation or amortisation of fixed assets or development costs financed from these sources;

– the value of fixed assets under construction, tangible and intangible assets accepted free of charge, including by way of donation. Amounts credited to prepayments and accrued income gradually increase other operating income in parallel with depreciation or amortisation of fixed assets or intangible assets;

(g) Equity capital

Equity capital comprises share capital, supplementary capital and capitals created by the company in accordance with applicable law, the Articles of Association and a resolution of General Meeting of Shareholders, including the amount resulting from undistributed retained earnings.

The Company's share capital is shown at its nominal value in accordance with the notarial deed and the entry in the commercial register.

Capital contributions declared but not made are recognised as capital contributions receivable.

If a shareholders' resolution is passed specifying the timing and amount of the additional contributions, the equivalent amount of the additional contributions is recognised under a separate liability item in the balance sheet (additional shareholders' contribution reserve) and shown as a component of equity capital until it is used in a manner that justifies its write-off. Additional contributions that have been passed but not paid in are shown as additional contributions payable to the capital reserve (negative figure).

The supplementary capital consists of capital from the sale of shares above their nominal value, other amounts in accordance with applicable law or notarial deed and amounts of the financial result transferred to the supplementary capital in accordance with the resolution of the General Meeting of Shareholders.

The undistributed retained earnings comprise profits and losses of previous periods which, based on resolutions of the General Meeting of Shareholders, have not been settled.

(h) Provisions for liabilities

Provisions for liabilities are measured at a reasonable, reliably estimated value.

Provisions are made for:

- certain or highly probable future liabilities, the amount of which can be reliably estimated, and in particular for losses from business transactions in progress, including guarantees, sureties, credit operations, the effects of pending legal proceedings;
- future liabilities caused by restructuring, if on the basis of separate regulations the entity is obliged to carry out the restructuring or binding agreements have been concluded in this matter, and the restructuring plans make it possible to reliably estimate the value of these future liabilities.

Provisions are classified as other operating expenses, financial expenses or extraordinary losses, as appropriate, depending on the circumstances to which the future liabilities relate.

(i) Liabilities

Liabilities are classified as long-term liabilities if the repayment period at the balance sheet date is longer than one year and as short-term liabilities if the repayment period at the balance sheet date is shorter than one year.

Liabilities are recognised at the amount payable, i.e. including interest due at the balance sheet date. This interest is charged to financial expenses.

(j) Foreign settlements

As at the balance sheet date, assets and liabilities expressed in foreign currencies are recognised at the average exchange rate set for the given currency by the National Bank of Poland on that date (this also applies to cash-pool liabilities).

During the financial year, economic operations expressed in foreign currencies relating to:

- cash, payments of receivables and payment of liabilities are recognised – at the average exchange rate set for the given currency by the President of the National Bank of Poland applicable on the day preceding the day of the transaction;
- receivables and payables – at the average exchange rate set for the given currency by the President of the National Bank of Poland on the day preceding the day of the transaction.

Exchange differences arising on payment and at the balance sheet date are recognised as expenses and income.

(k) Sales revenue

Sales revenue is recognised when the goods or services are delivered. Sales are shown net, i.e. excluding value added tax and any discounts granted.

(l) Mandatory charges on the financial result

i. Income tax and other related payments

Mandatory charges on the financial result are corporate income tax (in accordance with the Corporate Income Tax Act) and other related payments on the basis of separate regulations.

Income tax is calculated on the basis of gross profit determined on the basis of accounting regulations, adjusted for non-taxable income, non-deductible expenses and deductions for losses carried forward, investment allowances and donations.

ii. Deferred tax

In connection with temporary differences between the reported value of assets and liabilities in the accounts and their tax value and tax loss deductible in the future, deferred tax liabilities are recognised and deferred tax assets are established.

Deferred tax assets are determined at the amount expected to be deductible in the future for deductible temporary differences that will reduce the tax base and deductible tax loss in the future, determined considering the principle of prudence.

The Company establishes deferred tax assets in relation to all deductible temporary differences and in relation to tax losses deductible in the future and, at the same time, recognises a valuation allowance for these assets.

A deferred tax liability is recognised for the amount of income taxes payable in the future due to taxable temporary differences, i.e. differences that will increase the tax base in the future.

Deferred tax liabilities and assets are determined considering the income tax rates in force in the year in which the tax liability arose.

The difference between deferred tax liabilities and assets at the end and beginning of the reporting period affects the financial result, with deferred tax liabilities and assets relating to equity-settled operations also being credited to equity.

Temporary differences include provisions, tax loss carryforwards available for settlement and unrealised exchange rate differences.

Where temporary differences arise in different periods and reverse in periods in which the tax rates prescribed by tax legislation are different, the temporary differences arising first are assumed to reverse first in the determination of deferred tax assets and liabilities.

(m) Changes in accounting principles

In 2022, the Company did not change its accounting policies.

(n) Changes to the method of preparing financial statements

In 2022, the Company has made no changes to the way it prepares its financial statements.

The Company prepares its financial statements in accordance with Annex 1 to the Accounting Act, together with a cash flow statement, a statement of changes in equity and a management discussion and analysis.

The Company prepares a comparative profit and loss statement. The Company prepares a cash flow statement using the indirect method.

The accounting principles applied when preparing the financial statements are in accordance with the Accounting Act of 29 September 1994, hereinafter referred to as the Act, which sets out, *inter alia*, the general accounting principles for entities having their registered office or place of management in the territory of the Republic of Poland.