

RAWLPLUG®

RAWLPLUG GROUP

CONSOLIDATED
ANNUAL REPORT
2022

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100 YEARS OF EXPERIENCE
in fixings, fasteners
and tools

CONSOLIDATED FINANCIAL STATEMENTS

SELECTED CONSOLIDATED FINANCIAL DATA

	01-12.2022 in PLN 000s	01-12.2021 in PLN 000s	01-12.2022 in EUR 000s	01-12.2021 in EUR 000s
Net revenue from sale of products, goods, materials and services	1 218 541	1 011 846	259 911	221 048
Operating profit (loss)	159 009	160 162	33 916	34 989
Gross profit (loss)	153 925	153 644	32 832	33 565
Net profit (loss)	127 043	125 767	27 098	27 475
Net profit (loss) attributable to owners of the parent	108 840	112 194	23 215	24 510
Net cash flows from operating activities	84 814	77 132	18 091	16 850
Net cash flows from investing activities	(78 849)	(70 977)	(16 818)	(15 506)
Net cash flows from financing activities	(15 459)	10 948	(3 297)	2 392
Total net cash flows	(9 494)	17 103	(2 025)	3 736
Weighted average number of shares*	31 059 401	31 059 401	31 059 401	31 059 401
Profit (loss) per ordinary share (in PLN/EUR)	3.50	3.61	0.75	0.79

* number of shares calculated on the basis of issued shares and adjusted by a weighted factor reflecting the period in which Treasury shares bought by RAWLPLUG S.A. existed

	At 31.12.2022 in PLN 000s	At 31.12.2021 in PLN 000s	At 31.12.2022 in EUR 000s	At 31.12.2021 in EUR 000s
Total assets	1 411 780	1 211 039	301 026	263 304
Non-current liabilities	323 336	102 391	68 943	22 262
Current liabilities	345 476	464 908	73 664	101 080
Equity attributable to owners of the parent	667 970	582 692	142 427	126 689
Share capital	32 560	32 560	6 943	7 079
Number of shares at the end of the reporting period*	31 059 401	31 059 401	31 059 401	31 059 401
Book value per share (in PLN/EUR)	21.51	18.76	4.59	4.08

* number of shares calculated on the basis of issued shares less shares bought back by RAWLPLUG S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31.12.2022	At 31.12.2021	Note
NON-CURRENT ASSETS	646 045	567 868	
Intangible assets	89 133	86 326	2
Property, plant and equipment	396 363	356 558	3
Investment properties	4 461	4 312	4
Investment in subsidiaries	47 604	35 102	7
Other non-current financial assets	60 512	38 659	7
Non-current receivables and deferred revenue and accruals	4 462	4 385	9
Deferred income tax assets	43 510	42 526	18
CURRENT ASSETS	765 735	643 171	
Inventories	461 783	357 792	8
Current receivables and deferred revenue and accruals	210 223	175 441	9
Current income tax receivables	1 556	4 093	18
Other current financial assets	39 697	41 578	7
Cash and cash equivalents	52 476	64 267	10
TOTAL ASSETS	1 411 780	1 211 039	

	At 31.12.2022	At 31.12.2021	Note
EQUITY	742 968	643 740	
<i>Equity attributable to owners of the parent</i>	<i>667 970</i>	<i>582 692</i>	
Share capital	32 560	32 560	11
Share premium	146 674	146 674	
Treasury shares	(12 505)	(12 505)	11
Other reserves	85 443	90 360	11
Retained earnings	415 798	325 603	11
<i>Non-controlling interests</i>	<i>74 998</i>	<i>61 048</i>	5
LIABILITIES	668 812	567 299	
<i>Non-current liabilities</i>	<i>323 336</i>	<i>102 391</i>	
Loans and borrowings	269 263	57 591	13
Long-term leases	24 535	21 123	13
Trade and other payables	497	696	14
Deferred income tax provision	25 399	19 552	18
Employee benefit provisions	3 600	3 396	12
Liability provisions	42	33	12
<i>Current liabilities</i>	<i>345 476</i>	<i>464 908</i>	
Loans and borrowings	55 972	224 506	13
Short-term leases	21 461	15 848	13
Other current financial liabilities	42 869	37 515	13
Trade and other payables	218 386	182 569	14
Current income tax liabilities	3 599	1 848	18
Employee benefit provisions	23	23	12
Liability provisions	3 166	2 599	12
TOTAL EQUITY AND LIABILITIES	1 411 780	1 211 039	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	At 31.12.2022	At 31.12.2021	Note
Revenue from sale of products, goods, materials and services	1 218 541	1 011 846	19
Cost of products, goods, materials and services sold	(771 690)	(604 881)	
Gross profit (loss) on sales	446 851	406 965	
Selling costs	(211 509)	(181 325)	
Administrative expenses	(74 721)	(62 708)	
Other operating revenues	17 898	15 377	21
Other operating expenses	(19 510)	(18 147)	21
Operating profit (loss)	159 009	160 162	
Share in net profit of equity-accounted entities	0	0	
Finance income	20 646	3 273	22
Finance costs	(25 730)	(9 791)	22
Gross profit (loss)	153 925	153 644	
Income tax	(26 882)	(27 877)	18
Net profit (loss)	127 043	125 767	
<i>Net profit (loss) on continuing operations</i>	<i>127 043</i>	<i>125 767</i>	
<i>Net profit (loss) on discontinued operations</i>	<i>0</i>	<i>0</i>	
Net profit (loss) attributable to:			
Shareholders of the parent	108 840	112 194	23
Non-controlling interests	18 203	13 573	
Net profit (loss) per ordinary share:			
Basic	3,50	3,61	23
<i>Basic from continuing operations</i>	<i>3,50</i>	<i>3,61</i>	
<i>Basic from discontinued operations</i>	<i>0</i>	<i>0</i>	
Diluted	3,50	3,61	23
<i>Diluted from continuing operations</i>	<i>3,50</i>	<i>3,61</i>	
<i>Diluted from discontinued operations</i>	<i>0</i>	<i>0</i>	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	At 31.12.2022	At 31.12.2021
Net profit (loss)	127 043	125 767
Items not transferable to profit or loss	0	0
Items transferable to profit or loss:	(9 170)	3 311
Exchange differences on translation of foreign operations and measurement of goodwill	(9 170)	3 311
Total other comprehensive income	(9 170)	3 311
Comprehensive income	117 873	129 078
Comprehensive income attributable to:		
Shareholders of the parent	103 923	116 335
Non-controlling interests	13 950	12 743

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as at 01.01.2022	32 560	146 674	(12 505)	90 360	325 603	582 692	61 048	643 740
Changes in equity during the period 1 Jan - 31 Dec 2022	0	0	0	(4 917)	90 195	85 278	13 950	99 228
Net profit for the period from 1 Jan to 31 Dec 2022	0	0	0	0	108 840	108 840	18 203	127 043
Other comprehensive income	0	0	0	(4 917)	0	(4 917)	(4 253)	(9 170)
Total comprehensive income for the period	0	0	0	(4 917)	108 840	103 923	13 950	117 873
Dividend payment	0	0	0	0	(18 636)	(18 636)	0	(18 636)
Other changes	0	0	0	0	(9)	(9)	0	(9)
Balance as at 31.12.2022	32 560	146 674	(12 505)	85 443	415 798	667 970	74 998	742 968

	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as at 01.01.2021	32 560	146 674	(12 505)	86 219	225 212	478 160	48 926	527 086
Changes in equity during the period 1 Jan - 31 Dec 2021	0	0	0	4 141	100 391	104 532	12 122	116 653
Net profit for the period from 1 Jan to 31 Dec 2021	0	0	0	0	112 194	112 194	13 574	125 767
Other comprehensive income	0	0	0	4 141	0	4 141	(830)	3 311
Total comprehensive income for the period	0	0	0	4 141	112 194	116 335	12 744	129 078
Dividend payment	0	0	0	0	(11 803)	(11 803)	(622)	(12 425)
Other changes	0	0	0	0	0	0	0	0
Balance as at 31.12.2021	32 560	146 674	(12 505)	90 360	325 603	582 692	61 048	643 740

CONSOLIDATED STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES	01-12.2022	01-12.2021
Gross profit	153 925	153 644
Adjustments:	(50 346)	(57 841)
Depreciation	42 465	35 927
(Profit) loss on investing activities	(11 563)	(4 721)
Interest costs	20 255	6 192
Interest income	(4 959)	(1 567)
(Profit) loss on exchange differences	(554)	2 784
Change in inventories	(106 789)	(100 513)
Change in receivables	(38 756)	(47 668)
Change in liabilities	48 859	60 596
Change in provisions	653	830
Other adjustments	43	(9 701)
Cash from operating activities	103 579	95 803
Income tax paid	(18 765)	(18 671)
Net cash from operating activities	84 814	77 132
CASH FLOWS FROM INVESTING ACTIVITIES	01-12.2022	01-12.2021
Purchase of property, plant and equipment and intangible assets	(65 539)	(50 195)
Proceeds from sale of property, plant and equipment and intangible assets	3 501	6 634
Acquisition of control over subsidiaries	(12 453)	(9 193)
Loans granted to related parties	(23 597)	(24 716)
Repayment of loans granted to related parties	17 429	9 250
Loans granted to third parties	0	(2 225)
Repayment of loans granted to third parties	621	14
Dividends and share of profit	0	447
Interest received from investing activities	1 194	325
Other investment inflows (outflows)	(5)	(1 318)
Net cash used in investing activities	(78 849)	(70 977)

CASH FLOWS FROM FINANCING ACTIVITIES	01-12.2022	01-12.2021
Proceeds from loans and borrowings incurred	86 156	58 924
Repayment of loans and borrowings	(43 891)	(13 248)
Repayment of lease liabilities	(20 439)	(16 309)
Dividend paid	(18 636)	(12 428)
Interest paid	(18 943)	(6 306)
Other financial inflows (outflows)	294	315
Net cash from financing activities	(15 459)	10 948
Change in cash and cash equivalents before exchange differences	(9 494)	17 103
Change in cash and cash equivalents due to exchange differences	(2 297)	(211)
Change in cash and cash equivalents after exchange differences	(11 791)	16 892
CASH AND EQUIVALENTS AT THE BEGINNING OF PERIOD	64 267	47 375
CASH AND EQUIVALENTS AT THE END OF PERIOD	52 476	64 267

ADDITIONAL INFORMATION

GENERAL INFORMATION

These consolidated financial statements cover the 12 months ended 31 December 2022. The comparative period covers the 12 months ended 31 December 2021.

The financial statements of the Parent and the financial statements of subsidiaries constituting the basis for preparing the consolidated financial statements are prepared on a going concern basis for a period of at least 12 months from 31 December 2022, at the same time there are no circumstances that would indicate a threat to the going-concern status of the Parent or the Group.



Parent

RAWLPLUG S.A. (hereinafter also RAWLPLUG or the Company) is the Parent of RAWLPLUG Group (hereinafter RAWLPLUG Group or Group) and at the same time RAWLPLUG S.A. is the highest-level parent entity.

RAWLPLUG S.A., based in Wrocław (Poland), was registered on 20 December 1999 in division B of the trade register under no. 9101 as KOELNER S.A. On 28 June 2013, through a decision of the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division, the Company's name was changed from KOELNER S.A. to RAWLPLUG S.A. pursuant to a decision adopted on 21 June 2013 by the Company's General Meeting. The Company's name has not changed since the end of the previous reporting period.

The Parent is currently registered at the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division, under KRS number 33537. RAWLPLUG S.A.'s registered office address is Wrocław, ul. Kwizdyńska 6. The Parent operates in Poland under the provisions of the Polish Commercial Companies Code.

The Parent's shares are listed on the Warsaw Stock Exchange.

The Parent was established for an unlimited period of time.

The main economic activities of RAWLPLUG S.A. are as follows: design, manufacture and sale, mostly through wholesale distribution channels, of the following assortment groups:

- construction fixings,
- hand tools and power tools,
- screws and related accessories.

RAWLPLUG Group subsidiaries, associates and jointly controlled entities

No.	Name of entity	Registered office	Object of activity	Type of link	Type of consolidation, or indication of exclusion from consolidation	Data of control / joint control / significant influence	% of share capital held	Share in total number of votes
1	Rawlplug Ltd	Great Britain	wholesale of construction materials	1st degree subsidiary	Full	31.10.2005	100.00%	100.00%
2	Koelner Rawlplug IP Sp. z o.o.	Wrocław; Branch in Łańcut: Łańcut, Poland	IP management and shared services centre for Rawlplug Group companies Branch in Łańcut: production of fasteners	1st degree subsidiary	Full	07.11.2011	100.00%	100.00%
3	Koelner Hungária Kft	Hungary	wholesale of construction materials	1st degree subsidiary	Full	04.08.2005	51.00%	51.00%
4	Koelner CZ s.r.o.	Czech Republic	wholesale of construction materials	1st degree subsidiary	Full	10.05.2000	100.00%	100.00%
5	Koelner Deutschland GmbH	Germany	wholesale of construction materials	1st degree subsidiary	Full	15.07.2005	100.00%	100.00%
6	Stahl GmbH	Germany	wholesale of construction materials	2nd degree subsidiary	Full	04.04.2007	100.00%	100.00%
7	Rawlplug Middle East FZE	UAE	wholesale of construction materials	1st degree subsidiary	Full	17.07.2006	100.00%	100.00%
8	Rawlplug Building & Construction Material Trading LLC	UAE	wholesale of construction materials	2nd degree subsidiary	Full	22.03.2010	100.00%	100.00%
9	Rawlplug Ireland Ltd	Ireland	wholesale of construction materials	1st degree subsidiary	Full	31.10.2005	100.00%	100.00%
10	Rawlplug Ireland (Export) Ltd	Ireland	wholesale of construction materials	2nd degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	24.07.2008	100.00%	100.00%
11	Koelner Vilnius UAB	Lithuania	wholesale of construction materials	1st degree subsidiary	Full	01.08.2002	100.00%	100.00%
12	Rawlplug France SAS	France	wholesale of construction materials	1st degree subsidiary	Full	31.10.2005	100.00%	100.00%
13	Rawl Scandinavia AB	Sweden	wholesale of construction materials	1st degree subsidiary	Full	16.10.2006	100.00%	100.00%
14	Koelner Slovakia s.r.o.	Slovakia	wholesale of construction materials	1st degree subsidiary	Full	20.12.2011	100.00%	100.00%
15	Koelner Ltd	Russia	wholesale of construction materials	1st degree subsidiary	Full	01.04.2005	100.00%	100.00%
16	Rawlplug Manufacturing (Thailand) Ltd	Thailand	Manufacture and wholesale of construction materials	1st degree subsidiary	Full	20.08.2018	99.91%	99.91%
17	Koelner-Ukraine LLC	Ukraine	wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	01.07.2010	87.00%	87.00%

No.	Name of entity	Registered office	Object of activity	Type of link	Type of consolidation, or indication of exclusion from consolidation	Data of control / joint control / significant influence	% of share capital held	Share in total number of votes
18	Koelner Trading KLD LLC	Russia	Manufacture and wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	12.08.2010	100.00%	100.00%
19	Koelner Kazakhstan Ltd	Kazakhstan	wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	23.05.2006	70.00%	70.00%
20	Rawlplug Portugal Lda	Portugal	wholesale of construction materials	subsidiary: 1st degree (99% share capital); 2nd degree (1% share capital)	Not subject to consolidation, in accordance with IAS 1 point 31	04.02.2015	100.00%	100.00%
21	Rawl Africa (PTY) Ltd	Republic of South Africa	wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	20.02.2015	100.00%	100.00%
22	Rawlplug Singapore Pte. Ltd.	Singapore	wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	06.01.2017	100.00%	100.00%
23	Rawlplug Shanghai Trading Ltd	People's Republic of China	wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	13.04.2017	100.00%	100.00%
24	Rawlplug Inc.	USA	wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	26.05.2017	100.00%	100.00%
25	Rawl India Services Private Ltd	India	technical support for distributors	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	06.03.2018	100.00%	100.00%
26	Rawlplug Italy S.R.L.	Italy	wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	06.11.2019	100.00%	100.00%
27	Rawlplug Vietnam Company Ltd	Vietnam	Manufacture and wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	09.10.2020	100.00%	100.00%
28	JN192 Sp. z o.o.	Wrocław, Poland	development of building projects related to construction of buildings	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	06.10.2020	100.00%	100.00%
29	JN192 Sp. z o. o. sp.k.	Wrocław, Poland	property development	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	21.10.2020	99.99%	99.99%

30	Rawlplug Australia Pty Ltd	Australia	wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	24.03.2021	100.00%	100.00%
31	Rawlplug 5PL sp. z o.o.	Wrocław, Poland	warehousing and storing of goods	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	27.04.2021	70.00%	70.00%
32	Rawlplug Turkey İnşaat Malzemeleri LİMİTED ŞİRKETİ	Turkey	wholesale of construction materials	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	15.03.2022	100.00%	100.00%
33	Rawlplug Energia Odnawialna Sp. z o.o.	Wrocław, Poland	production of electricity from renewable energy sources	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	11.04.2022	100.00%	100.00%
34	Rawlplug Dystrybucja Sp. z o.o.	Wrocław, Poland	distribution of electricity	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	11.05.2022	100.00%	100.00%
35	Rawlplug Inwestycje Sp. z o.o.	Wrocław, Poland	investment activities	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	30.06.2022	100.00%	100.00%

Changes in the organisation

On 15 March 2022, subsidiary Rawlplug İnşaat Malzemeleri LIMITED ŞİRKETİ, based in Istanbul, was registered in Turkey. RAWLPLUG S.A. is the sole shareholder in the newly-established company. The new company will engage in commercial activities consisting of RAWLPLUG S.A. product sales in Turkey.

On 11 April 2022, RAWLPLUG S.A. acquired 100 shares with a total nominal value of PLN 100 thousand in the increased share capital of Rawlplug 5PL Sp. z o.o., based in Wrocław, for PLN 122 thousand per share. RAWLPLUG S.A. remains the sole shareholder in Rawlplug 5PL Sp. z o.o.

A new company under the name RAWLPLUG ENERGIA ODNAWIALNA Sp. z o.o., based in Wrocław, ul. Kwidzyńska 6, was registered on 11 May 2022. This company's share capital amounts to PLN 100 thousand, and RAWLPLUG S.A. is its sole shareholder. RAWLPLUG ENERGIA ODNAWIALNA Sp. z o.o. produces electricity from renewable energy sources.

A new company under the name RAWLPLUG INWESTYCJE Sp. z o.o., based in Wrocław, ul. Kwidzyńska 6, was registered on 11 May 2022 ul. Kwidzyńska 6, was registered on 11 May 2022. This company's share capital amounts to PLN 100 thousand, and RAWLPLUG S.A. is its sole shareholder. RAWLPLUG INWESTYCJE Sp. z o.o. carries out investments for the Group.

A new company under the name RAWLPLUG DYSTRYBUCJA Sp. z o.o., based in Wrocław, ul. Kwidzyńska 6, was registered on 30 June 2022 ul. Kwidzyńska 6, was registered on 11 May 2022. This company's share capital amounts to PLN 50 thousand, and RAWLPLUG S.A. is its sole shareholder. RAWLPLUG DYSTRYBUCJA Sp. z o.o. distributes electricity.

		Spółka produkcyjna	Spółka dystrybucyjna	Spółka usługowa
RAWLPLUG S.A. - spółka dominująca		■	■	■
Koelner Rawlplug IP Sp. z o.o.	100%	■		■
Rawlplug Ltd	100%		■	
Koelner Hungária Kft	51%		■	
Koelner CZ s.r.o.	100%		■	
Koelner Deutschland GmbH	100%		■	
Stahl GmbH	100%		■	
Rawlplug Middle East FZE	100%		■	
Rawlplug Building and Construction Material Trading LLC	100%		■	
Rawlplug Ireland Ltd	100%		■	
Rawlplug Ireland (Export) Ltd	100%		■	
Koelner Vilnius UAB	100%		■	
Rawlplug France SAS	100%		■	
Rawl Scandinavia AB	100%		■	
Koelner Slovakia s.r.o.	100%		■	
Koelner Ltd	100%		■	
Rawlplug Manufacturing (Thailand) Limited	99,91%	■	■	
Rawlplug Italy S.R.L.	100%		■	
Koelner-Ukraine LLC	87%		■	
Koelner Trading KLD LLC	100%	■	■	
Rawlplug Inc.	100%		■	
Rawlplug Singapore PTE. LTD	100%		■	
Rawlplug Shanghai Trading Co., Ltd.	100%			■
Rawlplug Vietnam Company Limited	100%	■		
Rawlplug Products and Services India Private Limited	100%			■
Koelner Kazakhstan Ltd	70%			
Rawlplug Portugal LDA	100%		■	
Rawl Africa (Pty) Ltd	100%		■	
JN192 Sp. z o.o.	100%			■
JN192 Sp. z o. o. sp.k.	99,99%			■
Rawlplug Australia Pty Ltd	100%		■	
Rawlplug 5PL sp. z o.o.	100%			■
Rawlplug Turkey İnşaat Malzemeleri Ltd Şti	100%		■	
Rawlplug Energia Odnawialna sp. z o.o.	100%	■		
Rawlplug Inwestycje sp. z o.o.	100%			■
Rawlplug Dystrybucja sp. z o.o.	100%		■	

RAWLPLUG AROUND THE WORLD



UNITED STATES OF AMERICA



- CZECHIA
- FRANCE
- SPAIN
- IRELAND
- POLAND
- PORTUGAL
- RUSSIA
- SLOVAKIA
- SWEDEN
- TURKEY
- UKRAINE
- HUNGARY
- GREAT BRITAIN
- ITALY



UNITED ARAB EMIRATES



- CHINA
- INDIA
- SINGAPORE
- THAILAND
- VIETNAM



AUSTRALIA

LEGEND:

- PRODUCTION COMPANY
- DISTRIBUTION COMPANY
- SERVICE COMPANY

Parent's authorities

MANAGEMENT BOARD OF RAWLPLUG S.A.

Management Board composition the period from 1 January 2022 to 31 December 2022 and as of the date on which this report was published:



**RADOSŁAW
KOELNER**

President of the Management Board, Rawlplug S.A.

Graduate of the Faculty of Social Sciences at the University of Wrocław. With Rawlplug S.A. (formerly Koelner S.A.) since the beginning of his career. Via a combination of ambition and total commitment to the life and development of the company, he has managed to transform a family business into a globally successful international company. Since 1999, he has served as President of the Management Board of Rawlplug S.A. He considers implementing the sustainability concept as one of his organisation's strategic objectives.



MAREK MOKOT

Vice-President of the Management Board, Rawlplug S.A.

Graduate of the Faculty of Economics at the University of Gdańsk. Has been cooperating with Rawlplug S.A. since 2012, ever since involved with the branch in Łańcut as Managing Director and President of the Management Board of Koelner Łańcucka Fabryka Śrub. Since October 2012, he has also served as Member of the Management Board and Director of Operations at Koelner Rawlplug IP sp. z o.o. The portfolio of companies in which he has held top management positions includes Gunnebo Industries Sp. z o.o. and Philips Lighting Poland S.A., and the beginnings of his career also include work for Port Gdynia S.A.



**PIOTR
KOPYDŁOWSKI**

Member of the Management Board, CFO, Rawlplug S.A.

Graduate of the Academy of Economics in Wrocław. In 2000, he completed the Study for CFOs organised by the International Foundation for Capital Market Development and Ownership Transformation in Poland - Privatisation Centre. Has been with Rawlplug since 1998. From May 2007 to December 2008, he also served as President of the Management Board of Śrubex S.A. (currently Koelner Rawlplug IP Sp. z o.o.). Since 2001, he was CFO and from 2008 he has been Member of the Management Board for finance at Rawlplug S.A.

All employees are involved in achieving the adopted strategic objectives, headed by the Management Board of Rawlplug S.A.

Each member of the Management Board and Supervisory Board of Rawlplug S.A. has precisely defined responsibilities in relation to such matters as compliance with national, EU and international laws, as well as internal regulations and relations with stakeholders.

All Management Board members are guided by "Rawlplug Group's Code of Ethics," the company's mission and vision, its values and strategic objectives.

The structure of the company's governing bodies - the Management Board and the Supervisory Board - is diverse and primarily based on competences, experience, independence and the length of service of its members.

These criteria carry the most weight in the nomination and selection of candidates for the Management Board and Supervisory Board.

SUPERVISORY BOARD OF RAWLPLUG S.A.

Composition of RAWLPLUG S.A.'s Supervisory Board in the period from 1 January 2022 to 31 December 2022 and as of the date on which this report was published:

Krystyna Koelner	Chairperson of the Supervisory Board
Tomasz Mogilski	Deputy Chairperson of the Supervisory Board
Włodzimierz Frankowicz	Member of the Supervisory Board
Janusz Pajka	Member of the Supervisory Board
Zbigniew Stabiszewski	Member of the Supervisory Board
Anna Piotrowska-Kus	Member of the Supervisory Board

RULES FOR PREPARING THE FINANCIAL STATEMENTS

Basis for preparing the financial statements

These consolidated annual financial statements of RAWLPLUG Group cover the 12 months ended 31 December 2022 and are prepared in order to present the financial situation, results and cash flows in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and the associated interpretations published in the form of Commission Regulations.

The annual consolidated financial statements of RAWLPLUG Group were prepared on the assumption that the Group will continue as a going concern for the foreseeable future. At the date on which these consolidated financial statements were approved for publication, there were no material uncertainties regarding events or circumstances such as could give rise to serious concern about the Group's ability to continue as a going concern.

Reporting currency, exchange rates used, rounding levels applied

The presentation and functional currency for these consolidated financial statements is PLN, and all amounts are expressed in PLN 000s (unless stated otherwise). Financial statements of the entities comprising the Group were translated into the presentation currency based on the principles specified in IAS 21.

Asset and equity and liability items in the statement of financial position have been converted into EUR at the average exchange rate of the National Bank of Poland (NBP) prevailing at the balance sheet date:

Currency	31.12.2022	31.12.2021
EUR	4.6899	4.5994

Items in the statement of comprehensive income, statement of profit and loss and statement of cash flows have been translated into EUR at an exchange rate that is the arithmetic mean of the average exchange rates set by the National Bank of Poland for EUR, in force on the last day of each completed month included in the period presented. The rates used for conversion are as follows:

Currency	01-12.2022	01-12.2021
EUR	4.6883	4.5775

Date on which these financial statements were approved for publication

These financial statements were approved for publication by the Parent's Management Board on 23 March 2023.

Accounting principles

The consolidated financial statements are prepared on a historic cost basis, except for the measurement of those financial assets that - according to IFRS - are carried at fair value. Shares in subsidiaries that are unconsolidated due to their immateriality are measured at purchase price.

Principles of consolidation

The consolidated financial statements include the separate financial statements of RAWLPLUG S.A. and the financial statements of subsidiaries over which RAWLPLUG has control, prepared as at 31 December 2022. The Group assesses whether it has control in accordance with the definition in IFRS 10. Under the definition, an investor has control over an investee if it has exposure, or rights, to variable returns from its involvement with the investee or it has the ability to use its power over the investee.

The Group applies exclusions of companies from consolidated based on the materiality principle. The level of materiality was adopted in accordance with IAS 1 par. 29-31.

At the date of the acquisition of a subsidiary (assumption of control), its assets and liabilities are measured at fair value. Non-controlling interests are presented in accordance with the fair value of net assets attributable to them.

Subsidiaries sold during the financial year are subject to consolidation from the beginning of that year to the date on which they are sold. The financial results of entities acquired during the year are recorded in the financial statements from the acquisition date.

Where necessary, adjustments are made in the financial statements of subsidiaries or associates in order to align the accounting principles applied by the entity with the principles applied by the Parent. All transactions, balances, revenues and costs between related parties covered by consolidation are subject to exclusion from the consolidated financial statements.

Investments in associates

Associates are entities that the Parent does not control but exerts significant influence over by participating in determining their financial and operating policies.

Shares in associates are accounted for using the equity method, unless they are classified as held for sale. Investments in associates are carried at purchase price, with consideration given to changes in the Company's stake in net assets that occurred after the end of the reporting period, less impairment of specific investments.

Any unrealised gains and losses resulting from transactions between the Group and an associate are subject to exclusion from consolidation proportionately to the interest held.

The excess of purchase price over the fair value of identifiable net assets of an associate on the acquisition date is recorded in the balance sheet as goodwill arising on investment in associates.

If the purchase price is lower than the fair value of the identifiable net assets of an associate at the acquisition date, then this difference is recorded as profit in the statement of profit and loss in the period in which the acquisition took place.

Management estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the management to make professional judgements, estimates and assumptions that affect the adopted accounting principles and the presented values of assets, liabilities, revenues and costs. Estimates and associated assumptions are based on previous experience and other factors that are acknowledged as rational in given circumstances and whose results provide a basis for professional judgement concerning the carrying amount of assets and liabilities that does not directly result from their sources.

In certain significant issues, the management uses independent experts' opinions.

The Management Board's estimates that have an impact on financial statements concern the following:

- unpredictable periods of economic life of property, plant and equipment and intangible assets,
- impairment of assets,
- recognition of revenue from contracts with customers,
- lease term and value, where the lease is considered as low-value,
- discount rates, expected growth in wages and actuarial assumptions used to calculate retirement pay provisions,
- future financial results used in testing for impairment of goodwill,
- future tax results used in calculating deferred income tax assets.

The adopted approach to establishing estimated amounts is based on the management's best knowledge and is in accordance with IFRS requirements.

The approach to determine estimated amounts is used in a continuous manner in relation to the preceding reporting period.

Changes in impairment and restatement are presented in further parts of the additional information and notes to the financial statements pertaining to specific assets.

Goodwill

Goodwill (profit) is calculated as the difference between two values:

- the sum of payments for control, non-controlling interests (measured in proportion to acquired net assets) and the fair value of interests in the acquired entity prior to the acquisition date,
- and
- the fair value of the acquired entity's identifiable net assets.

The excess of the sum calculated as above over the fair value of identifiable net assets of the acquired entity is recorded as goodwill in assets in the consolidated statement of financial position. Goodwill corresponds to the payment made by the acquirer in the expectation of future economic benefits deriving from these assets that cannot be separately identified or recognised. Subsequent to initial recognition, goodwill is measured at the purchase price less impairment.

In the event that the aforementioned sum is lower than the fair value of the acquired entity's identifiable net assets, then the difference is immediately recognised in the statement of profit and loss. The Group recognises gains on acquisitions under other operating revenues.

Intangible assets and internally produced intangible assets - development costs

Intangible assets are carried at purchase price or - in the case of development works - cost to manufacture, less accumulated amortisation and impairment.

Intangible assets are amortised using the straight-line approach throughout the period of their economic life, as follows:

- acquired property rights, licences and concessions - no less than four years and no more than seven years,
- computer software - no less than four years and no more than seven years,
- other intangible assets - no less than four years and no more than seven years,

The costs of development works are not capitalised and are presented in the statement of profit and loss as costs in the period in which they are incurred.

An intangible asset created as a result of development work (or at the development work stage of an in-house undertaking) is recognised only when the entity is able to prove:

- technical ability to complete the intangible asset so that it is fit for use or sale;
- intent to complete the intangible asset and use or sell it;
- ability to use or sell the intangible asset;
- way in which the intangible asset will generate likely future economic benefits;
- availability of appropriate technical, financial and other means intended to complete development work and use or sell the intangible asset;
- the ability to credibly determine expenditures incurred during development work that can be attributed to the intangible asset.

Costs of development works are amortised on a straight-line basis throughout the expected period of economic life.

If it is not possible to separate an asset element produced internally, development costs are recognised in the statement of profit and loss in the period in which they are incurred.

Property, plant and equipment

Property, plant and equipment items are presented in the balance sheet at historic cost, less accumulated depreciation and impairment.

Depreciation is applied to all property, plant and equipment items, with the exception of land and tangible assets under construction, throughout their periods of economic life, on a straight-line basis and applying the following annual depreciation rates:

- buildings and facilities - no less than 10 years and no more than 40 years,
- technical equipment and machinery (excluding computer software) - no less than one year and no more than 20 years,
- computer equipment - no less than two years and no more than four years,
- means of transport - no less than two years and no more than 12 years,
- other tangible assets - no less than two years and no more than 10 years.

Tangible assets under construction intended for manufacturing, leasing, administrative or undefined purposes are presented in the balance sheet at the cost of manufacture less impairment. The cost of manufacture is augmented by fees and - in the case of certain assets - by borrowing costs. Depreciation concerning these tangible assets commences the moment they are commissioned.

Profit or loss arising on disposal / liquidation or suspension of the use of property, plant and equipment is defined as the difference between proceeds from disposal and the net value of such assets and are recorded in the statement of profit and loss.

Leases

A lease is defined as a contract or part of a contract that transfers the right to control the use of an identified asset (underlying asset) for a given period of time in exchange for a consideration. Three basic aspects are analysed in connection with the above:

- whether the contract concerns an identified asset that is either explicitly referred to in the contract or implicitly when the asset is made available to the Group,
- whether the Group has the right to obtain essentially all economic benefits from using the asset throughout the entire contractual term,
- whether the Group has the right to direct the use of the identified asset throughout the entire term.

At initial recognition, the Group recognises a right-of-use asset and a lease liability. A right-of-use asset is initially measured at the purchase price consisting of the initial value of the lease liability, initial direct costs, estimated costs expected in connection with disassembly of the underlying asset and lease payments paid on or prior to the inception date, less lease incentives.

The Group amortises the right-of-use asset on a straight-line basis from the inception date to the end of the use term for the right-of-use asset or until the end of the lease term, whichever of these dates is sooner. If warranted, right-of-use assets are tested for impairment in accordance with IAS 36.

At the inception date, the Group measures the lease liability as the present value of outstanding lease payments, using the lease interest rate, if it can be easily determined. Otherwise, the lessee's residual interest rate is applied.

Lease payments included in the value of the lease liability consists of fixed lease payments, variable lease payments that depend on an index or a rate, amounts expected to be paid as a guaranteed residual value and payments concerning purchase options, if their exercise is rationally certain.

In subsequent periods, the lease liability is decreased by payments made and increased by interest charged. Measurement of the lease liability is updated to reflect contractual changes and re-evaluation of the lease term, exercise of a purchase option, guaranteed residual value or lease payments that depend on an index or a rate. As a rule, an update of the value of this liability is recognised as an adjustment of the right-of-use asset.

The Group applies the practical expedients permitted in IFRS 16 concerning short-term leases and leases of underlying assets that are of low value. In reference to

such contracts, instead of recognising a right-of-use asset and a lease liability, lease payments are recognised in profit or loss on a straight-line basis throughout the lease term.

The Group presents right-of-use assets in the same lines in the statement of financial position as the underlying assets.

In connection with the fact that when the Group first applied IFRS 16 it decided to apply a practical expedient and therefore it does not re-evaluate contracts in terms of whether they are a lease, right-of-use assets acquired prior to 2019 are treated in accordance with the previous rules, i.e. as land under property, plant and equipment.

Investment properties

Investment properties are those properties that are treated as a source of lease income and/or are maintained for capital appreciation. The Group decided that investment properties should be treated as all other properties and measured in a cost model - at purchase price or cost to manufacture, less depreciation and impairment.

Non-current assets and groups of net assets held for sale

Non-current assets classified as held for sale and groups of net assets held for sale are measured at the lower of: carrying amount and fair value, less costs to sell. Certain non-current assets classified as available for sale, such as financial assets or deferred income tax assets, are measured using the same accounting rules as those applied by the Group prior to them being classified as available-for-sale non-current assets. Non-current assets classified as available-for-sale are not depreciated.

Non-current assets and groups of net assets are classified as held for sale if it is more likely that their carrying amount will be recovered through a sale rather than through further use. This condition is considered as having been met only when an asset (or a group of net assets held for sale) is available in its current condition

for immediate sale, and the transaction may be expected within one year from the change in classification.

Inventories

Inventories are recorded at purchase price or cost of manufacture, provided that these are not higher than the net sales price. Cost of manufacture includes direct material costs and in certain cases direct remuneration costs, along with a justified portion of indirect costs. Product, material and goods inventories are measured using the FIFO method. The net sales price is equal to an estimated sales price, less all costs connected with completing production or delivering the inventory to be sold or finding a buyer (i.e. selling costs, marketing, etc.).

Inventories are carried at net value, less impairment. Impairment of inventories can be recognised in connection with a loss in their value, to bring the value of inventories to net recoverable amount.

Borrowings costs

Borrowing costs are directly connected with the purchase or manufacture of assets, which are recorded as costs of manufacture of such tangible assets until they are commissioned. These costs are reduced by revenue generated from temporary investment of funds obtained to manufacture a given asset.

All other borrowing costs are recorded directly in the statement of profit and loss in the period in which they are incurred.

Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset or financial liability is recognised in the statement of financial position when the Group becomes party to a contract for that instrument. Standardised transactions to buy and sell financial assets and liabilities are recognised on the transaction date.

A financial asset is removed from the statement of financial position when the contractual rights to cash flows from that financial asset expire or when the financial asset and essentially all of the right and benefits associated with it are transferred to another entity.

The Group removes a financial liability from the statement of financial position when the liability ceases to exist, meaning that the contractual obligation is met, cancelled or expired.

Financial assets and liabilities are measured using the rules presented below.

Financial assets

At initial recognition, the Group measures financial assets at fair value, i.e. typically according to the fair value of the payment made. The Group includes transaction costs in the initial measurement of all financial assets, except for the category of assets measured at fair value through profit or loss. The exception to this rule is trade receivables, which the Group measures at their transaction price as defined in IFRS 15, with the exception of those trade receivable items with a maturity of more than one year that contain a significant financing component as defined in IFRS 15.

For measurement subsequent to initial recognition, financial assets other than hedging derivatives, the Group classifies as:

- financial assets at amortised cost,
- financial assets at fair value through profit or loss.

A financial asset is measured at amortised cost if both of the following conditions are met (and it was not designated at initial recognition for measurement at fair value through profit or loss):

- the financial asset is held in accordance with a business model the aim of which is to hold financial assets to obtain contractual cash flows,
- contractual terms concerning the financial assets give rise to cash flows on specified dates, which include only the repayment of principal and interest on outstanding nominal value.

The Group classifies the following as financial assets at amortised cost:

- loans,
- cash,
- trade and other receivables (except for trade and other receivables that do not fall under IFRS 9).

These classes of financial assets are presented in the statement of financial position divided into non-current assets and current assets under the items 'Receivables and prepayments' and 'Other financial assets.' Current receivables are measured at the amount payable due to the insignificant effect of discount adjusted by appropriate impairment losses on doubtful receivables.

The Group does not present interest income in a separate item, due its immaterial amounts, rather recognising it as finance income. Other gains and losses on financial assets are recognised in profit or loss, including exchange differences, and they are presented as either finance income or finance costs.

A financial asset is measured at fair value through profit or loss if it does not meet the criteria for measurement at amortised cost or at fair value through other comprehensive income and it is not an equity instrument designated at initial recognition as measured at fair value through other comprehensive income. The Group also classifies in this category financial assets designated at initial recognition as measured at fair value through profit or loss if they meet the criteria specified in IFRS 9.

The Group also classifies in this category all derivative instruments recognised in the statement of financial position.

Instruments belonging to this category are measured at fair value and the effects of measurement are recognised in profit or loss under 'Finance income' or

'Finance costs,' respectively. Gains and losses on the measurement of financial instruments are determined by changes in the fair value determined on the basis of prices on an active market as at the balance sheet date or using measurement methods if no active market exists.

Financial assets classified as measured at amortised cost are subject to verification in terms of credit risk at each balance sheet date. The Group applies a simplified approach to trade receivables and has built a model for estimating expected losses on a portfolio of receivables throughout the life-cycle. Impairment estimates are done on a group basis, and receivables are grouped by period past due. Impairment estimates are mainly based on historic past due episodes and recovery rates. The Group analysed its receivables in terms of credit risk and created impairment losses in 2020 and 2021 in accordance with the following coefficients:

- receivables not past due - 1% of the receivable's value,
- receivables overdue by 180-360 days - a 50% impairment,
- receivables overdue by over 360 days - a 100% impairment,
- court receivables - a 100% impairment.

Financial liabilities

Financial liabilities other than hedging derivatives are recognised in the following items of the statement of financial position:

- loans and borrowings,
- other financial liabilities,
- trade and other payables, and
- leases.

At initial recognition, the Group measures financial liabilities at fair value, i.e. typically according to the fair value of the payment received. The Group includes transaction costs in the initial measurement of all financial liabilities, with the

exception of liabilities at fair value through profit or loss.

Subsequent to initial recognition, financial liabilities are measured at amortised cost, using the effective interest rate approach, except for financial liabilities held for trading (this applies to derivatives that are liabilities, which are not recognised as hedging instruments) or those designated as measured at fair value through profit or loss. The Group includes derivatives other than hedging instruments in the category of financial liabilities measured at fair value through profit or loss. Current trade payables are measured at the value to be paid due to insignificant discounting effects. Gains and losses on the measurement of financial liabilities are recognised in profit or loss in financing activities.

Equity

Equity is recorded at nominal value, by type and in accordance with the principles specified by law or the Company's articles of association.

The Company's share capital is presented in the amount specified in the Company's articles of association and which is entered at the National Court Register.

Declared, but not yet paid, capital contributions are recognised as contributions to share capital due to be paid.

The Company's shares purchased and retained by the Company reduce equity. Own shares are measured at the purchase price.

Share premium is created from the excess of issue price over nominal value, less issue costs.

Other capitals include:

- capital from measurement of share-based payments,
- special-purpose reserve capitals,
- statutory supplementary capital
- exchange differences on translation of foreign operations.

Retained earnings include results from previous years (also those transferred to capital by way of shareholder resolutions) and the current-period financial result, together with the effect of corrections and changes to accounting principles and fundamental errors concerning previous years but disclosed in the present financial year.

Provisions

Provisions are created if there is a present obligation (legal or customary) on the Group, resulting from past events, and it is likely that the fulfilment of that condition will result in an outflow of funds, and that the amount of liabilities may be reliably measured. Provisions are measured at the value of estimated expenditures necessary to comply with the obligation, based on the most reliable proof available at the date of the financial statements, including those pertaining to risk and degree of uncertainty.

Grants

Government grants, including non-monetary grants carried at fair value, are recognised only if there is sufficient certainty that the Group will meet the conditions of the grant and that the grant will actually be received.

If a grant concerns a specific cost item, it is recognised as revenue, commensurate to the costs which the grant is intended to offset. In the event that the grant relates to a specific asset, its fair value is recognised in a deferred income account and is then gradually recognised in the statement of profit or loss as income, in proportion to the depreciation charge made on that asset.

Revenue from sales

Revenue from sales constitutes only revenue from contracts with customers covered by IFRS 15. The following five-step approach determines the way in which revenue from sales is recognised in the Group's consolidated financial statements, including both value and moment of recognition of revenue:

1. Identifying the contract with customer

A contract with a customer meets its definition if all of the following criteria are met: the parties executed a contract and are required to fulfil their obligations; the Group is able to identify the rights of each party concerning goods or services that are to be delivered; the Group is able to identify payment terms for the goods or services that are to be delivered; the contract has economic context and it is likely that the Group will receive remuneration due in exchange for goods or services that are delivered to the customer.

2. Identifying the performance obligations in contract

When a contract is executed, the Group assesses the goods or services promised in the contract with a customer and identifies each promise to deliver goods or services to the customer as a performance obligation. The Group's main revenue streams from contracts with customers cover the sale of finished products and goods. Contracts with customers do not envisage the Group's warranty responsibility beyond what is required by the law, therefore the Group assessed that this does not constitute a separate obligation.

Contracts with customers do not contain a financial component because the payment deadlines are between seven and 90 days.

3. Determining the transaction price

To determine the transaction price, the Group takes into account contractual

terms and its customary commercial practices. The transaction price is an amount of remuneration that, in accordance with the Group's expectation, will be due in exchange for delivery of the promised goods or services to the customer. Remuneration specified in a contract with a customer may include fixed amounts, variable amounts or both. To estimate variable remuneration, the Group decided to use the method of the most likely value for contracts with one value threshold and the expected value method for contracts with more value thresholds based on which the customer receives a discount.

4. Allocating the transaction price to specific performance obligations

The Group allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

5. Recognising revenue when performance obligation is met

The Group recognises revenue when the performance obligation is met (or in the course of being met) by delivering a promised good or service (i.e. asset) to the customer (the customer obtains control over this asset). The moment control is obtained by the customer is the moment responsibility for delivery passes to the buyer if the contract with the customer contains rules based on INCOTERMS or a different method is specified. In other cases, it is the moment finished products/goods are sent to the customer. Revenue is recognised as an amount equal to the transaction price allocated to the specific performance obligation.

Foreign-currency transactions

In the financial statements of entities within the Group, foreign-currency transactions are translated using the exchange rate in effect on the transaction date.

At the end of the reporting period, monetary assets and liabilities are translated using the exchange rate in effect at the end of the reporting period. Gains and losses resulting from currency translation are recorded directly in the statement

of profit and loss, with the exception of those arising from measurement of non-monetary assets and liabilities (in those cases changes to their fair value are recorded directly in equity).

Assets and liabilities of foreign operations expressed in foreign currency are translated into the presentation currency at the exchange rate effective at the reporting date.

Items in the statement of profit or loss and the statement of cash flows included in the financial statements of foreign entities are translated at the average exchange rates prevailing in the respective months of the financial year.

Taxes

Mandatory encumbrances on profit or loss include current tax and deferred tax.

The current tax obligation is calculated on the basis of the tax result (tax base) for a given financial year. Tax profit (loss) differs from gross tax accounting profit (loss) in connection with the exclusion of taxable income and expenses which are deductible in subsequent years as well as cost and revenue items that are not taxable. Tax charges are calculated using the tax rates in effect during a given financial year.

Deferred tax is calculated using the balance sheet method, as the tax subject to payment or refund in the future on the difference between the carrying amounts of assets and liabilities and the corresponding tax values used to calculate the basis for taxation.

A deferred income tax provision is created on all positive temporary differences that are subject to taxation, and a deferred income tax asset is recognised up to an amount likely to decrease future tax profit through recognised negative temporary differences.

A deferred income tax provision is recognised on temporary tax differences arising as a result of investment in subsidiaries, associates and jointly controlled entities, unless the Group is able to control the moment in which the temporary difference is reversed and it is likely that the temporary difference will not be reversed in the foreseeable future.

A deferred tax asset is subject to analysis as at the end of the reporting period, and in the event of it being expected that future tax profits will be insufficient to realise an asset or part thereof, it is written off.

Deferred tax is calculated using the tax rates that will be in effect at the moment in which the asset item is realised or the liability becomes due. Deferred tax is recognised in the statement of profit and loss, aside from situations where it concerns items directly recognised in equity. In that last case, deferred tax is also settled directly through equity.

Impact of new standards and interpretations on the Group's financial statements

In 2022, RAWLPLUG Group entities adopted all of the new EU-endorsed standards and interpretations issued by the IASB and IFRIC. They are applicable to the Group's business and effective for annual reporting periods beginning on 1 January 2022.

RAWLPLUG Group decided against the early application of new EU-endorsed standards and interpretations that were issued but will enter into force after the end of the reporting period.

Amendments to standards or interpretations in force and applied by the Group from 2022

[New or amended standards and interpretations effective from 1 January 2022 and their impact on the Group's consolidated financial statements:](#)

Amendments to IFRS 9, examples for IFRS 16, IAS 41 under Annual Improvements 2018 - 2020:

IFRS 1: additional exemption concerning measurement of cumulative translation differences;

IFRS 9: (1) if the 10% test is performed in order to determine whether a modification should result in the derecognition of a liability, only fees between the borrower and the lender should be taken into account; (2) it was clarified that fees incurred in an extinguishment are recognised as part of the gain or loss on the extinguishment, and if the liability is not extinguished, then such fees adjust the carrying amount of the liability;

IFRS 16: the illustration of payments from the lessor relating to leasehold improvements, which caused interpretative doubts, was removed in Illustrative Example 13;

IAS 41: the requirement to exclude cash flows for taxation when measuring the fair value of biological assets was removed.

The amendments are applicable to annual periods beginning on or after 1 January 2022 (example for the amendment of example to IFRS 16, which is effective from publication).

The above changes had no effect the Group's financial statements.

Amendments to IAS 16 Property, Plant and Equipment

It was clarified that production carried out during the testing of a tangible asset before the asset is put into use should be recognised as (1) inventory in accordance with IAS 2 and (2) revenue, if it is sold (and should not affect the value of the tangible asset). The testing of a tangible asset is part of its cost, while the cost of production is recognised in the result when the revenue from the disposal of the inventory created during testing is recognised. The amendment applies to annual periods beginning on or after 1 January 2022.

The above change did not affect the Group's consolidated financial statements.

Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets
It was clarified that the costs of fulfilling onerous contracts include incremental costs (e.g. labour) and an allocation of other costs that relate directly to fulfilling contracts, e.g. depreciation.

The amendment applies to annual periods beginning on or after 1 January 2022. The above change did not affect the Group's consolidated financial statements.

Amendment to IFRS 3 Business Combinations

References to the definition of liabilities included in the conceptual framework and definition of contingent liabilities under IAS 37 were clarified.

The amendment applies to annual periods beginning on or after 1 January 2022. The above change did not affect the Group's consolidated financial statements.

Amendment to IFRS 16 Leases

In 2020, the IASB published expedients for lessees receiving rent concessions due to the COVID-19 pandemic. One of the conditions was that the concessions concern only payments due by the end of June 2021. This deadline was moved to June 2022. The amendment is effective for annual periods beginning on or after 1 April 2021, with early application permitted.

The amendment had no effect the Group's consolidated financial statements because the Group did not use the expedient.

Presented below are standards and interpretations in force as issued by the IASB, but not yet endorsed by the EU.

Application of standards or interpretations before their entry into force

The consolidated financial statements do not include any standards or interpretations that were adopted early.

Standards and interpretations issued but not yet effective for periods beginning on or after 1 January 2022, and their impact on the Group's financial statements

The following new or amended standards and interpretations, effective for annual periods beginning after 2022, were issued prior to the publication of these consolidated financial statements: This list includes amendments, standards and interpretations published but not yet endorsed by the European Union.

New IFRS 17 Insurance Contracts

The new standard addresses the recognition, measurement, presentation and disclosures concerning insurance and reinsurance contracts. This standard supersedes IFRS 4.

The standard applies to annual periods beginning on or after 1 January 2023.

The Group estimates that these changes to standards will not have impact on its financial statements because the contracts it concludes do not meet the definition of insurance contracts.

Amendments to IAS 1 Presentation of Financial Statements

The IASB clarified rules for classifying liabilities as non-current and current, mainly in two aspects:

- the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period
- the management's intentions with regard to faster or slower payment of the liability are not taken into account.

The amendments apply to annual periods beginning on or after 1 January 2023. As the Group already applies principles consistent with the revised standard, the amendments will have no impact on its financial statements.

Amendments to IAS 1 Presentation of Financial Statements

The IASB has clarified which information about an entity's accounting policies is material and requires disclosure in the financial statements. The rules focus on

tailoring disclosures to the individual circumstances of the entity. The IASB cautions against the use of standardised notations copied from IFRS and expects that the basis of measurement of financial instruments is material information. The amendment applies to annual periods beginning on or after 1 January 2023. The Group is analysing the impact of this amendment on its financial statements.

Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The IASB introduced a definition of an accounting estimate to the standard: Accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendment applies to annual periods beginning on or after 1 January 2023. The Group is analysing the impact of this amendment on its financial statements.

Amendment to IAS 12 Income Taxes

The IASB has introduced a rule according to which if as a result of a transaction both positive and negative temporary differences arise in the same amount, then a deferred income tax asset and provision should be recognised even if the transaction does not result from a business combination and has no impact on the accounting result or tax result. This implies the need to recognise deferred tax assets and provisions, e.g. when temporary differences of equal amounts occur for leases (separate temporary difference on the liability and on the right of use) or for land reclamation liabilities. There is no change to the rule that deferred tax assets and liabilities are offset if current tax assets and liabilities are offset. The amendment applies to annual periods beginning on or after 1

January 2023.

The Group estimates that the above change will not affect its financial statements.

Amendment to IFRS 17 Insurance Contracts

The IASB has established transitional provisions on comparative information for entities that simultaneously implement IFRS 17 and IFRS 9 to reduce potential accounting mismatches arising from differences between these standards. The amendment applies to annual periods beginning on or after 1 January 2023. The Group estimates that the change will have no impact on its financial statements as it does not conclude insurance contracts.

Amendment to IFRS 16 Leases

The amendment clarifies the requirements in relation to the measurement of the lease liability arising from sale and leaseback transactions. It is intended to prevent inappropriate recognition of the result on a transaction for the retained right-of-use portion when the lease payments are variable and do not depend on an index or rate. The amendment applies to annual periods beginning on or after 1 January 2024. The Group is analysing the impact of this amendment on its financial statements.

The Group intends to implement the above regulations within the relevant deadlines specified for standards or interpretations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 1.

Operating segments

In accordance with IFRS 8, an operating segment is a component of the Group for which discrete financial information is available and whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

RAWLPLUG Group is a manufacturer of fixings, fasteners and tools. Its products are used, among others, in the construction, automotive, energy, road, wood, machinery, electrical machinery and mining industries. The Group's assortment is very diverse therefore it is not possible to separate product lines by product.

FINANCIAL RESULTS BY GEOGRAPHIC SEGMENT FOR THE PERIOD FROM 01.01 TO 31.12.2022

	European Union	Other countries	Adjustments and exclusions	Total
External revenue	979 814	149 151	0	1 128 965
Inter-segment revenue	171 804	0	(82 228)	89 576
Total segment revenue	1 151 618	149 151	(82 228)	1 218 541
Depreciation	(40 731)	(1 734)	0	(42 465)
Other operating revenues (expenses)	(950 386)	(130 432)	63 751	(1 017 067)
Operating profit for the segment	160 501	16 985	(18 477)	159 009
Finance income (costs), including:	(5 115)	31	0	(5 084)
Interest income	5 156	0	0	5 156
Interest costs	(21 513)	(85)	0	(21 598)
Gross profit (loss)	155 386	17 016	(18 477)	153 925
Income tax	(24 313)	(2 569)	0	(26 882)
Net profit (loss)	131 073	14 447	(18 477)	127 043
Segment assets	1 289 437	122 343	0	1 411 780
Capital expenditure	150 742	7 362	(56 515)	101 589

Moreover, the Group has dispersed sales and customers. The Group therefore relied on the criterion of different geographical areas and a different regulatory environment when selecting reporting areas. Two reporting segments are recognised - EU and non-EU countries. Segment-specific information is presented in the following tables.

FINANCIAL RESULTS BY GEOGRAPHIC SEGMENT
FOR THE PERIOD FROM 01.01 TO 31.12.2021

	European Union	Other countries	Adjustments and exclusions	Total
External revenue	827 076	124 270	0	951 346
Inter-segment revenue	133 519	0	(73 019)	60 500
Total segment revenue	960 595	124 270	(73 019)	1 011 846
Depreciation	(34 619)	(1 308)	0	(35 927)
Other operating revenues (expenses)	(779 250)	(109 294)	72 787	(815 757)
Operating profit for the segment	146 726	13 668	(232)	160 162
Finance income (costs), including:	(6 315)	(203)	0	(6 518)
Interest income	1 500	0	0	1 500
Interest costs	(6 107)	(58)	0	(6 165)
Gross profit (loss)	140 411	13 465	(232)	153 644
Income tax	(25 751)	(2 126)	0	(27 877)
Net profit (loss)	114 660	11 339	(232)	125 767
Segment assets	1 100 345	110 694	0	1 211 039
Capital expenditure	97 635	3 619	(14 925)	86 329

NOTE NO. 2. Intangible assets

The Group did not identify the necessity to recognise impairment losses on goodwill arising on consolidation of subsidiaries. The Company carries out goodwill impairment testing for the purposes of the annual financial statements.

Borrowing costs did not increase the value of intangible assets.

In its consolidated financial statements, the Group does not include intangible assets with undefined periods of economic life.

The amortisation of intangible assets in 2022 amounted to PLN 4 528 thousand, all of which was recorded in net financial result.

INTANGIBLE ASSETS

	31.12.2022	Goodwill	Concessions, patents, licenses	Development costs	Other	Total
Gross value as at the beginning of period		50 152	39 832	7 068	5 037	102 089
Increases		366	1 388	561	7 095	9 410
Decreases		0	(84)	0	(1 999)	(2 083)
Gross value as at the end of period		50 518	41 136	7 629	10 133	109 416
Depreciation at the beginning of period		111	12 833	1 938	881	15 762
Increases		2	4 312	212	10	4 536
Decreases		0	(16)	0	0	(16)
Depreciation at the end of period		113	17 130	2 151	891	20 284
Net value at the beginning of period		50 042	26 999	5 129	4 156	86 326
Net value as at the end of period		50 405	24 007	5 478	9 242	89 133
	31.12.2021	Goodwill	Concessions, patents, licenses	Development costs	Other	Total
Gross value as at the beginning of period		49 943	35 504	6 665	6 203	98 315
Increases		209	4 356	404	2 090	7 059
Decreases		0	(28)	(1)	(3 256)	(3 285)
Gross value as at the end of period		50 152	39 832	7 068	5 037	102 089
Depreciation at the beginning of period		111	10 482	1 894	652	13 139
Increases		0	2 351	45	233	2 628
Decreases		0	0	0	(4)	(4)
Depreciation at the end of period		111	12 833	1 939	881	15 763
Net value at the beginning of period		49 832	25 022	4 771	5 551	85 176
Net value as at the end of period		50 042	26 999	5 129	4 156	86 326

PURCHASE AND SALE OF INTANGIBLE ASSETS

	01-12.2022	01-12.2021
Purchase	8 044	3 500
Net value of assets sold	935	116

GOODWILL ARISING ON CONSOLIDATION

	Currency	At 31.12.2022	At 31.12.2021
Rawlplug Ltd	PLN	5 756	5 962
	GBP	1 087	1 087
Koelner Hungaria Kft	PLN	3 520	3 744
	HUF	300 388	300 388
Rawlplug Ireland Ltd	PLN	25 712	25 216
	EUR	5 482	5 482
Rawlplug France SAS	PLN	139	136
	EUR	30	30
Koelner Ltd	PLN	121	121
	RUB	983	983
Stahl GmbH	PLN	14 464	14 185
	EUR	3 084	3 084
Rawlplug Building & Construction Material	PLN	36	33
	AED	30	30
Total		49 748	49 397

GOODWILL AT THE LEVEL OF SEPARATE FINANCIAL STATEMENTS

	Currency	At 31.12.2022	At 31.12.2021
Rawlplug Ireland Ltd	PLN	657	645
	EUR	141	141
Total		657	645

NOTE NO. 3.

PROPERTY, PLANT AND EQUIPMENT - OWN

The amount of depreciation of property, plant and equipment in 2022 was PLN 38 239 thousand, including:

- PLN 37 937 thousand recorded in the statement of profit and loss (including PLN 37 819 thousand as costs of core operations and PLN 118 thousand as other operating expenses,
- while PLN 302 thousand was capitalised, increasing the value of property, plant and equipment).

	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Tangible assets under construction	Total
31.12.2022							
Gross value as at the beginning of period	15 560	145 562	311 234	9 143	20 109	43 188	544 796
Increases	0	12 996	58 977	501	3 007	70 310	145 791
Decreases	(323)	(616)	(22 379)	(740)	(73)	(70 243)	(94 374)
Gross value as at the end of period	15 237	157 942	347 832	8 904	23 043	43 255	596 213
Depreciation at the beginning of period	44	46 541	179 671	6 981	15 981	0	249 218
Increases	0	4 397	20 419	753	1 995	0	27 564
Decreases	0	(161)	(8 273)	(710)	(27)	0	(9 171)
Depreciation at the end of period	44	50 777	191 817	7 024	17 949	0	267 611
Net value at the beginning of period	15 516	99 021	131 563	2 162	4 128	43 188	295 578
Net value as at the end of period	15 193	107 165	156 015	1 880	5 094	43 255	328 602
31.12.2021							
Gross value as at the beginning of period	15 239	143 176	302 283	6 826	17 875	15 507	500 906
Increases	916	2 527	21 800	2 891	2 440	76 309	106 883
Decreases	(595)	(141)	(12 849)	(574)	(206)	(48 628)	(62 993)
Gross value as at the end of period	15 560	145 562	311 234	9 143	20 109	43 188	544 796
Depreciation at the beginning of period	44	42 185	173 001	6 184	14 268	0	235 682
Increases	0	4 409	17 738	1 365	1 906	0	25 418
Decreases	0	(53)	(11 068)	(568)	(193)	0	(11 882)
Depreciation at the end of period	44	46 541	179 671	6 981	15 981	0	249 218
Net value at the beginning of period	15 195	100 991	129 282	642	3 607	15 507	265 224
Net value as at the end of period	15 516	99 021	131 563	2 162	4 128	43 188	295 578

As at 31 December 2022, the following collateral was established on items of property, plant and equipment in connection with credit facilities:

- mortgage up to PLN 250 000 thousand on properties for PKO Bank Polski S.A.,
- joint mortgage up to PLN 60 000 thousand on a perpetual usufruct right for Bank Handlowy w Warszawie S.A.
- joint mortgage up to PLN 60 000 thousand on properties for Bank Handlowy w Warszawie S.A.

• joint contractual mortgage up to PLN 4 050 thousand on properties for BNP Paribas Bank Polska S.A.,

- joint contractual mortgage up to PLN 214 000 thousand established on perpetual usufruct right to property for ING Bank Śląski.

Right-of-use assets under leases

31.12.2022	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Tangible assets under construction	Total
Gross value as at the beginning of period	0	371	70 800	12 679	555	0	84 405
Increases	0	0	21 610	8 128	160	0	29 898
Decreases	0	0	(9 385)	(4 092)	(343)	0	(13 820)
Gross value as at the end of period	0	371	83 025	16 715	372	0	100 483
Depreciation at the beginning of period	0	36	15 932	7 156	301	0	23 425
Increases	0	9	8 747	4 154	72	0	12 982
Decreases	0	0	0	(3 514)	(171)	0	(3 685)
Depreciation at the end of period	0	45	24 679	7 796	202	0	32 722
Net value at the beginning of period	0	335	54 868	5 523	254	0	60 980
Net value as at the end of period	0	326	58 346	8 919	170	0	67 761

31.12.2021	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Tangible assets under construction	Total
Gross value as at the beginning of period	0	371	59 669	14 290	1 293	0	75 623
Increases	0	0	11 159	3 686	0	0	14 845
Decreases	0	0	(28)	(5 297)	(738)	0	(6 063)
Gross value as at the end of period	0	371	70 800	12 679	555	0	84 405
Depreciation at the beginning of period	0	26	9 584	6 877	580	0	17 067
Increases	0	10	6 376	3 463	226	0	10 075
Decreases	0	0	(28)	(3 184)	(505)	0	(3 717)
Depreciation at the end of period	0	36	15 932	7 156	301	0	23 425
Net value at the beginning of period	0	345	50 085	7 413	713	0	58 556
Net value as at the end of period	0	335	54 868	5 523	254	0	60 980

PROPERTY, PLANT AND EQUIPMENT - TOTAL

	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Tangible assets under construction	Total
31.12.2022							
Net value at the beginning of period	15 516	99 356	186 431	7 685	4 382	43 188	356 558
Net value as at the end of period	15 193	107 491	214 361	10 799	5 264	43 255	396 363

PURCHASE AND SALE - OWN NON-CURRENT ASSETS

	01-12.2022	01-12.2021
Purchase	73 787	59 516
Net value of assets sold	418	2 861

PURCHASE AND SALE - RIGHT-OF-USE ASSETS UNDER LEASES

	01-12.2022	01-12.2021
Purchase	11 104	3 506
Net value of assets sold	52	0

NOTE NO. 4.

Investment properties

As at 31 December 2022 RAWLPLUG Group held investment properties worth PLN 4 461 thousand net. RAWLPLUG Group did not generate rent income in 2022. Borrowing costs did not increase the value of investment properties.

	At 31.12.2022	At 31.12.2021
Gross	4 637	4 637
Impairment	176	325
Net	4 461	4 312

There were no increases or decreases in the value of investment properties in 2021 and 2022. Investment properties are not subject to depreciation.

NOTE NO. 5. Non-controlling interests

RAWLPLUG Group holds non-controlling interests in Koelner Hungaria Kft, which are of significance to its consolidated financial statements.

The table below contains this entity's key financial information:

NON-CONTROLLING INTERESTS

Company	31.12.2021	% share of the net profit	Dividend payment	Exchange differences on translation of foreign operations / buy-back of shares	31.12.2022
Koelner Hungaria Kft	61 048	18 203	0	(4 253)	74 998

Koelner Hungaria Kft

	At 31.12.2022	At 31.12.2021
<i>Non-controlling interests (% of votes, % of shares)</i>	49%	49%
Non-current assets	34 326	6 499
Current assets	127 458	126 005
Total assets	161 784	132 504
Current liabilities	8 726	7 916
Total liabilities	8 726	7 916
Equity	153 058	124 588
<i>Profit attributable to shareholders of the parent</i>	78 060	63 540
<i>Non-controlling interests</i>	74 998	61 048
TOTAL EQUITY AND LIABILITIES	161 784	132 504
	01-12.2022	01-12.2021
Revenue from sales	129 193	110 300
Net profit (loss) attributable to owners of the parent	18 947	14 128
Net profit (loss) attributable to non-controlling interests	18 203	13 574
Net profit (loss)	37 150	27 702
Other comprehensive income attributable to owners of the parent	14 520	13 265
Other comprehensive income attributable to non-controlling interests	13 950	12 744
Other comprehensive income	28 469	26 009
Comprehensive income attributable to owners of the parent	14 520	13 265
Comprehensive income attributable to non-controlling interests	13 950	12 744
COMPREHENSIVE INCOME	28 469	26 009

	01-12.2022	01-12.2021
Net cash from operating activities	20 127	13 343
Net cash used in investing activities	(25 954)	6 768
Net cash from financing activities	0	(1 276)
Cash and cash equivalents at the beginning of period	44 806	26 692
Change in cash and cash equivalents due to exchange differences	(2 566)	(722)
Cash and cash equivalents at the end of period	36 413	44 806

NOTA NR 6

Financial instruments

Amounts of financial assets and liabilities presented in the consolidated statement of financial position as at 31 December 2022 and 31 December 2021 by IFRS 9 category:

		31.12.2022				31.12.2021			
		Measured at amortised cost	Measured at fair value	Outside the scope of IFRS 9	Total	Measured at amortised cost	Measured at fair value	Outside the scope of IFRS 9	Total
Non-current assets	Loans and receivables	61 719	0	0	61 719	40 439	0	0	40 439
	Investment in subsidiaries	0	47 604	0	47 604	0	35 102	0	35 102
	Trade and other receivables	191 409	0	0	191 409	161 283	0	0	161 283
Current assets	Receivables from taxes, prepayments and advances	0	0	15 012	15 012	0	0	13 036	13 036
	Loans	27 945	0	0	27 945	41 578	0	0	41 578
	Shares	95	0	0	95	84	0	0	84
	Derivative instruments	0	11 657	0	11 657	0	2 721	0	2 721
	Cash and cash equivalents	52 476	0	0	52 476	64 267	0	0	64 267
	Total	333 644	59 261	15 012	407 918	307 651	37 823	13 036	358 510
Non-current liabilities	Loans, borrowings, other debt instruments	269 263	0	0	269 263	57 591	0	0	57 591
	Finance leasing	24 535	0	0	24 535	21 123	0	0	21 123
	Other liabilities	7	0	0	7	0	0	0	0
Current liabilities	Trade and other payables	220 512	0	0	220 512	183 895	0	0	183 895
	Tax liabilities	0	0	17 785	17 785	0	0	13 795	13 795
	Loans, borrowings, other debt instruments	55 972	0	0	55 972	224 506	0	0	224 506
	Finance leasing	21 461	0	0	21 461	15 848	0	0	15 848
	Total	591 750	0	17 785	609 535	502 963	0	13 795	516 758

NOTE NO. 7. Financial assets

Financial assets include loans (other non-current and current financial assets), investments in subsidiaries (interests in subsidiaries) and derivatives.

Shares in privately-held companies are measured by the Group at purchase price, less impairment. Loans are measured at the amount due to be repaid, together with interest, if the difference from measurement at amortised cost is insignificant. Financial derivatives are measured at fair value.

The carrying amount of financial assets does not differ from their fair value. The Group did not reclassify elements of financial assets, which would result in a change of measurement principles regarding the difference between their fair value and purchase price or amortised cost.

	At 31.12.2022	Shares	Loans	Derivative instruments
Gross	Non-current	53 294	61 300	0
	Current	96	27 945	11 657
	Total	53 390	89 247	11 657
Impairment	Non-current	5 691	788	0
	Current	1	0	0
Net	Non-current	47 604	60 512	0
	Current	95	27 945	11 657
	Total	47 698	88 457	11 657
	At 31.12.2021	Shares	Loans	Derivative instruments
Gross	Non-current	40 792	38 660	0
	Current	96	39 936	2 721
	Total	40 888	78 596	2 721
Impairment	Non-current	5 691	0	0
	Current	12	1 163	0
Net	Non-current	35 102	38 659	0
	Current	84	38 773	2 721
	Total	35 185	77 433	2 721

As at 31 December 2022 RAWLPLUG S.A. had open accounts at DM BOŚ S.A. under an agreement to exercise orders to buy and sell financial instruments on the cash market.

Under this agreement, as at 31 December 2022 RAWLPLUG Group had financial derivatives measured at fair value, the measurement of which was recognised in the relevant item of the statement of profit and loss.

LOANS

At 31.12.2022	Parent	Subsidiaries	Entities from outside the Group
Non-current	40 342	20 170	0
Current	0	27 659	286

At 31.12.2021	Parent	Subsidiaries	Entities from outside the Group
Non-current	37 187	1 259	214
Current	0	38 719	54

NOTE NO. 8. Inventories

The considerable growth in inventories results from the necessity to maintain high product availability. As of 31 December 2022, inventories were encumbered with pledges for borrowings, amounting to PLN 275 000 thousand. At 31 December 2022, impairment of inventories amounted to PLN 20 845 thousand. In 2022, a PLN 5 587 thousand impairment loss on inventories was recognised in other operating costs, and a PLN 2 854 thousand impairment loss was reversed and recognised in other operating revenues.

	At 31.12.2022	At 31.12.2021
Materials	33 410	41 332
Semi-finished products, work-in-progress	15 566	16 543
Products	265 149	178 510
Goods	143 424	115 655
Advances for deliveries	4 234	5 752
Total net inventory	461 783	357 792
Impairment of inventories	(20 845)	(18 112)
Total gross inventory	482 628	375 904

NOTE NO. 9. Receivables and prepayments

The Group tested receivables for impairment in accordance with its accounting policy and recognised impairment losses in line with the following coefficients:

- receivables not past due - 1% of the receivable's value,
- receivables overdue by 180-360 days - 50% impairment loss,
- receivables overdue by over 360 days - 100% impairment loss,
- court receivables - 100% impairment loss.

RAWLPLUG Group also has a policy that states that sales are made only to verified customers.

According to the management, there is no need for an additional

	At 31.12.2022	At 31.12.2021
Trade receivables	187 321	158 964
Receivables on taxes, duties, insurance and similar	13 457	8 943
Other receivables	5 295	4 100
Deferred revenue and accruals	8 612	7 819
Total net	214 685	179 826
Impairment	(21 155)	(21 616)
Total gross	235 840	201 442
<i>Non-current</i>	4 462	4 385
<i>Current</i>	231 378	197 057
IMPAIRMENT OF RECEIVABLES		
Beginning of period	21 616	19 407
Increases	8 215	9 024
Decreases	(8 676)	(6 815)
End of period	21 155	21 616

allowance for expected credit losses. At the date on which these annual consolidated financial statements were published, no reasons were

identified for increasing the expected credit loss or amending the Group's policy in this respect. The carrying amount of trade receivables is regarded by the

Group as being a reasonable approximation of their fair value. The maximum exposure to credit risk concerning receivables is equal to their carrying amount.

NOTE NO. 10. Cash and cash equivalents

As at 31 December 2022 the Group had no restricted cash.

	At 31.12.2022	At 31.12.2021
Cash on hand and at bank accounts	52 476	64 267

NOTE NO. 11. Equity

RAWLPLUG S.A.'s share capital as at 31 December 2022 amounted to PLN 32 560 thousand.

As at 31 December 2022, RAWLPLUG S.A. held a total of 1 500 599 own shares. Pursuant to art. 364 par. 2 of the Polish Commercial Companies Code, RAWLPLUG S.A. does not exercise voting rights attached to the treasury shares it holds. Treasury shares do not receive a dividend.

SHARE CAPITAL

Series	Type of share	Type of preference	Number of shares	Nominal value	Method of payment	Registration date
A1	bearer	none	23 000 000	23 000	cash	20.07.2004
B	bearer	none	7 000 000	7 000	cash	03.12.2004
C	bearer	none	335 200	335	cash	16.11.2005
C	bearer	none	185 400	185	cash	21.11.2006
D	bearer	none	1 500 000	1 500	cash	20.03.2007
C	bearer	none	268 700	269	cash	03.12.2007
C	bearer	none	270 700	271	cash	10.03.2008
			32 560 000	32 560		

On the date of the annual consolidated financial statements and as at 31 December 2022 RAWLPLUG S.A.'s shareholders is presented in the table "Shareholders."

[** % in share capital = % of votes at General Meeting; **% stake in share capital = % share of votes at General Meeting]

SHAREHOLDING STRUCTURE

Shareholder	Number of shares*	Stake in share capital**
Amicus Polinae Sp. z o.o.	17 453 750	53,6
Radostaw Koelner	3 189 371	9,8
PKO BP Bankowy PTE S.A.	2 933 639	9,01
Nationale Nederlanden PTE S.A.	2 842 138	8,73
Other	6 141 102	18,86
Total	32 560 000	100,00

OTHER RESERVES

	31.12.2022	31.12.2021
Other supplementary capital	21 096	21 096
Statutory supplementary capital	10 853	10 854
Other reserves	30 665	30 665
Exchange differences on translation of foreign operations	22 829	27 745
Total	85 443	90 360

RETAINED EARNINGS

	31.12.2022	31.12.2021
Financial result from prior years	306 958	213 409
Current-period net profit / (loss)	108 840	112 194
Total	415 798	325 603

TREASURY SHARES

	31.12.2022	31.12.2021
Treasury shares	12 505	12 505
Total	12 505	12 505

DIVIDEND

The Parent's Ordinary General Meeting was held on 14 June 2022. Among the resolutions adopted at the General Meeting was a resolution on the method of distribution of profit for the 2021 financial year, according to which RAWLPLUG S.A.'s net profit for the 2021 financial year in the amount of PLN 53 119 995.84 was allocated to the payment of dividends in the amount of PLN 18 635 640.60 (i.e. PLN 0.60 per share), the coverage of loss from previous years in the amount of PLN 13 780 194.53 and an increase in the Company's supplementary capital in the amount of PLN 20 704 160.71.

The dividend applied to 31 059 401 shares (i.e. the total number of the Company's shares minus own shares bought back). The Ordinary General Meeting set the record date as 3 August 2022 and the dividend was paid on 22 August 2022.

	2022 [PLN]	2021 [PLN]
Dividends recognised as payments to owners per share	0.60	0.38

NOTE NO. 12.

Provisions

Provisions for employee benefits are estimated by the Group taking into account length of service, age, inflation rate and annual wage growth.

In 2022, the Group did not participate in any substantial court proceedings for which no provision was recognised

	Employee benefit provision	Other provisions
At 01.01.2022	3 419	2 632
Recognition	345	9 562
Utilisation	0	(8 559)
Release	(303)	(431)
Other changes	32	0
Change due to exchange differences	130	3
At 31.12.2022	3 623	3 208
<i>Non-current</i>	<i>3 600</i>	<i>42</i>
<i>Current</i>	<i>23</i>	<i>3 166</i>
	Employee benefit provision	Other provisions
At 1.12.2021	2 966	2 939
Recognition	2 416	3 706
Utilisation	0	(2 383)
Release	(1 684)	(1 631)
Other changes	(417)	0
Change due to exchange differences	137	1
Reclassification	0	(1)
At 31.12.2021	3 419	2 631
<i>Non-current</i>	<i>3 396</i>	<i>33</i>
<i>Current</i>	<i>23</i>	<i>2 598</i>

NOTE NO. 13. Financial liabilities

In 2022, the Group used external financing sources in the form of credit and loans. Additionally, the Group was party to finance lease and reverse factoring agreements.

In 2022, the Group did not infringe on any material contractual provisions relating to loans and borrowings. The carrying amount of loans and borrowings as at 31 December 2022 was PLN 325 235 thousand.

As at 31 December 2022, the Group did not have any overdue principal or interest payments under credit facilities. For a detailed description of new loans and advances in the Group, please refer to the subsection "Credit facilities" in the Management Report and the maturity dates are shown in note 30.

CREDIT FACILITIES AND OTHER DEBT

		At 31.12.2022	At 31.12.2021
NON-CURRENT	Credit facilities	268 012	57 591
	Lease liabilities	1 251	0
	Loans	24 535	21 123
	Total	293 798	78 714
CURRENT	Credit facilities	43 143	221 893
	Loans	12 829	2 613
	Lease liabilities	21 461	15 848
	Factoring liabilities	42 864	37 511
	Other financial liabilities	5	4
Total	120 302	277 869	
Total	414 100	356 583	

	At 01.01.2022	Increases	Decreases	At 31.12.2022
Loans and borrowings	282 097	47 029	(3 091)	325 235

	At 31.12.2022		At 31.12.2021	
	Available limits not reduced by utilisation	Utilisation	Available limits not reduced by utilisation	Utilisation
Open lines of credit	485 798	325 235	449 055	282 097

Information regarding the value of RAWLPLUG Group's assets constituting credit collateral is presented in Notes 3 and 8. All of the credit facilities have variable interest rates based on WIBOR 1M, which was 6.93% as at 31 December 2022 and WIBOR 3M, which was 7.02% on 31 December 2022. The loans received from the subsidiaries in 2022 bear interest on a variable interest rate basis, based on the reference EURIBOR 1M rate, which as at 31 December 2022 was at 2.63%, the reference 30-DAY AVERAGE SOFR which, as at 31 December 2022, was at 4.06% and the reference WIBOR 3M rate which, as at 31 December 2022, was at 7.02%.

NON-CURRENT CREDIT LIABILITIES

Borrower	Lender	Contractual value [PLN]	Contractual value [currency]	Value to be repaid [PLN]	Value to be repaid [currency]	Repayment date
Rawlplug S.A.	ING Bank Śląski S.A.	limit 110 000	-	70 493	-	30.04.2025
Rawlplug S.A.	Bank Handlowy w Warszawie S.A.	60 000 limit	-	52 280	-	02.02.2024
Rawlplug S.A.	PKO Bank Polski S.A.	limit 150 000	-	138 256	-	22.09.2025
Koelner Rawlplug IP Sp. z o.o., branch in Łańcut	Bank Handlowy w Warszawie S.A.	60 000 limit	-	6 983	-	02.02.2024

CURRENT CREDIT LIABILITIES

Borrower	Lender	Contractual value [PLN]	Contractual value [currency]	Value to be repaid [PLN]	Value to be repaid [currency]	Repayment date
RAWLPLUG S.A.	Bank Handlowy w Warszawie S.A.	limit 10 000	-	6 429	-	no deadline
Koelner Rawlplug IP Sp. z o.o., branch in Łańcut	Bank Handlowy w Warszawie S.A.	limit 38 000	-	1 090	-	no deadline
Koelner Rawlplug IP Sp. z o.o., branch in Łańcut	Bank Handlowy w Warszawie S.A.	-	-	26 657	EUR 5 684	no deadline
Rawl France SAS	Bank Handlowy w Warszawie S.A.	limit 10 000	-	8 967	-	no deadline
Rawlplug Ireland Ltd	Bank Handlowy w Warszawie S.A.	-	limit EUR 2 500	9 361	EUR 1 996	no deadline
Rawlplug Ltd	Bank Handlowy w Warszawie S.A.	limit 15 000	-	-	-	no deadline

PAYMENTS RELATED TO NON-CURRENT LEASES

	At 31.12.2022
Land and buildings	6 512
Means of transport	2 106
Technical equipment and machinery	682
Other	540
Total	9 840

NOTE NO. 14.

Trade and other payables

The carrying amount of trade payables is regarded by the Group as being a reasonable approximation of their fair value.

	At 31.12.2022	At 31.12.2021
Trade and other	142 991	122 452
Taxes, duties, insurance and similar	14 185	11 947
Remuneration-related liabilities	8 146	6 651
Liabilities connected with purchase of property, plant and equipment	21 272	12 973
Other	5 241	4 304
Total	191 835	158 327
<i>Non-current</i>	<i>7</i>	<i>0</i>
<i>Current</i>	<i>191 828</i>	<i>158 327</i>

NOTE NO. 15.

Conditional liabilities

In 2022, RAWLPLUG Group companies did not issue guarantees or sureties to entities outside of the Group.

RAWLPLUG Group companies issue mutual sureties for both credit facilities and lease contracts as well as in the course of regular commercial activities. These are intra-group transactions

(guaranteed liabilities are recorded in the consolidated balance sheet), therefore the associated liabilities are not recognised in the consolidated financial statements.

Liabilities of this type granted to subsidiaries by RAWLPLUG S.A. are described in detail in RAWLPLUG S.A.'s separate financial statements for 2022, notes 16 and 22.

NOTE NO. 16

Conditional assets

There were no conditional assets.

NOTE NO. 17.

Deferred revenue and accruals

	At 31.12.2022	At 31.12.2021
Deferred revenues, including:	677	883
Grants	479	666
Other	198	217
Deferred revenues and accruals, including:	26 371	24 055
Provision for liabilities due to future deliveries	4 330	7 018
Provision for unused vacation time	3 226	3 546
Provision for bonuses	18 236	12 334
Other	579	1 157
Total	27 048	24 938
<i>Non-current</i>	<i>490</i>	<i>696</i>
<i>Current</i>	<i>26 558</i>	<i>24 242</i>

NOTE NO. 18.

Income tax

INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS	01-12.2022	01-12.2021
Current tax	22 169	20 615
Income tax for the reporting period	21 620	20 127
Adjustments included in the current-period financial statements concerning current tax for preceding periods	549	488
Deferred tax	4 713	7 262
Decrease (increase) due to recognition and reversal of temporary differences	4 588	4 607
Decrease (increase) due to tax loss and tax credit	(37)	521
Decrease (increase) due to a previously unaccounted for tax loss, tax credit or temporary difference from a previous period	154	2 127
Other	8	7
Total income tax recognised in the statement of profit and loss	26 882	27 877

CURRENT INCOME TAX	At 31.12.2022	At 31.12.2021
Current income tax receivables	1 556	4 093
Current income tax liabilities	3 599	1 848

Deferred tax assets	01.01.2021	Credit / (debit)	31.12.2021	Credit / (debit)	31.12.2022
Difference between carrying amount and tax value of tangible assets and intangible assets	23 759	(2 510)	21 249	(2 379)	18 870
Non-taxable costs of the period	6 978	(424)	6 554	2 089	8 643
Provisions	1 198	677	1 875	105	1 980
Tax losses	5 567	(2 703)	2 864	(930)	1 934
Other	9 458	526	9 984	2 099	12 083
Total	46 960	(4 434)	42 526	984	43 510
Deferred tax provision	01.01.2021	Credit / (debit)	31.12.2021	Credit / (debit)	31.12.2022
Difference between carrying amount and tax value of tangible assets and intangible assets	14 347	1 917	16 264	1 864	18 128
Other	2 511	777	3 288	3 983	7 271
Total	16 858	2 694	19 552	5 847	25 399

As at 31 December 2022, unsettled tax losses that may be realised in subsequent reporting periods amounted to PLN 7 504 thousand (31 December 2021: PLN 12 203 thousand).

Year of the tax loss	Amount of tax losses	Amount of tax losses available	Latest year of settlement
for 2015	489	489	no limit
for 2016	2 422	2 422	no limit
for 2017	1 088	1 088	no limit
for 2018	1 658	1 658	no limit
for 2019	1 418	1 418	no limit
for 2020	429	429	no limit
Total	7 504	7 504	
Tax rate		25%	
Deferred tax due to tax loss		1 876	

The table above presents tax losses for which Group companies have recognised deferred income tax assets.

Their exercise is dependent on generating income tax in the future that will exceed income from

reversing positive temporary differences. As at 31 December 2022, these net assets were valued at PLN 1 876 thousand (31 December 2021: PLN 2 738 thousand). RAWLPLUG Group's financial statements do not feature

any deferred income tax assets. The Group does not have any unused tax credit. There are no unrecognised temporary differences in income tax, resulting from investments in associates, subsidiaries and jointly controlled entities. The basis for

recognising the above assets are the current budgets of Group companies, approved by the Parent's management, along with the Group's strategy.

NOTE NO. 19.

Revenue from sales

Revenue from sales in the reporting period mainly concerned the sale of fixings, fasteners and hand- and power-tools.

The products manufactured by the Group are used in construction, automotive, energy, road building, wood industry, machinery, electronic machinery, mining, ship-building, and they guarantee safety and durability. The Group's assortment is very diverse therefore it is not possible to separate product lines by product. The transaction price includes fixed and variable remuneration. Remuneration relates to bonuses due to customers for meeting certain order levels. Revenue from sales was adjusted for variable remuneration due for customers, estimated as the most likely value, constituting a single amount from a range of possible remuneration amounts.

	At 31.12.2022	At 31.12.2021
Net revenue from sale of products	754 921	616 885
Net revenue from sale of services	5 194	3 299
Net revenue from sale of goods	446 475	382 207
Net revenue from sale of materials	11 951	9 455
Total	1 218 541	1 011 846
	At 31.12.2022	At 31.12.2021
Domestic	334 792	281 457
Export	883 749	730 389
Total	1 218 541	1 011 846

NOTE NO. 20. Expenses by nature

Employee benefit costs in 2022 amounted to PLN 188 thousand, of which PLN 153 thousand were salaries and PLN 35 thousand were social security and other benefits.

	01-12.2022	01-12.2021
Depreciation	42 347	35 758
Use of materials and energy	381 624	271 663
Employee benefit expenses	188 271	165 205
Business travel	3 138	1 476
Transport	46 977	39 302
Representation and advertising	9 680	6 822
Taxes and fees, property insurance	8 017	8 548
External services	108 546	96 692
Other costs	8 911	7 528
Total	797 511	632 994

NOTE NO. 21

Other operating revenues and expenses

OTHER OPERATING REVENUES	01-12.2022	01-12.2021
Gain on disposal of non-financial non-current assets	1 810	3 083
Grants	187	401
Reversal of impairment losses on receivables	1 592	0
Reversal of impairment losses on inventories	2 854	1 237
Reversal of provisions	728	2 833
Settlement of leasing	51	183
Inventory surpluses	1 978	1 470
Lease / rent income	1 705	1 103
Gain on bargain purchase	0	975
Refund of legal expenses / received penalties and compensations	125	271
Sale of other services	1 500	944
Other	5 368	2 877
Total	17 898	15 377

OTHER OPERATING EXPENSES	01-12.2022	01-12.2021
Loss on disposal of non-financial non-current assets	27	0
Impairment of receivables	0	1 051
Impairment of inventories	4 504	3 021
Impairment of non-current non-financial assets	735	0
Penalties and compensations	138	1 533
Donations	1 253	1 233
Recognition of provisions	923	3 555
Inventory shortages	4 793	3 874
Scrapping costs	1 504	1 128
Settlement of leasing	46	157
Receivables written off	757	598
Other	4 830	1 997
Total	19 510	18 147

NOTE NO. 22

Finance income and costs

In 2022, RAWLPLUG S.A. had four outstanding SWAPs, information on which is available in the note "Interest rate risk."

Following these operations, in connection with the performance and measurement of these transactions, RAWLPLUG reported PLN 12 511 thousand in profit in finance income.

Finance costs concern financial liabilities at amortised cost, except impairment of investment properties.

FINANCE INCOME	01-12.2022	01-12.2021
Interest on loans and borrowings granted	4 489	1 444
Dividends and share of profit	0	447
Gains on exchange differences	2 172	167
Reversal of impairment of financial assets	452	0
Other interest	667	56
Measurement of derivatives	12 511	1 104
Other	355	55
Total	20 646	3 273

FINANCE COSTS	01-12.2022	01-12.2021
Interest on loans and borrowings	19 383	5 531
Other interest	2 215	635
Commissions	1 473	1 444
Impairment of financial assets	38	38
Losses on exchange differences	0	134
Sureties and guarantees	23	53
Other	2 598	1 956
Total	25 730	9 791

NOTE NO. 23

Earnings per share

Basic consolidated profit per share attributable to the owners of the Group's parent is the product of dividing the current-period profit attributable to shareholders by the weighted average number of shares outstanding during the period.

Weighted average number of ordinary shares:
 $(31\,059\,401 \text{ shares} \times 365 \text{ days}) / 365 \text{ days} = 31\,059\,401 \text{ shares}$

The amount of diluted profit per ordinary share is equal to the amount of profit per share.

	At 31.12.2022	At 31.12.2021
Profit attributable to owners of the parent	108 840	112 194
Weighted average number of ordinary shares	31 059 401	31 059 401
Earnings per share (in PLN)	3,50	3,61

NOTE NO. 24

Transactions with related parties

All transactions between related parties were executed on market terms.

Comparative data concerning items in the statement of profit and loss are shown for the period 01-12.2021, comparative date concerning the financial situation as at 31 December 2021

RELATED-PARTY TRANSACTIONS	Total related parties	Eliminations	Total related parties, after eliminations
Net revenue from sale of products, goods, materials and services	374 912	(312 067)	62 845
Purchases included in the cost of manufacture and value of goods, materials and services sold	344 098	(287 201)	56 897
Purchases included in selling costs and administrative expenses	35 099	(29 808)	5 291
Purchase or contribution of tangible assets and intangible assets	868	(868)	0
Other operating revenues	11 963	(7 736)	4 228
Other operating expenses	2 370	(2 363)	7
Dividend income	4 925	(4 925)	0
Other finance income	9 721	(5 261)	4 460
Finance costs	5 747	(5 261)	487
Receivables and prepayments, excluding loan receivables	131 011	(92 386)	38 626
Loan and borrowing receivables	194 599	(106 798)	87 802
Liabilities and deferred revenues, excluding loan and borrowing liabilities	105 567	(96 335)	9 232
Loan and borrowing liabilities	110 911	(106 903)	4 009

TRANSACTIONS WITH RELATED PARTIES EXCLUDED FROM CONSOLIDATION	01-12.2022	01-12.2021
Revenue from sale of products, services, goods and materials	62 845	29 700
Purchase of services, goods and materials	58 071	11 466
Other operating revenues	6 424	5 226
Purchase of property, plant and equipment	0	103
Other costs	493	0
	31.12.2022	31.12.2021
Liabilities	9 079	1 927
Receivables	38 614	17 176
Loans and borrowings granted	47 460	39 492
Loans and borrowings received	4 009	1 269

Concerns transactions with the following entities: Rawlplug Ireland (Export) Ltd, Koelner-Ukraine LLC, Koelner Trading KLD LLC, Rawl Africa (Pty) Ltd, Rawlplug Portugal LDA, Rawlplug Singapore PTE. LTD, Rawlplug Shanghai Trading Co., Ltd, Rawlplug Inc., Rawlplug Products and Services India Private Ltd, JN192 Sp. z o.o., JN192 Sp. z o.o. Sp.k., Rawlplug Australia Pty Ltd, RAWLPLUG SPL Sp. z o.o., Rawlplug Turkey Insaat Malzemeleri LIMITED SIRKETI, Rawlplug Energia Odnawialna Sp. z o.o., Rawlplug Dystrybucja Sp. z o.o., Rawlplug Inwestycje Sp. z o.o.

TRANSACTIONS WITH THE PARENT	01-12.2022	01-12.2021
Other operating revenues	2 254	798
<hr/>		
	31.12.2022	31.12.2021
Loans and borrowings granted	40 342	37 187

Concerns transactions with the parent: Amicus Polinae Sp. z o.o.

TRANSACTIONS WITH KEY PERSONNEL AND THEIR RELATED PARTIES	01-12.2022	01-12.2021
Revenue from sale of products, services, goods and materials	0	467
Purchase of services, goods and materials	4 117	3 214
Purchase of property, plant and equipment	10	7
Other costs	1	9
<hr/>		
	31.12.2022	31.12.2021
Liabilities	153	105
Receivables	12	273

Concerns transactions with members of RAWLPLUG S.A.'s Management Board and Supervisory Board, as well as with their relatives. Radosław Koelner - President of the Management Board and co-owner of RAWLPLUG S.A.

NOTE NO. 25

Government grants

Government grants	479	666
<i>Non-current</i>	<i>292</i>	<i>479</i>
<i>Current</i>	<i>187</i>	<i>187</i>

NOTE NO. 26

War in Ukraine

Following Russia's aggression against Ukraine, the Group took a range of measures to both assist Ukrainians and minimise the business risks that arose.

In 2022, the war did not affect employment levels of Ukrainian citizens at RAWLPLUG Group's facilities. The subsidiary in Ukraine halted sales activities after the start of the war, but resumed limited operations in April. Component sources in Ukraine were initially hindered, but purchases from areas not covered by direct hostilities resumed in the second quarter of 2022.

RAWLPLUG S.A. holds shares in a company in Ukraine and two companies in the Russian Federation.

31.12.2022						
Company	Stake	Impairment loss on shares	Loans	Impairment of loans	Receivables	Impairment loss on receivables
Koelner-Ukraine LLC*	7 621	0	0	0	0	0
Koelner Trading KLD LLC*	2 960	0	12 560	0	262	0
Koelner Ltd	3 683	(3 683)	0	0	3 908	(3 908)

* companies not subject to consolidation as at 30 September 2022.

The value of this exposure is shown in the table above. RAWLPLUG Group is continuously monitoring the situation in Ukraine and the Russian Federation and its impact on the Group's activities.

At the same time, the Management Board of RAWLPLUG S.A. expects that due to the dynamic and unpredictable situation with the war in Ukraine new circumstances might materialise in the future that can have a material impact on the activities and results of RAWLPLUG S.A. and RAWLPLUG Group.

Despite the fact that the Parent Company's Management Board monitors risks on an on-going basis, as of the date of this Report it is not in a position to estimate the impact of the war in Ukraine on future results, as the impact will also depend on factors that are beyond the control of RAWLPLUG S.A. and the RAWLPLUG Group. At the same time, the Management Board of the Parent does not currently see any threat to the continuation of the companies' operations.

If new significant events related to the impact of the war in Ukraine on the activities of RAWLPLUG S.A. and RAWLPLUG Group take place and if credible estimates of the potential impact of this factor on the results of the Company or Group are obtained, the Parent's Management Board will disclose the relevant information through current reports.

Koelner Ltd does not conduct operations in Russia since 2015. In connection with this, RAWLPLUG S.A. recognised a provision for its stake and receivables also in 2015. The stake has been fully written off.

NOTE NO. 27

Currency risk

RAWLPLUG Group operates as both importer and exporter, as a result of which currency risk is largely limited.

RAWLPLUG Group did not execute other currency risk hedging transactions in 2022. Presented below are monetary assets and liabilities expressed in currencies other than the functional currency, after translation into PLN, as at 31 December 2022.

Currency	Trade receivables - gross	Other receivables gross	Loans loans	Advance payments	Cash and cash	Trade payables	Other liabilities	Loans and borrowings received
EUR	57 376	192	53 914	1 450	2 309	23 229	60 698	99 794
USD	47 896	3 360	50 855	5 765	1 076	19 177	11 158	8 825
GBP	1 175	0	0	0	422	1 399	2 558	6 408
PLN	0	0	0	0	22	6 694	0	0
CZK	0	0	0	0	0	84	0	0
HUF	0	0	0	0	0	0	0	23 572
CHF	0	0	0	2 888	0	0	0	0
INR	0	0	0	0	0	1 469	0	0
AUD	0	0	0	0	0	36	0	0
TOTAL	106 447	3 552	104 769	10 103	3 829	52 088	74 414	138 599

Presented here is an analysis of the sensitivity of Group earnings to changes in financial assets and liabilities due to fluctuations of GBP, EUR, USD and HUF to PLN. The sensitivity analysis assumes a 10% increase in exchange rates from the closing rate on 31 December 2022 (a decrease in exchange rates would have the same effect, but with the other sign).

	GBP	EUR	USD	HUF	Total
Trade receivables	118	5 738	4 790	0	10 646
Other receivables	0	19	336	0	355
Loans and borrowings granted	0	5 391	5 086	0	10 477
Advances for fixed assets, intangible assets, inventories	0	146	577	0	723
Cash and cash equivalents	42	231	108	0	381
Total financial assets	160	11 525	10 897	0	22 582
Trade and other	(140)	(2 322)	(1 918)	0	(4 380)
Other liabilities	(256)	(6 070)	(1 116)	0	(7 442)
Loans and borrowings	(641)	(9 978)	(883)	(2 357)	(13 859)
Total financial liabilities	(1 037)	(18 370)	(3 917)	(2 357)	(25 681)
Effect on gross result before tax	(877)	(6 845)	6 980	(2 357)	(3 099)

NOTE NO. 28

Interest rate risk

RAWLPLUG Group currently holds variable-interest rate liabilities, and is therefore subject to interest rate risk.

Presented below is an analysis of the sensitivity of the Group's earnings to changes in interest rates.

	Basis for calculating interest	Impact on gross result	Impact on net result
Loans and borrowings granted	88 457	1 634	261
Total financial assets	88 457	1 634	3 180
Loans and borrowings received	14 080	(260)	(211)
Credit facilities	111 155	(2 053)	(1 663)
Leases	45 996	(850)	(688)
Total financial liabilities	171 231	(3 163)	(2 562)
	TOTAL	(1 529)	(1 238)

Given the macroeconomic situation, a deviation corresponding to a change of 1.8 percentage points from the current interest rates is assumed.

The effect of changes in market interest rates on the financial result was calculated as the product of variable interest-rate financial asset and liability balances, and an assumed divergence, i.e. +1.8 percentage points (a divergence of -1.8 percentage points will have the same effect, but with the other sign).

On 8 December 2021, the Parent entered into two interest rate SWAPs with Citi Handlowy Bank Handlowy w Warszawie S.A. for the amount of PLN 100 million.

On 26 January 2022, the Parent executed two SWAPs with BNP Paribas Bank Polska S.A. for PLN 100 million, with the maturity date of 31 December 2024.

The total amount of interest rate hedges is PLN 200 million - the value of credit facilities subject to interest rate risk has been reduced by this amount.

NOTE NO. 29

Credit risk

RAWLPLUG Group's clients who are granted trade limits are subject to verification procedures, and their receivables are continuously monitored.

In the case of overdue receivables, sales are suspended and a debt recovery process is initiated, as per the current procedures in place. Credit risk is further limited due to the size and high degree of diversification of the Group's client base.

The Group does not have debtors whose receivables would exceed 5% of total receivables. As a consequence, the Group is not exposed to a material concentration of credit risk.

The table below presents the ageing of net trade receivables that were not been subject to impairment, from the end of the reporting period.

	At 31.12.2022	At 31.12.2021
Trade receivables, including:	187 321	153 763
On time	130 387	119 154
Overdue, including:	56 934	34 609
a) up to 1 month	25 805	21 373
b) between 1 and 3 months	11 954	8 102
c) between 3 and 6 months	7 381	3 217
d) between 6 months and 1 year	7 102	1 917
e) over 1 year	4 692	0

MAXIMUM EXPOSURE TO CREDIT RISK
IS ESTABLISHED USING THE CARRYING AMOUNT OF THE FOLLOWING
FINANCIAL ASSETS:

	At 31.12.2022	At 31.12.2021
Loans and borrowings granted	88 457	80 237
Trade receivables and other financial receivables	191 409	161 283
Cash and cash equivalents in bank accounts	52 476	64 267

The Group's main practice in managing credit risk is to strive to execute transactions only with entities with proven credibility. Potential customers are subject to the Group's verification procedures when issuing trade credit limits. On-going monitoring of trade receivables by counterparty serves to reduce the credit risk associated with these assets.

The Group has built a model for estimated the expected losses on its receivables portfolio. A simplified version of the model was used for trade receivables, involving the calculation of loss for the instrument's entire life-cycle. The model for the remaining assets, for instruments with modest increase in credit risk since initial recognition or where risk is low, provides for the recognition of losses due to non-performance of obligation in successive 12-month periods.

For loans granted, the Company considers them to feature low credit risk if they are not past due at the

	Indicator of impairment	Value gross	Impairment	Value net
Trade receivables, including:		207 097	19 776	187 321
On time	1%	131 595	1 208	130 387
Overdue, including:	25%	75 501	18 567	56 934
a) up to 1 month	0%	25 833	28	25 805
b) between 1 and 3 months	1%	12 052	98	11 954
c) between 3 and 6 months	0%	7 405	24	7 381
d) between 6 months and 1 year	13%	8 145	1 043	7 102
e) over 1 year	79%	22 066	17 374	4 692

verification date and the borrower confirms the debt balance. The Group assumes that a significant rise in risk occurs when payment is more than 60 days past due. If credit risk significantly rises, losses appropriate to the instrument's entire life-cycle are recognised.

The Group considers that non-performance of an obligation takes place when payment is 90 days past due or other circumstances indicating this occur. Items for which non-performance of an obligation by the debtor is identified, understood as

above, are treated by the Group as impaired financial assets due to credit risk.

Within trade receivables, which constitute the most significant class of assets exposed to credit risk, the Group is not exposed to credit risk associated with a single major counterparty. In consequence, impairment estimates are done on a group basis, and receivables are grouped by period past due. Gross values for each group and amount of impairment at 31 December 2022 were as follows: The amount of

impairment on receivables from entities outside RAWLPLUG Group is determined in accordance with the policy, respectively for receivables not overdue: 1%, overdue by 6 months - 1 year: 50%, overdue by more than 1 year: 100%. Intra-group receivables are assessed individually and an impairment loss is recognised when there is a risk of non-payment.

The Group does not accept collateral for trade receivables. As part of its operations, the Group does not purchase impaired financial assets due to credit risk.

NOTE NO. 30.

Liquidity risk

RAWLPLUG Group manages liquidity through the on-going monitoring of liabilities due, forecasting cash flows and appropriate cash management.

AGE STRUCTURE OF TRADE LIABILITIES FROM THE END OF THE REPORTING PERIOD IN WHICH THEY WERE DUE

	At 31.12.2022	At 31.12.2021
Trade payables, including:	142 991	122 452
On time	110 107	102 854
Overdue, including:	32 884	19 598
a) up to 1 month	18 788	12 220
b) between 1 and 3 months	10 420	5 608
c) between 3 and 6 months	2 233	825
d) between 6 months and 1 year	887	310
e) over 1 year	556	635

At 31.12.2022	Current up to 6 months	Current up to 12 months	Non-current 1 to 3 years
Credit facilities	0	43 143	268 012
Loans	0	12 829	1 251
Total exposure to liquidity risk	0	55 972	269 263

At 31.12.2022	Current up to 12 months	Non-current 1 to 3 years
Lease liabilities	21 461	24 535
Trade and other liabilities	191 828	7
Other financial liabilities	42 869	0
Total exposure to liquidity risk	256 158	24 542

At 31.12.2021	Current up to 6 months	Current up to 12 months	Non-current 1 to 3 years
Credit facilities	15 410	206 483	57 591
Loans	2 613	0	0
Total exposure to liquidity risk	18 023	206 483	57 591

At 31.12.2021	Current up to 12 months	Current up to 12 months
Lease liabilities	15 848	21 123
Trade and other liabilities	158 327	0
Other financial liabilities	37 515	0
Total exposure to liquidity risk	211 690	21 123

NOTE NO. 31

Capital management

RAWLPLUG Group manages capital in order to ensure that it continues as a going concern and provides an appropriate rate of return for its shareholders and other entities interested in the Group's financial condition.

RAWLPLUG Group monitors the level of its capital based on the value of equity recognised in the balance sheet. The Group aims to maintain the equity-to-assets ratio at a level of no less than 0.4. Furthermore, to monitor the level of debt, the Group calculates the net debt (i.e. liabilities due to

leases, credits, loans and other debt instruments, adjusted by cash to operating results adjusted by depreciation) to EBITDA (operating result before depreciation and amortisation) ratio. As at 31 December 2022, the ratio was 1.79.

Both the Group and the Parent are

subject to external capital requirements (covenants in credit agreements). At the balance sheet date, no financial covenants in credit agreements were breached. Margins on other credit facilities remain at levels specified in the relevant agreements.

NOTE NO. 32

Impairment tests

The carrying amount of goodwill of the following companies was subject to impairment test analysis: Rawlplug Ltd, Koelner Hungaria Kft, Rawlplug France SAS, Rawlplug Ireland Ltd. and Koelner Deutschland Group (Koelner Deutschland GmbH and Stahl GmbH). The discounted cash flow model was used for the measurement. The starting point for these valuations was budgets prepared for future years by the companies' management and expectations regarding further growth directions. Assumptions pertaining to the macroeconomic environment in specific markets (inflation, risk-free rate, risk premium) are derived from publicly available economic information and are reflected in the discount rates adopted for the analysed companies. To establish the residual value of cash flows beyond the forecast period, a perpetual annuity was used. According to Rawlplug Group's strategy, its companies will continue to focus on technically specialised assortment that is a source of competitive advantage and above-average margins, whilst ensuring an appropriate and justified level of operating costs. Taking into account the above factors and continuous monitoring of these entities' financial situation, the assumptions adopted give no grounds for recognising impairment on goodwill.

Koelner Deutschland GmbH Group (Koelner Deutschland GmbH and Stahl GmbH)

The calculation for the impairment test of the carrying amount of goodwill for Koelner Deutschland Group (Koelner Deutschland GmbH and Stahl GmbH) was made using the discounted cash flow method. The calculations were based on the Group's 2023 budget and estimated data prepared by the Group's management for 2024-2027. The discount rate applied was calculated using actual financial data, as well as interest rates from external information sources. In the case of Koelner Deutschland Group (Koelner Deutschland GmbH and Stahl GmbH), the Group's value was estimated assuming sales growth for the budget period and conservative growth in 2024-2027. To establish the residual value, i.e. sale price of an asset after end of service, of cash flows beyond a five-year period, a perpetual annuity was used.

The above calculations do not create grounds for recognising impairment losses. Koelner Deutschland Group (Koelner Deutschland GmbH and Stahl GmbH) is subject to consolidation.

Koelner Hungaria Kft.

The calculation for the impairment test of the carrying amount of goodwill for Koelner Hungaria Kft was made using the discounted cash flow method. The calculations were based on a 2023 budget and estimated data prepared by the Group's management for 2024-2027. The discount rate applied was calculated using Koelner Hungaria Kft's actual financial data, as well as interest rates from external information sources.

In the case of Koelner Hungaria Kft, the company's value was estimated assuming sales growth for the budget period and conservative growth in 2024-2037.

To establish the residual value, i.e. sale price of an asset after end of service, of cash flows beyond a five-year period, a perpetual annuity was used.

In RAWLPLUG Group's consolidated financial statements, Koelner Hungaria Kft's goodwill amounts to PLN 3 520 thousand, while the company's net profit for 2022 reached PLN 37 150 thousand, which means that there is no need to test goodwill for impairment.

The company is subject to consolidation.

Rawlplug France SAS

The calculation for the impairment test of the goodwill item for Rawlplug France SAS was made using the discounted cash flow method. The calculation was based on a budget for 2023 prepared by the company's management and estimated data for 2024-2027. The discount rate applied was calculated using Rawlplug France SAS's actual financial data, as well as interest rates from external information sources

and was determined in accordance with the method appropriate for companies with this equity structure.

The estimation of the company's value was made on the assumption of an increase in sales in the following periods resulting from both organic growth of the company's sales in the traditional channel and entry into new high-margin channels, as well as cost optimisation assuming a significant reduction in logistics and warehousing processes carried out in the company. To determine the residual value, which represents the sale price of the asset at the end of its useful life, concerning cash flows beyond 5 years, the perpetual annuity formula was adopted.

The above calculations do not create grounds for recognising impairment losses.

Rawlplug Ltd

The calculation for the impairment test of the goodwill item for Rawlplug Ltd was made using the discounted cash flow method. The calculations were based on a 2023 budget and estimated data prepared by the Group's management for 2024-2027. The discount rate applied was calculated using Rawlplug Ltd's actual financial data, as well as interest rates from external information sources.

In the case of Rawlplug Ltd, goodwill was estimated assuming sales growth for the budget period and conservative growth in 2024-2027.

To establish the residual value, i.e. sale price of an asset after end of service, of cash flows beyond a five-year period, a perpetual annuity was used.

In RAWLPLUG Group's consolidated financial statements, Rawlplug Ltd's goodwill amounts to PLN 5 756 thousand, while the company's net profit for 2022 reached PLN 10 398 thousand, which means that there is no need to test goodwill for impairment.

The company is subject to consolidation.

Rawlplug Ireland Ltd

The calculation for the impairment test of the goodwill item for Rawlplug Ireland Ltd was made using the discounted cash flow method. The calculations were based on a 2023 budget and estimated data prepared by the Group's management for 2024-2027. The discount rate applied was calculated using Rawlplug Ireland Ltd's actual financial data, as well as interest rates from external information sources.

In the case of Rawlplug Ireland Ltd, goodwill was estimated assuming sales growth for the budget period and conservative growth in 2024-2027.

To establish the residual value, i.e. sale price of an asset after end of service, of cash flows beyond a five-year period, a perpetual annuity was used.

The above calculations do not create grounds for recognising impairment losses.

The company is subject to consolidation.

NOTE NO. 33

Remuneration of management and supervisory personnel

01-12.2022	Remuneration at RAWLPLUG S.A.	including roles at subsidiaries, associates and jointly controlled entities	Total
Management Board	142	234	376
Supervisory Board	201	0	201

01-12.2021	Remuneration at RAWLPLUG S.A.	including roles at subsidiaries, associates and jointly controlled entities	Total
Management Board	137	724	861
Supervisory Board	178	0	178

NOTE NO. 34

Events after the end of the reporting period

On 27 February 2023, the Parent signed an annex to a credit agreement with PKO Bank Polski S.A., increasing the financing limit from PLN 60 million to PLN 90 million. To secure the receivables of Bank Handlowy in Warsaw, RAWLPLUG S.A. made the following changes:

- increased the amount of security in the form of a joint mortgage to the amount of PLN 90 million on the right of perpetual usufruct of properties located in Łańcut and related ownership rights to buildings belonging to Koelner Rawlplug IP Sp. z o.o. with its registered office in Wrocław, together with the assignment of rights under the insurance agreement;

- established a registered pledge of up to PLN 30 million on the stock of goods and raw materials held by RAWLPLUG S.A. located in the warehouse at ul. Kwidzyńska 6 in Wrocław.

In 2022, the Parent's Management Board decided to open a company in Spain. The entity is currently being registered.

NOTE NO. 35

Fair value measurement

It is assumed that the nominal value of current financial assets and current financial liabilities, less estimated adjustments for impairment, is close to fair value.

The Parent's management believes that the nominal value of non-current financial assets and non-current financial liabilities, less estimated adjustments for impairment and increased by interest accrued until the end of the reporting period, is close to fair value.

During the reporting period, no transfers were made between the first, second and third level of the fair value hierarchy.

Level 3 includes investment properties only. No level changes or measurement methodology changes were made in 2021.

NOTE NO. 36

Impact of the pandemic

The pandemic did not disrupt RAWLPLUG S.A.'s or RAWLPLUG Group's activities in 2022. The restrictions had local effect only and impacted business in a very

limited way.

NOTE NO. 37.

Statement on non-financial data

The statement on non-financial data of the Group for 2022, prepared in accordance with the Accounting Act of 29 September 1994, is contained in the Management report on the operations of RAWLPLUG Group and RAWLPLUG S.A.

NOTE NO. 38.

Statutory auditor's fees

The total amount of fees paid or due to be paid pursuant to the agreement concerning audit and review of financial statements, together with fees paid or due to be paid for tax advisory services is presented in the table below:

	2022	2021
Audit fees, including:	111	84
- audit of separate financial statements	62	52
- audit of consolidated financial statements	49	32
Audit	48	38
- review of separate financial statements	26	21
- review of consolidated financial statements	22	17

SIGNATURES OF MANAGEMENT BOARD MEMBERS AND PERSON RESPONSIBLE FOR BOOK-KEEPING AT RAWLPLUG S.A.

These consolidated financial statements were approved for publication and signed by RAWLPLUG S.A.'s Management Board.

RADOSŁAW KOELNER

President of the Management Board of RAWLPLUG S.A.

MAREK MOKOT

Vice-President of the Management Board of RAWLPLUG S.A.

PIOTR KOPYDŁOWSKI

Member of the Management Board for finance, Rawlplug S.A.

and the person responsible for book-keeping:

MAŁGORZATA GŁĄBICKA

Director for Accounting and Financial Reporting

Wrocław, 23 March 2023

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