

**RAWLPLUG®**

RAWLPLUG SA

SEPARATE  
FINANCIAL STATEMENTS  
2022

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100 YEARS OF EXPERIENCE  
in fixings, fasteners  
and tools



## SEPARATE FINANCIAL STATEMENTS

### SELECTED 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	610 653	515 272	130 250	112 566
Operating profit (loss)	31 652	46 148	6 751	10 081
Gross profit (loss)	28 001	63 462	5 973	13 864
Net profit (loss)	21 677	53 120	4 624	11 605
Net cash flows from operating activities	(3 582)	20 633	(764)	4 507
Net cash flows from investing activities	(23 213)	(31 464)	(4 951)	(6 874)
Net cash flows from financing activities	27 192	10 538	5 800	2 302
Total net cash flows	397	(293)	85	(64)
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)	0.70	1.71	0.15	0.37

\* 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	945 363	829 613	201 574	180 374
Non-current liabilities	346 897	76 801	73 967	16 698
Current liabilities	203 770	361 158	43 449	78 523
Equity	394 696	391 654	84 159	85 153
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)	12.71	12.61	2.71	2.74

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

## SEPARATE STATEMENT OF FINANCIAL POSITION

	At 31.12.2022	At 31.12.2021	Note
<b>NON-CURRENT ASSETS</b>	<b>534 455</b>	<b>480 603</b>	
Intangible assets	11 992	8 378	2
Property, plant and equipment	131 124	117 931	3
Investment properties	3 352	3 203	4
Investment in subsidiaries	310 540	298 086	7
Other non-current financial assets	59 451	37 610	6
Non-current receivables and deferred revenue and accruals	3 324	3 289	9
Deferred income tax assets	14 671	12 106	15
<b>CURRENT ASSETS</b>	<b>410 908</b>	<b>349 010</b>	
Inventories	247 743	185 921	8
Current receivables and deferred revenue and accruals	119 262	108 081	9
Current income tax receivables	955	2 169	15
Other current financial assets	41 106	51 393	6
Cash and cash equivalents	1 843	1 446	10
<b>TOTAL ASSETS</b>	<b>945 363</b>	<b>829 613</b>	

	At 31.12.2022	At 31.12.2021	Note
<b>EQUITY</b>	<b>394 696</b>	<b>391 654</b>	
Share capital	32 560	32 560	11
Share premium	146 673	146 673	
Other reserves	69 181	69 181	11
Retained earnings	158 787	155 745	11
Treasury shares	(12 505)	(12 505)	11
<b>LIABILITIES</b>	<b>550 667</b>	<b>437 959</b>	
<i>Non-current liabilities</i>	<i>346 897</i>	<i>76 801</i>	
Loans and borrowings	320 130	52 570	13
Long-term leases	12 480	14 418	13
Trade and other payables	136	141	14
Deferred income tax provision	13 626	9 005	15
Employee benefit provisions	483	634	12
Liability provisions	42	33	12
<i>Current liabilities</i>	<i>203 770</i>	<i>361 158</i>	
Loans and borrowings	26 628	216 531	13
Short-term leases	11 981	10 313	13
Other current financial liabilities	42 956	37 556	13
Trade and other payables	120 203	95 016	14
Liability provisions	2 002	1 742	12
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>945 363</b>	<b>829 613</b>	

## SEPARATE STATEMENT OF PROFIT AND LOSS

	At 31.12.2022	At 31.12.2021	Note
Revenue from sale of products, goods, materials and services	610 653	515 272	17
Cost of products, goods, materials and services sold	(424 161)	(336 791)	
<b>Gross profit (loss) on sales</b>	<b>186 492</b>	<b>178 481</b>	
Selling costs	(124 592)	(106 660)	
Administrative expenses	(32 283)	(26 982)	
Other operating revenues	17 282	15 699	19
Other operating expenses	(15 247)	(14 390)	19
<b>Operating profit (loss)</b>	<b>31 652</b>	<b>46 148</b>	
Finance income	27 001	26 310	20
Finance costs	(30 652)	(8 996)	20
<b>Gross profit (loss)</b>	<b>28 001</b>	<b>63 462</b>	
Income tax	(6 324)	(10 342)	15
<b>Net profit (loss)</b>	<b>21 677</b>	<b>53 120</b>	
<i>Net profit (loss) on continuing operations</i>	21 677	53 120	
<i>Net profit (loss) on discontinued operations</i>	0	0	
<b>Net profit (loss) per ordinary share:</b>			
<b>Basic</b>	0.70	1.71	21
<i>Basic from continuing operations</i>	0.70	1.71	
<i>Basic from discontinued operations</i>	0	0	
<b>Diluted</b>	0.70	1.71	21
<i>Diluted from continuing operations</i>	0.70	1.71	
<i>Diluted from discontinued operations</i>	0	0	

## SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	At 31.12.2022	At 31.12.2021
<b>Net profit (loss)</b>	<b>21 677</b>	<b>53 120</b>
Items not transferable to profit or loss	0	0
Items transferable to profit or loss:	0	0
<b>Comprehensive income</b>	<b>21 677</b>	<b>53 120</b>

## SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total equity
Balance as at 01.01.2022	32 560	146 673	(12 505)	69 181	155 745	391 654
Changes in equity during the period 1 Jan - 31 Dec 2022	0	0	0	0	3 041	3 041
Net profit for the period from 1 Jan to 31 Dec 2022	0	0	0	0	21 677	21 677
Total comprehensive income for the period	0	0	0	0	21 677	21 677
Dividend payment	0	0	0	0	( 18 636)	(18 636)
Other changes	0	0	0	0	0	0
Balance as at 31.12.2022	32 560	146 673	(12 505)	69 181	158 787	394 696

	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total equity
Balance as at 01.01.2021 (published data)	32 560	146 673	(12 505)	69 181	128 208	364 117
Impact of merger (with Koelner Polska Sp. z o.o. on 4 January 2021)	0	0	0	0	(13 780)	(13 780)
Balance as at 01.01.2021 (data after merger of companies)	32 560	146 673	(12 505)	69 181	114 428	350 337
Changes in equity during the period 1 Jan - 31 Dec 2021	0	0	0	0	41 317	41 317
Net profit for the period from 1 Jan to 31 Dec 2021	0	0	0	0	53 120	53 120
Total comprehensive income for the period	0	0	0	0	53 120	53 120
Dividend payment	0	0	0	0	(11 803)	(11 803)
Balance as at 31.12.2021	32 560	146 673	(12 505)	69 181	155 745	391 654



## SEPARATE STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES	01-12.2022	01-12.2021
Gross profit	28 001	63 462
Adjustments:	14 133	(11 286)
Depreciation	13 404	12 051
(Gain) / loss on exchange differences	(1 105)	(1 454)
Interest costs	21 805	6 606
Interest income	(4 959)	(1 567)
Dividend income	(4 924)	(22 129)
(Profit) / loss on investing activities	(10 088)	(4 793)
Cash from operating activities, before changes in working capital	42 134	52 176
Change in provisions	118	1 289
Change in inventories	(61 822)	(56 757)
Change in receivables	(14 960)	(8 517)
Change in liabilities	33 763	48 346
Other adjustments	(55)	(8 137)
Cash from operating activities	(822)	28 400
Income tax paid	(2 760)	(7 767)
<b>Net cash from operating activities</b>	<b>(3 582)</b>	<b>20 633</b>

CASH FLOWS FROM INVESTING ACTIVITIES	01-12.2022	01-12.2021
Purchase of property, plant and equipment and intangible assets	(21 329)	(13 593)
Proceeds from sale of property, plant and equipment and intangible assets	1 913	5 653
Acquisition of control over subsidiaries	(12 453)	(9 193)
Loans granted to related parties	(35 971)	(36 310)
Repayment of loans granted to related parties	38 113	20 775
Interest received from investing activities	1 285	379
Dividends received, classified as investing activities	4 946	2 135
Other investment inflows (outflows)	283	(1 310)
<b>Net cash used in investing activities</b>	<b>(23 213)</b>	<b>(31 464)</b>

CASH FLOWS FROM FINANCING ACTIVITIES	01-12.2022	01-12.2021
Proceeds from loans and borrowings incurred	119 233	45 101
Repayment of loans and borrowings	(43 186)	(6 808)
Repayment of lease liabilities	(12 264)	(10 034)
Dividend paid	(18 636)	(11 803)
Interest paid	(17 955)	(5 918)
<b>Net cash from financing activities</b>	<b>27 192</b>	<b>10 538</b>
<b>Change in cash and cash equivalents</b>	<b>397</b>	<b>(293)</b>
CASH AND EQUIVALENTS AT THE BEGINNING OF PERIOD	1 446	1 739
CASH AND EQUIVALENTS AT THE END OF PERIOD	1 843	1 446

## ADDITIONAL INFORMATION

### GENERAL INFORMATION

These separate 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 RAWLPLUG S.A. 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 Company.



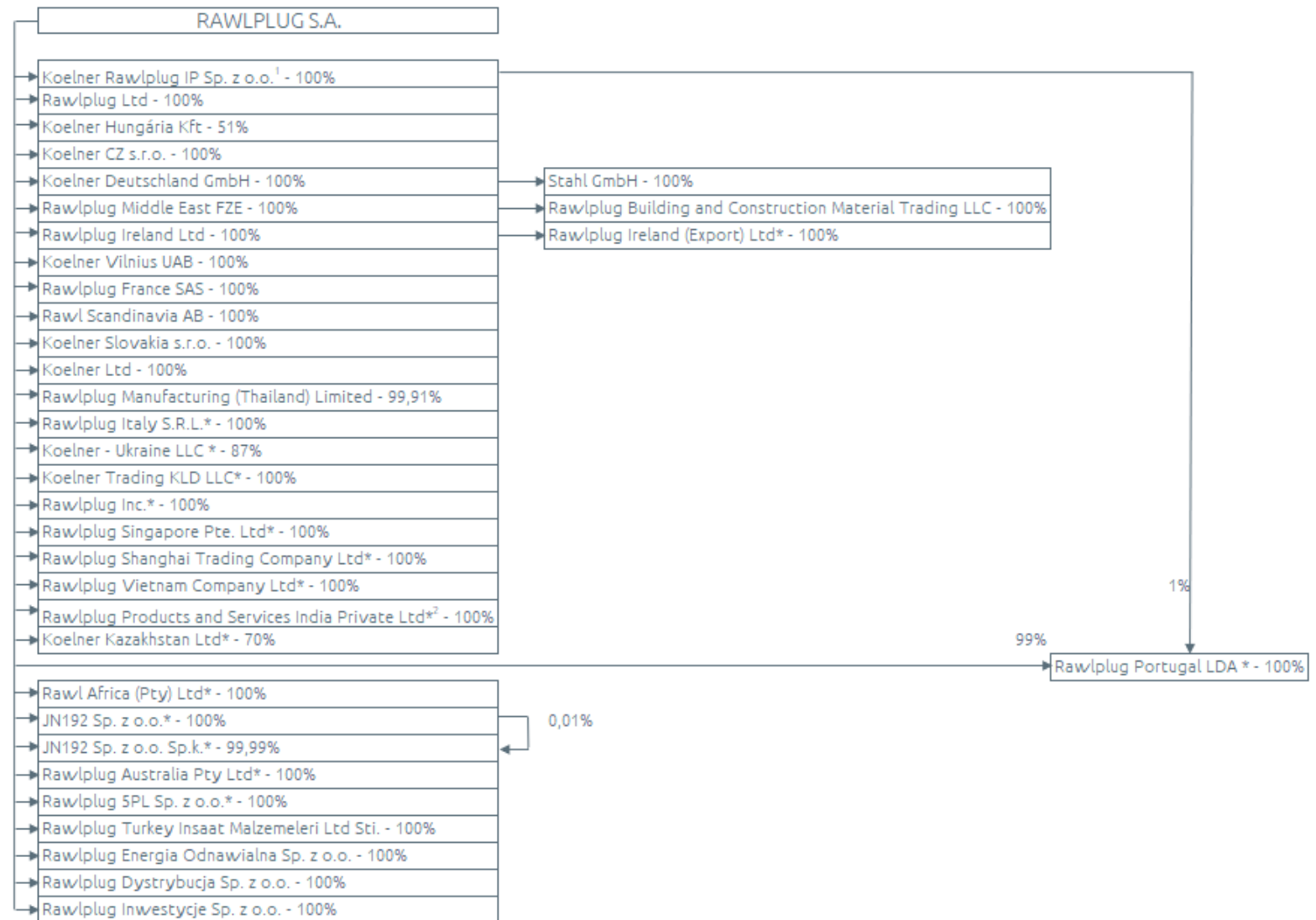
### INFORMATION ABOUT THE ISSUER

Company name	RAWLPLUG S.A.
Entity's registered office and address	ul. Kwidzyńska 6 51-416 Wrocław Poland
Register entity:	District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register
KRS number	0000033537
Core activity	<ul style="list-style-type: none"><li>- manufacture of builders' ware of plastic (PKD 22.23.Z)</li><li>- wholesale of building materials (PKD 46.73.Z)</li></ul>
Sector by WSE	metals industry

## CONSOLIDATED FINANCIAL STATEMENTS

RAWLPLUG Group prepares consolidated financial statements.

As of 31 December 2022, RAWLPLUG S.A. was the parent entity to the following companies:



\* companies not subject to consolidation as of 31 December 2022 (in accordance with IAS 1 point 31)

<sup>1</sup> - the company has a branch in Łańcut.

<sup>2</sup> On 1 February 2022, Rawl India Services Private Limited changed its name to Rawlplug Products and Services India Private Limited.



## CHANGES IN THE ORGANISATION

On 15 March 2022, subsidiary Rawlplug İnşaat Malzemeleri LİMİTED ŞİRKETİ, based in Istanbul, was registered in Turkey. RAWLPLUG S.A. is the sole shareholder in the newly-established company. The 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.

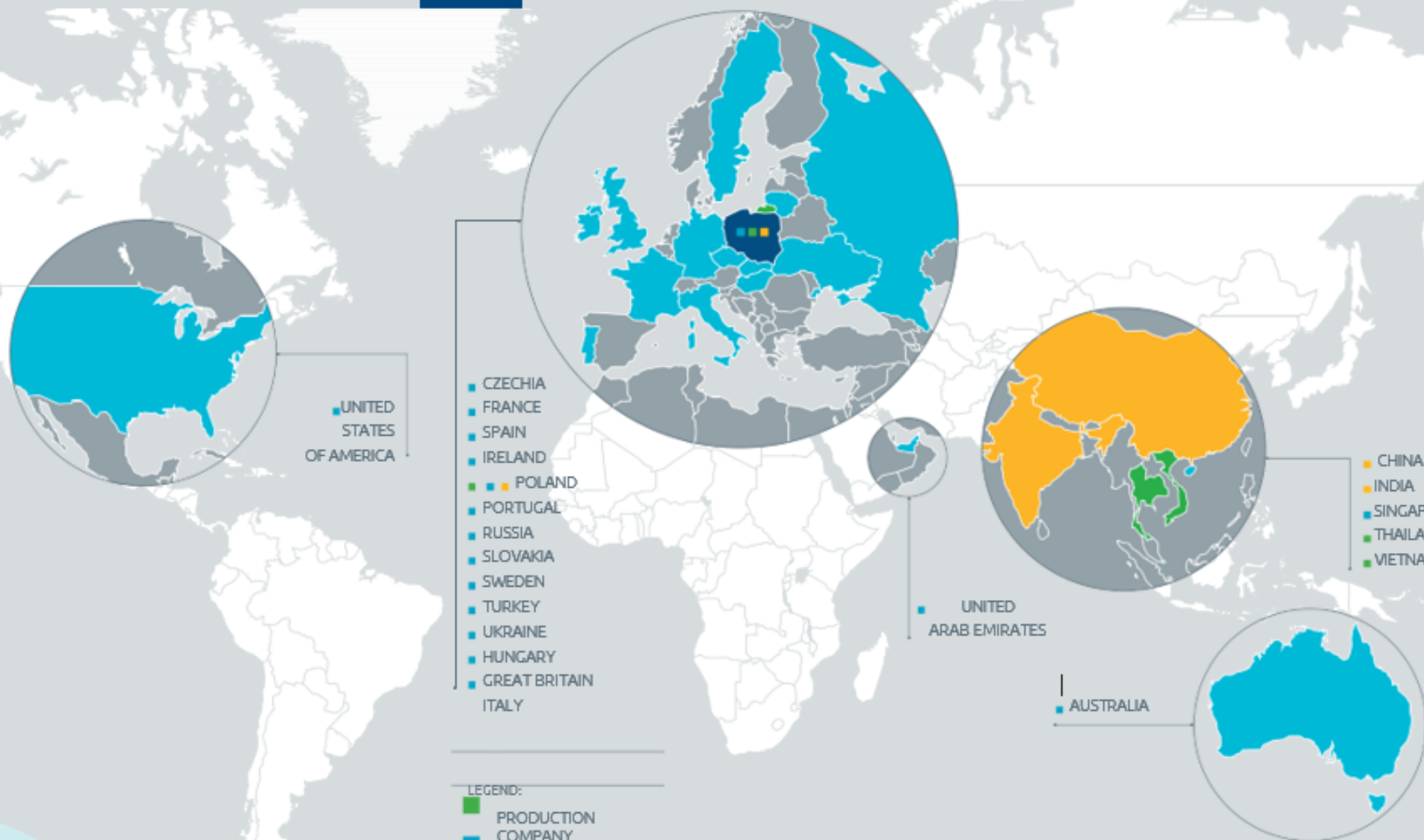
A new company under the name RAWLPLUG ENERGIA ODNAWIALNA Sp. z o.o., based in Wrocław, ul. Kwidzyńska 6, was registered on 14 April 2022. This company's share capital amounts to PLN 100 thousand, and RAWLPLUG S.A. is its sole shareholder. RAWLPLUG ENERGIA ODNAWIALNA Sp. z o.o. produces electricity from 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. 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 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.



# 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

Separate financial statements of RAWLPLUG S.A.  
for the period from 1.01.2022 to 31.12.2022 (data in PLNk)

## COMPANY AUTHORITIES MANAGEMENT BOARD OF RAWLPLUG S.A.

Management Board composition in 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 separate annual financial statements of RAWLPLUG S.A. 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 separate financial statements of RAWLPLUG S.A. were prepared on the assumption that the Company will continue as a going concern for the foreseeable future. At the date on which these separate 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 Company's ability to continue as a going concern.

### Reporting currency, exchange rates used, rounding levels applied

The presentation and functional currency for these separate 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 Company's Management Board on 23 March 2023.



## Accounting principles

The following accounting rules and measurement methods were applied in these separate financial statements of RAWLPLUG S.A.:

### Accounting principles:

#### A. Basic principle

The Company applies the following basic accounting principles:

- principle concerning a credible depiction resulting from entries,
- principle concerning the priority of content over legal form,
- going concern principle,
- matching principle,
- prudent measurement principle, understood as prudent estimate principle,
- completeness principle.

#### B. Historic cost principle

The financial statements are prepared using the historic cost concept, except for the measurement of certain non-current assets and certain financial assets, which - according to IAS - are carried at fair value.

#### C. Management estimates and assumptions

The preparation of financial statements in accordance with IAS 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 Board uses independent experts' opinions. The Management

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

- expected periods of economic life of property, plant and equipment and intangible assets,
- impairment of assets,
- discount rates, expected growth in wages and actuarial assumptions used to calculate retirement pay provisions,
- future financial results used in testing for impairment of shares and 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 IAS requirements. The approach to determine estimated amounts is used in a continuous manner in relation to the preceding reporting period.

#### D. Materiality principle

The Company assumes that the materiality principle as it concerns the value of individual events or the sum of events of a single type that can have an impact on credibly and clearly presenting the Company's asset and financial situation and financial results in accordance with IAS 1 par. 29-31.

### Measurement methods for assets and equity and liabilities

Measurement methods for assets and equity and liabilities are described in as far as they have or can have a material impact on the credibility and clarity of the Company's asset and financial situation and financial results. Other methods for measuring assets and equity and liabilities that are not included in the accounting policy are applicable in accordance with the relevant IASs and the best practices in international financial reporting.

### GOODWILL

Goodwill 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

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. 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. An impairment test is carried out once a year or more frequently if necessary. Goodwill is not subject to amortisation.

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 under other operating revenues.

#### INTANGIBLE ASSETS

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

The following are considered intangible assets:

- costs of successfully completed development work, which will be used in production processes,
- acquired goodwill,
- acquired property and related rights, licences and concessions,
- acquired rights to inventions, patents, trademarks and trade patterns,
- know-how.

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,

Intangible assets individually valued at no more than PLN 3 500 are amortised on a one-off basis as cost in the month following the month in which they are commissioned into use.

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;

- ability to credibly determine expenditures incurred during development work that can be attributed to the intangible asset.

The 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.

Intangible assets in progress and advances for intangible assets are measured at nominal value, taking into account impairment.

Profit or loss arising on disposal / liquidation or cessation of the use of intangible assets is defined as the difference between proceeds from disposal and the net value of such intangible assets and is recorded in the statement of profit and loss.

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment items are initially recognised at the purchase price or cost to manufacture. The purchase price is increased by all costs directly related to the purchase and adaptation of the asset for use. Subsequent to initial recognition, property, plant and equipment items are carried at the purchase price or cost to manufacture less depreciation and impairment.

Depreciation is calculated on a straight-line basis for all property, plant and equipment except for land and tangible assets under construction throughout their economic lives, which are as follows for each tangible asset group:

- buildings and facilities - no less than 10 years and no more than 40 years,
- 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.

Property, plant and equipment individually valued at no more than PLN 3 500 are amortised on a one-off basis as cost in the month following the month in which they are commissioned into use. Tangible assets may be subject to depreciation if a single purchase of such asset items does not exceed PLN 3 500 in total.

Tangible assets under construction intended for manufacturing, leasing, administrative or undefined purposes are presented in the statement of financial position at cost of manufacture, less impairment. The cost of manufacture is augmented by fees and - in some cases - by borrowing costs. Depreciation concerning this type of asset commences the moment it is commissioned, in accordance with rules pertaining to internally-produced tangible assets.

Advances for tangible assets under construction are measured at nominal value, taking into account impairment.

The gain or loss on selling/liquidating or retiring property, plant and equipment is the difference between proceeds from the sale and the net value of this property, plant and equipment, and is recognised in the statement of profit and loss.

## LEASING

A contract is a lease or contains a lease if it transfers the right to control the use of an identified asset for a given period of time in exchange for a consideration. At initial recognition, the Company recognises a right-of-use asset and a lease liability.

### Lease assets

at the initial recognition of a lease, right-of-use assets are measured at cost, which includes:

- the amount of initial measurement of the lease liability;
- all lease payments paid at or prior to the commencement date, less all lease incentives received;
- all initial direct costs incurred by the lessee;
- an estimate of the costs to be incurred by the lessee in connection with the disassembly and removal of the underlying asset, conducting a renovation of the place at which it was located or renovating the underlying asset to the state required by the lease terms.

Subsequent to the inception date, the Company measures the right-of-use asset at cost less total depreciation and total impairment losses and any adjustments to the value of the lease liability.

The Company 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.

### Lease liabilities

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

A lease liability includes the following payments:

- fixed lease payments (including generally fixed lease payments), less any lease incentives due;
- variable lease payments that depend on an index or rate, initially measured using this index or rate in accordance with their value at the lease inception date;
- amounts that are expected to be paid by the lessee under a guaranteed residual value;
- the exercise price of a buy option if it can be expected with sufficient certainty that the lessee will exercise this option;
- cash penalties for terminating the lease if during the lease the lessee exercises lease termination.

After the lease inception date, the value of a lease liability is increased in order to reflect interest on the lease liability, decreased in order to take into account lease payments made and updated in order to account for any re-measurements or changes of the lease.

The Company includes these lease components in the measurement of a right-of-use asset and a lease liability. Other non-lease components such as payments for utilities are recognised separately in accordance with rules applicable to such payments.

The Company applies the practical expedients permitted under 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 Company presents right-of-use assets in the same lines in the statement of financial position as the underlying assets.

#### NON-CURRENT INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Subsidiaries are entities that the Company controls. The Company measures investments in subsidiaries at the purchase prices less impairment. Transaction costs related to the acquisition of an investment increase the investment's balance sheet value.

Acquisition prices of shares expressed in foreign currencies are recorded in the

accounts as at the transaction date, at the average exchange rate for that currency published by the National Bank of Poland for the preceding day. Testing shares for impairment is conducted using the discounted cash-flow method, using financial budgets prepared by the subsidiaries' leadership for the subsequent year and estimated forecasts for the subsequent four years. Associates are entities over which the Company exerts significant influence but does not control them. Investments in associates are measured at the purchase price less impairment.

#### OTHER NON-CURRENT INVESTMENTS

Properties, intangible assets and other investments other than financial assets classified as non-current assets and not used by the Company but purchased in order to obtain economic benefits resulting from growth in the value of these assets or income or other benefits - are measured at purchase price, less impairment.

#### NON-CURRENT 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 Company 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.



## BORROWING 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

Financial assets and liabilities are recognised in the balance sheet at the moment when the Company becomes party to a binding agreement.

At initial recognition, the Company measures financial assets at fair value, i.e. typically according to the fair value of the payment made. The Company includes transaction costs in the initial measurement of all financial assets, with the exception of assets at fair value through profit or loss. An exception to this rule is trade receivables, which the Company measures at transaction price in the meaning of IFRS 15, although this does not apply to items of trade receivables with payment deadlines in excess of one year and those that contain a significant financing component in accordance with the definition in IFRS 15.

For measurement subsequent to initial recognition, financial assets other than hedging derivatives, the Company 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 Company 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 Company 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, including exchange differences, 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 Company 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 Company 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 Company 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.

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 the purchase date the Company measures financial liabilities at fair value, i.e. typically according to the fair value of the payment received. The Company 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 category of financial liabilities measured at fair value through profit or loss includes derivative instruments other than hedging instruments. Current trade liabilities are measured at the amount payable due to the insignificant effect of discount.

Gains and losses on the measurement of financial liabilities are recognised in profit or loss under financing activities.

## INVENTORIES

Inventories are recorded at purchase price or cost of manufacture, provided that these are not higher than the net sales price. The 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.

Impairment losses adjusting the value of inventories to net value are recognised mainly in accordance with the following criteria:

- the loss of required useful features,
- the classification of inventories as dispensable,
- lack of rotation or low rotation, evaluated by inventory group (materials/products/products in progress) by period:
  - stored from 2 to 3 years, in the amount of 20% of their value,
  - stored from 3 to 4 years, in the amount of 40% of their value,
  - stored from 4 to 5 years, in the amount of 60% of their value,
  - stored from 5 to 6 years, in the amount of 80% of their value,
  - stored for over 6 years, in the amount of 100% of their value.

## PREPAYMENTS

Prepayments are recognised if costs incurred relate to future reporting periods, as current and non-current. To write down prepayments, the Company uses individually estimated periods, depending on the type and value of the item being settled. Prepayments are accounted for using the purchase price (amount accounted for over time), less impairment. Prepayments are presented in either 'Non-current receivables and prepayments' or 'Current receivables and prepayments.'

## ACCRUALS

Accruals are recognised in the amount that is likely to be due in the present reporting period, taking into account cost-revenue matching. Accruals are

presented in the item 'Trade and other payables.'

#### DEFERRED REVENUES

Deferred revenues cover in particular negative goodwill, the equivalent of funds received or due to be received from counterparties for considerations to be performed in subsequent reporting periods, as well as cash and cash equivalents received to finance the purchase or manufacture of property, plant and equipment, including property, plant and equipment under construction and development work, if this does not increase equity in accordance with other legal regulations.

Government grants, including non-monetary grants carried at fair value, are recognised only if there is sufficient certainty that the Company 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 concerns a specific asset, its fair value is recorded in deferred revenue, and then gradually recognised in the statement of profit and loss as revenue, proportionately to the depreciation of that particular asset.

Deferred revenues are presented in the item 'Trade and other payables.'

#### 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,
- capital from merger of companies,
- special-purpose reserve capitals,
- statutory supplementary capital.

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.

#### DIVIDENDS

Dividend payments to the Company's shareholders are recognised as a liability in the Company's financial statements for the period in which they were approved by the Company's General Meeting.

#### PROVISIONS AND CONDITIONAL LIABILITIES AND ASSETS

Provisions are created if there is a present obligation (legal or customary) on the Company, 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.

Provisions are classified as other operating expenses, finance costs or extraordinary losses, depending on the circumstances of the future liabilities. In the event that the risk justifying creation of a provision ceases or decreases, at that date the provision increases other operating revenue, finance income or extraordinary profit.

If an outflow of funds intended to comply with a present obligation is not likely,

the amount of a conditional liability is not recognised in the statement of financial position, except for conditional liabilities identified in a business combination in accordance with IFRS 3.

Potential inflows containing economic benefits for the Company that do not yet meet the criteria for recognition as an asset constitute conditional assets that are not recognised in the statement of financial position.

#### EMPLOYEE BENEFITS

Liabilities and provisions for employee benefits recognised in the statement of financial position include the following items:

- short-term employee benefits related to remuneration (together with bonuses) and social insurance contributions,
- provisions for unused vacation time  
and
- other long-term employee benefits, including retirement severance payments.

#### Current employee benefits

The value of liabilities concerning current employee benefits is determined without a discount and recognised in the payable amount in the statement of financial position.

#### Provisions for unused vacation time

The Company creates a provision for the cost of accumulated paid absences that it will have to incur in connection with unused vacation time accrued as at the balance sheet date. The provision for unused vacation time is presented under 'Trade and other payables' and is not subject to discounting.

#### Retirement pay

Employees are entitled to a severance payment upon retirement. These payments are available to retiring employees who meet retirement conditions and amount to a one-month salary. The present value of these provisions is

estimated at each balance sheet date using actuarial methods. These provisions are equal to the discounted payments that will be made in the future and concern the period until the balance sheet date. Demographic information is based on historic data.

The effects of the measurement of a provision for future retirement payment liabilities are recognised in profit and loss. The provision is presented under 'Provisions for employee benefits.'

#### 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 Company's financial statements, including both value and moment of recognition of revenue:

- a. 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 Company is able to identify the rights of each party concerning goods or services that are to be delivered; the Company 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 Company will receive remuneration due in exchange for goods or services that are delivered to the customer.

- b. Identifying the performance obligations

When a contract is executed, the Company 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 Company's main revenue streams from contracts with customers cover the sale of finished products and goods,

The Company meets its performance obligations when service is received by the customer. Contracts with customers do not envisage the Company's warranty

responsibility beyond what is required by the law, therefore the Company 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.

c. Determining the transaction price

To determine the transaction price, the Company takes into account contractual terms and its customary commercial practices. The transaction price is an amount of remuneration that, in accordance with the Company'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 Company 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.

d. Allocating the transaction price to specific performance obligations

The Company 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.

e. Recognising revenue when performance obligation is met

The Company 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.

#### OPERATING EXPENSES

Operating expenses are recognised in the amount incurred, taking into account the revenue and cost matching principle in relation to the reporting periods.

#### FOREIGN-CURRENCY TRANSACTIONS

In the Company's financial statements, transactions in foreign currencies are converted using the average exchange rate for a given currency published by the National Bank of Poland for the date preceding 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 their fair value is recorded directly in equity).

#### TAXES

Mandatory encumbrances on profit or loss include current tax and deferred tax. The Company determines the relevant items:

- tax revenue according to classification sources, tax costs according to classification sources and tax income (losses) according to classification sources in the meaning of the Act on corporate income tax,
- deferred income tax assets and provision.

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 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 S.A. 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 S.A. 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 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 amendment had no effect the Group's separate 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 amendment had no effect the Group's separate 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 amendment had no effect the Group's separate 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 separate 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

These 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 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 SEPARATE FINANCIAL STATEMENTS

### NOTE NO. 1.

#### Operating segments

Information on operating segments is presented in RAWLPLUG Group's consolidated financial statements for 2022. Sales to domestic counterparties did not exceed the 10% threshold in the sales structure in 2022.

### NOTE NO. 2.

#### Intangible assets

Borrowing costs did not increase the value of intangible assets.

The Company does not include in its separate financial statements intangible assets with undefined periods of economic life.

The amortisation of intangible assets in 2022 amounted to PLN 1 839 thousand, all of which was recorded in net financial result.

#### INTANGIBLE ASSETS

	31.12.2022	Goodwill	Concessions, patents, licenses	Development costs	Other	Total
<b>Gross value as at the beginning of period</b>		0	11 082	2 060	3 014	16 156
Increases		0	580	556	6 316	7 452
Decreases		0	0	0	(1 999)	(1 999)
<b>Gross value as at the end of period</b>		0	11 662	2 616	7 331	21 609
<b>Depreciation at the beginning of period</b>		0	6 164	1 614	0	7 778
Increases		0	1 693	142	4	1 839
Decreases		0	0	0	0	-
<b>Depreciation at the end of period</b>		0	7 857	1 756	4	9 617
Net value at the beginning of period		0	4 918	446	3 014	8 378
<b>Net value as at the end of period</b>		0	3 805	860	7 327	11 992

Separate financial statements of RAWLPLUG S.A.  
for the period from 1.01.2022 to 31.12.2022 (data in PLNk)

31.12.2021	Goodwill	Concessions, patents, licenses	Development costs	Other	Total
<b>Gross value as at the beginning of period (published data)</b>	<b>0</b>	<b>6 775</b>	<b>1 656</b>	<b>3 842</b>	<b>12 273</b>
<i>Impact of merger (with Koelner Polska Sp. z o.o. on 4 January 2021)</i>	<i>0</i>	<i>3 048</i>	<i>0</i>	<i>0</i>	<i>3 048</i>
<b>Gross value as at the beginning of period (data after merger)</b>	<b>0</b>	<b>9 823</b>	<b>1 656</b>	<b>3 842</b>	<b>15 321</b>
Increases	0	1 259	404	1 688	3 351
Decreases	0	0	0	(2 516)	(2 516)
<b>Gross value as at the end of period</b>	<b>0</b>	<b>11 082</b>	<b>2 060</b>	<b>3 014</b>	<b>16 156</b>
<b>Depreciation at the beginning of period</b>	<b>0</b>	<b>4 488</b>	<b>1 570</b>	<b>0</b>	<b>6 058</b>
<i>Impact of merger (with Koelner Polska Sp. z o.o. on 4 January 2021)</i>	<i>0</i>	<i>631</i>	<i>0</i>	<i>0</i>	<i>631</i>
<b>Depreciation at the beginning of period (data after merger)</b>	<b>0</b>	<b>5 119</b>	<b>1 570</b>	<b>0</b>	<b>6 689</b>
Increases	0	1 045	44	0	1 089
Decreases	0	0	0	0	0
<b>Depreciation at the end of period</b>	<b>0</b>	<b>6 164</b>	<b>1 614</b>	<b>0</b>	<b>7 778</b>
Net value at the beginning of period	0	4 704	86	3 842	8 632
<b>Net value as at the end of period</b>	<b>0</b>	<b>4 918</b>	<b>446</b>	<b>3 014</b>	<b>8 378</b>

#### PURCHASE AND SALE OF INTANGIBLE ASSETS

	01-12.2022	01-12.2021
Purchase	6 549	2 001
Net value of assets sold	935	1 166



## NOTE NO. 3.

### Property, plant and equipment

In 2022, no impairment losses were recognised in respect of property, plant and equipment.

At 31 December 2022, no items of property, plant and equipment were covered by any impairment losses.

Depreciation of property, plant and equipment in 2022 amounted to PLN 12 320 thousand, including:

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 225 000 thousand on properties for PKO Bank Polski 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 95 000 thousand established on perpetual usufruct right to property for ING Bank Śląski.

#### PROPERTY, PLANT AND EQUIPMENT - OWN

	31.12.2022	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Tangible assets under construction	Total
<b>Gross value as at the beginning of period</b>		<b>6 311</b>	<b>46 680</b>	<b>81 843</b>	<b>3 222</b>	<b>6 299</b>	<b>27 662</b>	<b>172 017</b>
Increases		0	0	5 834	0	671	14 259	20 765
Decreases		0	0	(3 348)	(443)	(34)	(3 958)	(7 783)
Gross value as at the end of period		6 311	46 680	84 329	2 779	6 936	37 964	184 999
Depreciation at the beginning of period		0	17 472	63 101	2 082	5 965	0	88 620
Increases		0	1 336	4 373	266	374	0	6 349
Decreases		0	0	(2 968)	(442)	(27)	0	(3 437)
Depreciation at the end of period		0	18 808	64 506	1 906	6 312	0	91 532
Net value at the beginning of period		6 311	29 208	18 742	1 140	334	27 662	83 397
<b>Net value as at the end of period</b>		<b>6 311</b>	<b>27 872</b>	<b>19 823</b>	<b>873</b>	<b>624</b>	<b>37 964</b>	<b>93 467</b>
	31.12.2021	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Tangible assets under construction	Total
<b>Gross value as at the beginning of period</b>		<b>6 862</b>	<b>46 313</b>	<b>87 055</b>	<b>1 696</b>	<b>5 659</b>	<b>19 361</b>	<b>166 946</b>
<i>Impact of merger (with Koelner Polska Sp. z o.o. on 4 January 2021)</i>		0	153	745	227	620	0	1 745
<b>Gross value as at the beginning of period (data after merger)</b>		<b>6 862</b>	<b>46 466</b>	<b>87 800</b>	<b>1 923</b>	<b>6 279</b>	<b>19 361</b>	<b>168 691</b>
Increases		0	306	3 813	1 866	213	11 901	18 099
Decreases		(551)	(92)	(9 770)	(567)	(193)	(3 600)	(14 773)
Gross value as at the end of period		6 311	46 680	81 843	3 222	6 299	27 662	172 017
Depreciation at the beginning of period		0	16 187	67 569	1 667	5 349	0	90 772
<i>Impact of merger (with Koelner Polska Sp. z o.o. on 4 January 2021)</i>		0	4	706	225	605	0	1 540
Depreciation at the beginning of period (data after merger)		0	16 191	68 275	1 892	5 954	0	92 312
Increases		0	1 334	4 108	757	204	0	6 403
Decreases		0	(53)	(9 282)	(567)	(193)	0	(10 095)
Depreciation at the end of period		0	17 472	63 101	2 082	5 965	0	88 620
Net value at the beginning of period		6 862	30 275	19 525	31	325	19 361	76 379
<b>Net value as at the end of period</b>		<b>6 311</b>	<b>29 208</b>	<b>18 742</b>	<b>1 140</b>	<b>334</b>	<b>27 662</b>	<b>83 397</b>

## 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
<b>Gross value as at the beginning of period</b>	0	371	39 844	7 485	555	0	48 255
Increases	0	0	6 253	3 548	160	0	9 961
Decreases	0	0	(932)	(1 165)	(343)	0	(2 440)
Gross value as at the end of period	0	371	45 165	9 868	372	0	55 776
Depreciation at the beginning of period	0	36	9 617	3 767	301	0	13 721
Increases	0	9	3 531	2 359	72	0	5 971
Decreases	0	0	(309)	(1 093)	(171)	0	(1 573)
Depreciation at the end of period	0	45	12 839	5 033	202	0	18 119
Net value at the beginning of period	0	335	30 227	3 718	254	0	34 534
<b>Net value as at the end of period</b>	<b>0</b>	<b>326</b>	<b>32 326</b>	<b>4 835</b>	<b>170</b>	<b>0</b>	<b>37 657</b>
31.12.2021	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Tangible assets under construction	Total
<b>Gross value as at the beginning of period</b>	0	371	38 762	4 776	464	0	44 373
<i>Impact of merger (with Koelner Polska Sp. z o.o. on 4 January 2021)</i>	0	0	0	3 552	91	0	3 643
<b>Gross value as at the beginning of period (data after merger)</b>	0	371	38 762	8 328	555	0	48 016
Increases	0	0	1 082	2 348	0	0	3 430
Decreases	0	0	0	(3 191)	0	0	(3 191)
Gross value as at the end of period	0	371	39 844	7 485	555	0	48 255
Depreciation at the beginning of period	0	26	6 303	1 784	153	0	8 266
<i>Impact of merger (with Koelner Polska Sp. z o.o. on 4 January 2021)</i>	0	0	0	1 881	57	0	1 938
Depreciation at the beginning of period (data after merger)	0	26	6 303	3 665	210	0	10 204
Increases	0	10	3 314	2 143	91	0	5 558
Decreases	0	0	0	(2 041)	0	0	(2 041)
Depreciation at the end of period	0	36	9 617	3 767	301	0	13 721
Net value at the beginning of period	0	345	32 459	4 663	345	0	37 812
<b>Net value as at the end of period</b>	<b>0</b>	<b>335</b>	<b>30 227</b>	<b>3 718</b>	<b>254</b>	<b>0</b>	<b>34 534</b>

PURCHASE AND SALE - OWN NON-CURRENT ASSETS	01-12.2022	01-12.2021
Purchase	20 765	18 099
Net value of assets sold	473	1 712

PURCHASE AND SALE - RIGHT-OF-USE ASSETS UNDER LEASES	01-12.2022	01-12.2021
Purchase	9 961	3 430
Net value of assets sold	0	0

#### PROPERTY, PLANT AND EQUIPMENT - TOTAL

31.12.2022	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Tangible assets under construction	Total
Net value at the beginning of period	6 311	29 543	48 969	4 858	588	27 662	117 931
Net value as at the end of period	6 311	28 198	52 149	5 708	794	37 964	131 124

## NOTE NO. 4. Investment properties

As at 31 December 2022, the Company held investment properties worth PLN 3 352 thousand net. There were no increases or decreases in the value of investment properties in 2021 and 2022. Investment properties are not subject to depreciation.

The Company 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	3 528	3 528
Impairment	176	325
<b>Net</b>	<b>3 352</b>	<b>3 203</b>

## NOTE NO. 5. Financial instruments

Amounts of financial assets and liabilities presented 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	59 520	0	0	59 520	38 295	0	0	38 295
	Investment in subsidiaries	0	310 540	0	310 540	0	298 086	0	298 086
	Trade and other receivables	111 828	0	0	111 828	99 772	0	0	99 772
Current assets	Receivables from taxes, prepayments and advances	0	0	6 094	6 094	0	0	7 863	7 863
	Loans	29 354	0	0	29 354	48 588	0	0	48 588
	Shares	95		0	95	84		0	84
	Derivative instruments	0	11 657	0	11 657	0	2 721	0	2 721
	Cash and cash equivalents	1 843	0	0	1 843	1 446	0	0	1 446
	<b>Total</b>	<b>202 640</b>	<b>322 197</b>	<b>6 094</b>	<b>530 931</b>	<b>188 185</b>	<b>300 807</b>	<b>7 863</b>	<b>496 855</b>
Non-current liabilities	Loans, borrowings, other debt instruments	320 130	0	0	320 130	52 570	0	0	52 570
	Finance leasing	12 480	0	0	12 480	14 418	0	0	14 418
	Trade and other payables	152 640	0	0	152 640	122 578	0	0	122 578
Current liabilities	Tax liabilities	0	0	4 065	4 065	0	0	4 164	4 164
	Loans, borrowings, other debt instruments	26 628	0	0	26 628	216 531	0	0	216 531
	Finance leasing	11 981	0	0	11 981	10 313	0	0	10 313
	<b>Total</b>	<b>523 859</b>	<b>0</b>	<b>4 065</b>	<b>527 924</b>	<b>416 410</b>	<b>0</b>	<b>4 164</b>	<b>420 574</b>

## NOTE NO. 6. Financial assets

As at 31 December 2022, RAWLPLUG S.A.'s financial assets mainly comprised 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 Company at purchase price, less impairment. The Company does not intend to sell shares in non-listed entities in the near future.

Financial derivative instruments are measured at fair value, and the measurement is recognised in the relevant item of the statement of profit and loss.

	At 31.12.2022	Shares	Loans	Derivative instruments
Gross	Non-current	490 080	60 239	0
	Current	96	29 354	11 657
	<b>Total</b>	<b>490 176</b>	<b>89 593</b>	<b>11 657</b>
Impairment	Non-current	179 540	788	0
	Current	1	0	0
Net	Non-current	310 540	59 451	0
	Current	95	29 354	11 657
	<b>Total</b>	<b>310 635</b>	<b>88 805</b>	<b>11 657</b>
	At 31.12.2021	Shares	Loans	Derivative instruments
Gross	Non-current	477 626	37 610	0
	Current	96	49 751	2 721
	<b>Total</b>	<b>477 722</b>	<b>87 361</b>	<b>2 721</b>
Impairment	Non-current	179 540	0	0
	Current	12	1 163	0
Net	Non-current	298 086	37 610	0
	Current	84	48 588	2 721
	<b>Total</b>	<b>298 170</b>	<b>86 198</b>	<b>2 721</b>



Loans are measured at the amount due to be re-paid, together with interest, if the difference from measurement at amortised cost is insignificant. The carrying amount of financial assets does not differ from their fair value.

The Company 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.

As at 31 December 2022, the Company held no financial assets, the transfer of which would not qualify for derecognition from the balance sheet.

#### LOANS GRANTED

	Parent	Subsidiaries	Entities from outside the Group
<b>At 31.12.2022</b>			
Non-current	40 341	19 110	0
Current	0	29 125	229
<b>At 31.12.2021</b>			
Non-current	37 187	209	214
Current	0	48 588	0

## NOTE NO. 7. Shares in subsidiaries

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	Value of shares at acquisition price	Valuation adjustments	Balance sheet value of stake
1	Rawlplug Ltd	Great Britain	wholesale of construction materials	1st degree subsidiary	Full	31.10.2005	100.00%	100.00%	48 730	-	48 730
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%	318 333	170 167	148 166
3	Koelner Hungária Kft	Hungary	wholesale of construction materials	1st degree subsidiary	Full	04.08.2005	51.00%	51.00%	10 502	-	10 502
4	Koelner CZ s.r.o.	Czech Republic	wholesale of construction materials	1st degree subsidiary	Full	10.05.2000	100.00%	100.00%	493	-	493
5	Koelner Deutschland GmbH	Germany	wholesale of construction materials	1st degree subsidiary	Full	15.07.2005	100.00%	100.00%	21 548	-	21 548
6	Stahl GmbH	Germany	wholesale of construction materials	2nd degree subsidiary	Full	04.04.2007	100.00%	100.00%	24 699	-	24 699
7	Rawlplug Middle East FZE	UAE	wholesale of construction materials	1st degree subsidiary	Full	17.07.2006	100.00%	100.00%	2 398	-	2 398
8	Rawlplug Ireland Ltd	Ireland	wholesale of construction materials	1st degree subsidiary	Full	31.10.2005	100.00%	100.00%	10 299	-	10 299
9	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%	2 321	-	2 321
10	Koelner Vilnius UAB	Lithuania	wholesale of construction materials	1st degree subsidiary	Full	01.08.2002	100.00%	100.00%	1 936	-	1 936
11	Rawlplug France SAS	France	wholesale of construction materials	1st degree subsidiary	Full	31.10.2005	100.00%	100.00%	16 880	-	16 880
12	Rawl Scandinavia AB	Sweden	wholesale of construction materials	1st degree subsidiary	Full	16.10.2006	100.00%	100.00%	209	-	209
13	Koelner Slovakia s.r.o.	Slovakia	wholesale of construction materials	1st degree subsidiary	Full	20.12.2011	100.00%	100.00%	449	-	449
14	Koelner Ltd	Russia	wholesale of construction materials	1st degree subsidiary	Full	01.04.2005	100.00%	100.00%	3 683	3 683	-
15	Rawlplug Manufacturing (Thailand) Ltd	Thailand	Manufacture and wholesale of construction materials	1st degree subsidiary	Full	20.08.2018	99.91%	99.91%	3 875	-	3 875

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16	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%	7 621	-	7 621
17	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%	2 960	-	2 960
18	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%	2	2	-
19	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%	103	103	-
20	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%	93	93	-
21	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%	3 994	-	3 994
22	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%	3 202	-	3 202
23	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%	-	-	-
24	Rawlplug Products and Services India 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%	5	-	5
25	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%	43	-	43
26	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%	7 765	-	7 765
27	JN192 Sp. z o.o.	Poland	activities of head offices and holdings, except financial holdings	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	06.10.2020	100.00%	100.00%	5	-	5



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28	JN192 Sp. z o. o. sp.k.	Poland	property development	Subsidiary: - I degree (99.9% of share capital) - II degree (0.1% of share capital)	Not subject to consolidation, in accordance with IAS 1 point 31	21.10.2020	99.99%	99.99%	10 691	5 491	5 200
29	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%	-	-	-
30	Rawlplug 5PL sp. z o.o.	Poland	warehousing and storing of goods	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	27.04.2021	100.00%	100.00%	14 005	-	14 005
31	Rawlplug Turkey İnşaat Malzemeleri LIMITED 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%	3	-	3
32	Rawlplug Energia Odnawialna Sp. z o.o.	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%	100	-	100
33	Rawlplug Dystrybucja Sp. z o.o.	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%	50	-	50
34	Rawlplug Inwestycje Sp. z o.o.	Poland	investment activities	1st degree subsidiary	Not subject to consolidation, in accordance with IAS 1 point 31	30.06.2022	100.00%	100.00%	100	-	100

## NOTE NO. 8. Inventories

As of 31 December 2022, inventories were encumbered with pledges for borrowings, amounting to PLN 225 000 thousand.

At 31 December 2022, impairment of inventories amounted to PLN 9 036 thousand. In 2022, a PLN 1 346

	At 31.12.2022	At 31.12.2021
Materials	7 821	13 660
Products	155 695	104 042
Goods	84 220	67 711
Advances for deliveries	7	508
<b>Total net inventory</b>	<b>247 743</b>	<b>185 921</b>
Impairment of inventories	(9 036)	(8 972)
<b>Total gross inventory</b>	<b>256 779</b>	<b>194 893</b>

thousand impairment loss on inventories was recognised in other operating costs, and a PLN 1 282 thousand impairment loss was reversed and recognised in other operating revenues.

## 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

	At 31.12.2022	At 31.12.2021
Trade receivables	109 768	97 658
Receivables on taxes, duties, insurance and similar	5 139	5 694
Other receivables	2 059	2 114
Deferred revenue and accruals	5 550	5 219
Collateral	69	685
<b>Total net</b>	<b>122 585</b>	<b>111 370</b>
Impairment	(12 991)	(13 325)
<b>Total gross</b>	<b>135 576</b>	<b>124 695</b>
<i>Non-current</i>	3 324	3 289
<i>Current</i>	119 261	108 081

### IMPAIRMENT OF RECEIVABLES

	At 31.12.2022	At 31.12.2021
<b>At the beginning of period (published data)</b>	<b>13 325</b>	<b>8 489</b>
Impact of merger (with Koelner Polska Sp. z o.o. on 4 January 2021)	0	3 034
<i>Increases</i>	5 504	6 290
<i>Decreases</i>	( 5 838)	( 4 488)
<b>End of period</b>	<b>12 991</b>	<b>13 325</b>

need for an additional allowance for expected credit losses. At the publication of these financial statements, 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

	At 31.12.2022	At 31.12.2021
Cash on hand and at bank accounts*	1 843	1 446

\*As at 31 December 2022 RAWLPLUG S.A. had no restricted cash.

## 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
			<b>32 560 000</b>	<b>32 560</b>		

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

All shares in RAWLPLUG S.A. were fully paid for and equally participate in dividend. Each share carries a right to one vote at the Company's General Meeting.

#### DIVIDEND

The Company'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,

#### SHAREHOLDING STRUCTURE

Shareholder	Number of shares*	Stake in share capital**
Amicus Polinae Sp. z o.o.	17 453 750	53,60
Radosław Koelner	3 189 371	9,80
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
<b>Total</b>	<b>32 560 000</b>	<b>100,00</b>

\* Number of shares = Number of votes at the general meeting

\*\* % in share capital = % of votes at the general meeting

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.

#### OTHER RESERVES

	31.12.2022	31.12.2021
Other supplementary capital	27 799	27 799
Statutory supplementary capital	10 854	10 854
Other reserves	30 528	30 528
<b>Total</b>	<b>69 181</b>	<b>69 181</b>

RETAINED EARNINGS	31.12.2022	31.12.2021
Financial result from prior years (published data)	137 110	116 405
<i>Merger (with Koelner Polska Sp. z o.o. on 4 January 2021)</i>	0	(13 780)
Financial result from prior years (data after merger)	137 110	102 625
Current-period net profit / (loss)	21 677	53 120
<b>Total</b>	<b>158 787</b>	<b>155 745</b>

TREASURY SHARES	31.12.2022	31.12.2021
Treasury shares	12 505	12 505

## NOTE NO. 12. Provisions

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

During 2022, the Company did not participate in any substantial court proceedings, for which provisions would have to be recognised.

	Employee benefit provision	Other provisions
At 01.01.2022	634	1 775
Recognition	67	8 797
Utilisation	-	(8 465)
Release	(218)	(63)
Other changes	-	
Change due to exchange differences	0	
<b>At 31.12.2022</b>	<b>483</b>	<b>2 044</b>
<i>Non-current</i>	483	42
<i>Current</i>	0	2 002
	Employee benefit provision	Other provisions
At 01.01.2021 (published data)	433	1 271
<i>Merger (with Koelner Polska Sp. z o.o. on 4 January 2021)</i>	94	0
At 01.01.2021 (data after merger)	527	1 271
Recognition	107	3 040
Utilisation	0	(2 098)
Release	0	(438)
<b>At 31.12.2021</b>	<b>634</b>	<b>1 775</b>
<i>Non-current</i>	634	33
<i>Current</i>	0	1 742

## NOTE NO. 13. Financial liabilities

In 2022, the Company 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 346 758 thousand.

As at 31 December 2022 RAWLPLUG S.A. did not have any overdue principal or interest payments under credit facilities.

Information regarding the value of the Company's assets constituting credit collateral is presented in Notes 3 and 8.

All loans bear interest at variable rates based on:

- WIBOR 1M reference rate, which on 31 December 2022 was 6.93%,

### CREDIT FACILITIES AND OTHER DEBT

		At 31.12.2022	At 31.12.2021
NON-CURRENT	Credit facilities	261 029	52 570
	Loans	59 101	0
	Lease liabilities	12 480	14 418
	<b>Total</b>	<b>332 610</b>	<b>66 988</b>
CURRENT	Credit facilities	6 429	183 281
	Loans	20 199	33 250
	Lease liabilities	11 981	10 313
	Factoring liabilities	42 864	37 511
	Other financial liabilities	92	45
<b>Total</b>	<b>81 565</b>	<b>264 400</b>	
<b>Total</b>		<b>414 175</b>	<b>331 388</b>

	At 01.01.2022	Increases	Decreases	At 31.12.2022
Loans and borrowings	269 101	1 592 264	(1 514 607)	346 758

	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	437 500	346 758	371 329	269 100

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- WIBOR 3M reference rate, which on 31 December 2022 was 7.02%.

Loans received from subsidiaries in 2022 bear interest at variable rates based on:

- EURIBOR 1M reference rate, which on 31 December 2022 was 2.63%,
- 30-DAY AVERAGE SOFR reference rate, which on 31 December 2022 was 4.06%.
- WIBOR 3M reference rate, which on 31 December 2022 was 7.02%.

As at 31 December 2022 the Company used reverse factoring in an indefinite arrangement with BNP Paribas Faktoring Sp. z o.o.

The carrying amount of lease liabilities is regarded by the Company as being a reasonable approximation of their fair value. Information on the maturities of financial liabilities is presented in note 27.

#### 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	Limit 60 000	-	52 280	-	02.02.2024
Rawlplug S.A.	PKO Bank Polski S.A.	Limit 150 000	-	138 256	-	22.09.2025
				<b>261 029</b>		

#### CURRENT CREDIT LIABILITIES

Rawlplug S.A.	Bank Handlowy w Warszawie	10 000	-	<b>6 429</b>	-	no deadline
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#### PAYMENTS RELATED TO NON-CURRENT LEASES

	At 31.12.2022
Land and buildings	572
Means of transport	96
Technical equipment and machinery	752
Other	447
<b>Total</b>	<b>1 867</b>

## NOTE NO. 14.

### Trade and other payables and accruals

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

	At 31.12.2022	At 31.12.2021
Trade and other	101 937	76 760
Taxes, duties, insurance and similar	4 065	4 164
Remuneration-related liabilities	3 277	3 244
Liabilities connected with purchase of property, plant and equipment	2 093	1 701
Other	2 377	3 317
<b>Total</b>	<b>113 749</b>	<b>89 186</b>
<b>Deferred revenues, including:</b>	<b>136</b>	<b>141</b>
Other	136	141
<b>Deferred revenues and accruals, including:</b>	<b>6 454</b>	<b>5 830</b>
Provision for liabilities due to future deliveries	224	384
Provision for unused vacation time	1 879	1 922
Provision for bonuses	4 351	3 524
Other	0	0
<b>Total</b>	<b>6 590</b>	<b>5 971</b>
<i>Non-current</i>	<i>136</i>	<i>141</i>
<i>Current</i>	<i>6 454</i>	<i>5 830</i>

## NOTE NO. 15.

### Income tax

The annual tax rate in applicable to the Company in 2022 was 19%.

INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS	01-12.2022	01-12.2021
<b>Current tax</b>	<b>4 268</b>	<b>8 536</b>
Income tax for the reporting period	4 268	8 536
<b>Deferred tax</b>	<b>2 056</b>	<b>1 806</b>
Decrease (increase) due to recognition and reversal of temporary differences	2 056	1 035
Decrease (increase) due to tax loss and tax credit	0	771
<b>Total income tax recognised in the statement of profit and loss</b>	<b>6 324</b>	<b>10 342</b>

CURRENT INCOME TAX	At 31.12.2022	At 31.12.2021
Current income tax receivables	955	2 169
Current income tax liabilities	0	0

Deferred tax assets	01.01.2021	Credit / (debit)	31.12.2021	Credit / (debit)	31.12.2022
Difference between carrying among and tax value of tangible assets and intangible assets	0	0	0	0	0
Non-taxable costs of the period	6 450	(1 518)	4 932	196	5 128
Provisions	769	635	1 404	133	1 537
Tax losses	771	(771)	0	0	0
Other	5 056	714	5 770	2 236	8 006
<b>Total</b>	<b>13 046</b>	<b>(940)</b>	<b>12 106</b>	<b>2 565</b>	<b>14 671</b>

Deferred tax provision	01.01.2021	Credit / (debit)	31.12.2021	Credit / (debit)	31.12.2022
Difference between carrying among and tax value of tangible assets and intangible assets	5 860	(33)	5 827	1 004	6 831
Other	2 279	899	3 178	3 617	6 795
<b>Total</b>	<b>8 139</b>	<b>866</b>	<b>9 005</b>	<b>4 621</b>	<b>13 626</b>



## NOTE NO. 16. Off-balance sheet items

As at 31 December 2022, RAWLPLUG S.A. held contingent liabilities on sureties and guarantees granted to subsidiaries for the repayment of their liabilities in total amounting to PLN 20 078 thousand, as presented in the following table.

Entity receiving the surety/guarantee	Beneficiary	31.12.2022	31.12.2021
Koelner Rawlplug IP Sp. z o.o.	CMC Poland Sp. z o.o.	20 000	16 000
Rawlplug France SAS	Arval Partners Cofiparc SAS	78	81
	<b>Total</b>	<b>20 078</b>	<b>16 081</b>

## NOTE NO. 17. 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 Company are used in construction, automotive, energy, road building, wood industry, machinery, electronic machinery, mining, ship-building, and they guarantee safety and durability. RAWLPLUG S.A.'s assortment is very diverse therefore it is not possible to separate product lines by product. Information on key customers is presented in the Management Report for 2022.

The transaction price includes fixed and variable remuneration. Variable remuneration applies to discounts for customers for generating specific order

	At 31.12.2022	At 31.12.2021
Net revenue from sale of products	433 697	358 101
Net revenue from sale of services	25	36
Net revenue from sale of goods	175 824	156 137
Net revenue from sale of materials	1 107	998
<b>Total</b>	<b>610 653</b>	<b>515 272</b>

	At 31.12.2022	At 31.12.2021
Domestic	290 985	253 737
Export	319 668	261 535
<b>Total</b>	<b>610 653</b>	<b>515 272</b>

volumes.

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.

## NOTE NO. 18.

### Expenses by nature

	01-12.2022	01-12.2021
Depreciation	13 286	11 882
Use of materials and energy	164 321	114 614
Employee benefit expenses	70 573	63 318
Business travel	905	188
Transport	25 368	20 279
Representation and advertising	5 865	4 743
Taxes and fees	2 568	2 548
External services	44 275	40 958
Other costs	22 645	18 826
<b>Total</b>	<b>349 806</b>	<b>277 356</b>
<b>COST OF EMPLOYEE BENEFITS</b>	<b>01-12.2022</b>	<b>01-12.2021</b>
Salaries and wages	57 495	51 548
Social security and other benefits	11 126	9 988
Expenditure on defined-benefit pension programs	403	336
Other	1 549	1 446
<b>Total</b>	<b>70 573</b>	<b>63 318</b>

## NOTE NO. 19. Other operating revenues and expenses

OTHER OPERATING REVENUES	01-12.2022	01-12.2021
Gain on disposal of non-financial non-current assets	333	3 218
Impairment of receivables	5 817	4 483
Reversal of impairment losses on inventories	1 282	744
Reversal of provisions	324	722
Settlement of leasing	51	74
Lease / rent income	1 145	603
Refund of legal expenses / received penalties and compensations	99	179
Proceeds from liquidation of current assets	315	428
Other	7 922	5 248
<b>Total</b>	<b>17 288</b>	<b>15 699</b>

OTHER OPERATING EXPENSES	01-12.2022	01-12.2021
Impairment of receivables	5 074	5 944
Impairment of inventories	1 346	1 417
Penalties and compensations	34	760
Donations	27	14
Recognition of provisions	91	612
Inventory shortages	808	790
Scrapping costs	584	563
Settlement of leasing	46	50
Receivables written off	651	190
Depreciation of rented tangible assets and intangible assets	118	169
Other	6 467	3 881
<b>Total</b>	<b>15 246</b>	<b>14 390</b>

## NOTE NO. 20.

### Finance income and costs

Finance income concerns financial assets at amortised cost, except for dividends and income from sureties and guarantees.

Finance costs concern financial liabilities at amortised cost, except for the cost of sureties and guarantees and impairment of investment properties.

FINANCE INCOME	01-12.2022	01-12.2021
Interest on loans and borrowings granted	4 959	1 567
Dividends and share of profit	4 925	22 129
Sureties and guarantees	207	324
Other interest	41	42
Measurement of derivatives	16 391	2 232
Other	478	16
<b>Total</b>	<b>27 001</b>	<b>26 310</b>

FINANCE COSTS	01-12.2022	01-12.2021
Interest on loans and borrowings	19 125	4 055
Other interest	3 853	1 898
Bank commissions and fees	701	905
Impairment of financial assets	74	58
Losses on exchange differences	2 459	389
Measurement of derivatives	1 865	562
Sureties and guarantees	560	563
Loss on sale of financial assets	2 015	566
<b>Total</b>	<b>30 652</b>	<b>8 996</b>

## NOTE NO. 21

### Earnings per share

Basic profit per share attributable to the Company's owners 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 number of shares was calculated on the basis of issued shares and adjusted by a weighted factor reflecting the period in which own shares bought by RAWLPLUG S.A. existed in the period 1 January - 31 December 2022.

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	21 677	53 120
Weighted average number of ordinary shares	31 059 401	31 059 401
Earnings per share (in PLN)	0.70	1.71

## NOTE NO. 22

### 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

TRANSACTIONS WITH SUBSIDIARIES	01-12.2022	01-12.2021
Sale of products, goods, materials and services	229 241	185 421
Purchase of goods, materials and services	166 803	103 674
Other operating revenues	15 588	30 365
Purchase of property, plant and equipment	35	82
Other costs	4 662	2 280
	31.12.2022	31.12.2021
Liabilities	11 539	11 539
Receivables	52 504	43 126
Loans and borrowings granted	49 023	49 960
Loans and borrowings received	78 590	32 570

*Concerns transactions with the following entities: Koelner Rawlplug IP Sp. z o.o., Rawlplug Ltd, Rawlplug Ireland Ltd, Rawlplug France SAS, Koelner Vilnius UAB, Koelner Hungaria Kft, Koelner Deutschland GmbH, Stahl GmbH, Rawl Scandinavia AB, Rawlplug Middle East FZE, 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
Other costs	0	9
	31.12.2022	31.12.2021
Liabilities	0	0
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
Sale of products, goods, materials and services	0	467
Purchase of goods, materials and services	2 603	1 320
Other operating revenues	7	7
	31.12.2022	31.12.2021
Liabilities	97	51
Receivables	12	98

*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.*

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On 2 September 2022, RAWLPLUG S.A. increased the amount of guarantee for Koelner Rawlplug IP Sp. z o.o. to CMC Poland Sp. z o.o. from PLN 16 000 thousand to PLN 20 000 thousand. As at 31 December 2022, RAWLPLUG S.A. held contingent liabilities on sureties and guarantees granted to related parties in total amounting to PLN 20 078 thousand. A detailed list is presented in the table below:

Entity receiving the surety	Beneficiary	Liabilities connected with sureties / guarantees issued	Object of collateral	Term of surety / guarantee
Koelner Rawlplug IP Sp. z o.o.	CMC Poland Sp. z o.o.	20 000	supplies / services	31.12.2023
Rawlplug France SAS	Arval Partners Confiparc SAS	78	Credit agreement	31.10.2024

The following table presents liabilities on the sureties and guarantees received by RAWLPLUG S.A. as of 31 December 2022.

Entity issuing the surety	Beneficiary	Level of credit liabilities guaranteed by other entities	Term for which the surety was issued
Koelner Rawlplug IP Sp. z o.o.	ING Lease (Polska) Sp. z o.o.	17 461	03.2022 - 06.2027

## NOTE NO. 23 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.

31.12.2022						
Company	Stake	Impairment loss on shares	Loans	Impairment loss on 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)

\* not subject to consolidation as at 31 December 2022.



In the first half of 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.

Sources of supply of components from within Ukraine were initially halted, 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. The value of this exposure is shown in the table below. 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 RAWLPLUG S.A. is monitoring risk on an on-going basis, as of the date on which these financial statements were prepared it was unable to estimate the impact of the war in Ukraine on its future results because this impact is also subject to factors that remain outside the control of RAWLPLUG S.A. and RAWLPLUG Group. At the same time, the Management Board currently sees

no threat to the Company's going concern.

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 Company's Management Board will disclose the relevant information through current reports.

## NOTE NO. 24 Currency risk

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

The Company did not execute any currency risk hedging transactions in 2022. Monetary assets and liabilities expressed in currencies other than the functional currency, after translation into PLN, as at 31 December 2022 are presented below.

Currency	Trade receivables - gross	Other receivables gross	Loans granted	Advance payments	Cash	Trade payables	Other liabilities	Loans and borrowings received
EUR	37 353	3	5 341	0	128	10 089	24 442	51 995
USD	33 357	1 897	46 013	0	93	14 203	10 938	5 024
GBP	10	0	0	0	0	1 379	2 121	6 408
PLN	51 967	5 436	38 239	3 034	1 622	74 761	41 728	261 125
CZK	0	0	0	0	0	0	0	0
HUF	0	0	0	0	0	0	0	22 206
CHF	0	0	0	0	0	0	0	0
INR	0	0	0	0	0	1 469	0	0
AUD	0	0	0	0	0	36	0	0
<b>TOTAL</b>	<b>122 687</b>	<b>7 336</b>	<b>89 593</b>	<b>3 034</b>	<b>1 843</b>	<b>101 937</b>	<b>79 229</b>	<b>346 758</b>

Presented here is an analysis of the sensitivity of Group earnings to changes in financial assets and liabilities due to fluctuations of EUR, USD, GBP 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	1	3 735	3 336	0	7 072
Other receivables	0	0	190	0	190
Loans and borrowings granted	0	534	4 601	0	5 135
Advances for fixed assets, intangible assets, inventories	0	0	0	0	0
Cash and cash equivalents	0	13	9	0	22
<b>Total financial assets</b>	<b>1</b>	<b>4 282</b>	<b>8 136</b>	<b>0</b>	<b>12 419</b>
Trade and other payables	(138)	(1 009)	(1 420)	0	(2 567)
Other liabilities	(212)	(2 444)	(1 094)	0	(3 750)
Loans and borrowings	(641)	(5 200)	(502)	(2 221)	(8 564)
<b>Total financial liabilities</b>	<b>(991)</b>	<b>(8 653)</b>	<b>(3 016)</b>	<b>(2 221)</b>	<b>(14 881)</b>
<b>Effect on gross result before tax</b>	<b>(990)</b>	<b>(4 371)</b>	<b>5 120</b>	<b>(2 221)</b>	<b>(2 462)</b>

## NOTE NO. 25 Interest rate risk

RAWLPLUG S.A. 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	88 806	1 640	1 329
<b>Total financial assets</b>	<b>88 806</b>	<b>1 640</b>	<b>1 329</b>
Loans and borrowings received	79 300	(1 465)	(1 186)
Credit facilities	67 458	(1 246)	(1 009)
Leases	24 461	(452)	(366)
<b>Total financial liabilities</b>	<b>171 219</b>	<b>(3 162)</b>	<b>(2 562)</b>
<b>TOTAL</b>		<b>(1 522)</b>	<b>(1 233)</b>

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 Company 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 Company executed two IRSs 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. 26

### Credit risk

RAWLPLUG S.A.'s customers 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 Company's client base.

RAWLPLUG S.A. does not have debtors whose receivables would exceed 5% of total receivables. In consequence, the Company is not exposed to a material concentration of credit risk.

	At 31.12.2022	At 31.12.2021
Trade receivables, including:	109 768	97 658
On time	69 161	69 923
Overdue, including:	40 607	27 735
a) up to 1 month	14 285	12 116
b) between 1 and 3 months	9 669	8 975
c) between 3 and 6 months	7 965	4 999
d) between 6 months and 1 year	5 640	1 399
e) over 1 year	3 048	246

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	88 806	86 199
Trade receivables and other financial receivables	111 828	97 658
Cash and cash equivalents in bank accounts	1 843	1 446

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

RAWLPLUG S.A.'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 Company'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.

RAWLPLUG S.A. 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 other assets assumes, for instruments for which the increase in credit risk since initial recognition has not been significant or the risk is low,

	Indicator of impairment	Value gross	Impairment	Value net
<b>Trade receivables, including:</b>		<b>122 687</b>	<b>12 919</b>	<b>109 768</b>
On time	1.00%	69 640	479	69 161
<b>Overdue, including:</b>	<b>23.00%</b>	<b>53 047</b>	<b>12 440</b>	<b>40 607</b>
a) up to 1 month	0.00%	14 285	0	14 285
b) between 1 and 3 months	0.00%	9 669	0	9 669
c) between 3 and 6 months	2.00%	8 141	176	7 965
d) between 6 months and 1 year	10.00%	6 273	633	5 640
e) over 1 year	79.00%	14 679	11 631	3 048

the recognition of default losses for the following 12-month period first.

For loans granted, the Company considers them to feature low credit risk if they are not past due at the verification date and the borrower confirms the debt balance. The Company 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 Company 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 Company as impaired financial assets due to credit risk.

Within trade receivables, which constitute the most significant class of assets exposed to credit risk, the Company 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 Company 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. 27

### Liquidity risk

RAWLPLUG S.A. 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:		101 937	76 760
On time		62 564	60 246
Overdue, including:		39 373	16 514
a) up to 1 month		18 326	11 314
b) between 1 and 3 months		15 881	3 960
c) between 3 and 6 months		4 009	743
d) between 6 months and 1 year		885	113
e) over 1 year		272	384
<b>At 31.12.2022</b>	<b>Current up to 6 months</b>	<b>Current up to 12 months</b>	<b>Non-current 1 to 3 years</b>
Credit facilities	0	6 429	261 029
Loans	0	20 199	59 101
<b>Total exposure to liquidity risk</b>	<b>0</b>	<b>26 628</b>	<b>320 130</b>

<b>At 31.12.2022</b>	<b>Current up to 12 months</b>	<b>Non-current 1 to 3 years</b>
Lease liabilities	11 981	12 480
Trade and other liabilities	113 750	0
Other financial liabilities	42 956	0
<b>Total exposure to liquidity risk</b>	<b>168 687</b>	<b>12 480</b>

At 31.12.2021	Current up to 6 months	Current up to 12 months	Non-current 1 to 3 years
Credit facilities	70 354	112 927	52 570
Loans	0	33 249	0
<b>Total exposure to liquidity risk</b>	<b>70 354</b>	<b>146 176</b>	<b>52 570</b>

At 31.12.2021	Current up to 12 months	Non-current 1 to 3 years
Lease liabilities	10 313	14 417
Trade and other liabilities	89 186	0
Other financial liabilities	37 556	0
<b>Total exposure to liquidity risk</b>	<b>137 055</b>	<b>14 417</b>

## NOTE NO. 28 Capital management

RAWLPLUG S.A. 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 its financial condition.

RAWLPLUG S.A. 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 Company 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 9.15.

The Company 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. 29

### Remuneration of management and supervisory personnel

01-12.2021	Remuneration at RAWLPLUG S.A.
Management Board	137
Supervisory Board	178

01-12.2022	Remuneration at RAWLPLUG S.A.
Management Board	142
Supervisory Board	201

## NOTE NO. 30.

### Events after the end of the reporting period

On 27 February 2023, the Company 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 Company's Management Board decided to open a company in Spain. The entity is currently being registered.





## NOTE NO. 31

### 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 Company'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. Only investment properties are measured at level 3. No level changes or measurement methodology changes were made in 2022.

## NOTE NO. 32

### Employment

The following table presents average employment for 2022, by work group:

01-12.2022	Employment
Direct production workers	169
Indirect production workers	175
Sales force	353
Other	40
<b>Total</b>	<b>737</b>

## NOTE NO. 33

### 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. 34

### Explanations concerning sensitivity analyses of impairment tests

Subject to impairment testing were shares in the following companies: Rawlplug France SAS, Rawlplug Vietnam Company Limited, Rawlplug Manufacturing (Thailand) Limited, Rawlplug Singapore Pte. Ltd and Rawlplug Shanghai Trading Ltd. 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 valuation assumptions adopted give no grounds for recognising impairment.

#### 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 Singapore Pte. Ltd

The calculation for the impairment test of the goodwill item for Rawlplug Singapore Pte. Ltd was made using the discounted cash flow method. The calculations were based on a 2023 budget prepared by the company's management and estimated data prepared by the Group's management for 2024-2027. The discount rate applied was calculated using Rawlplug Singapore Pte Ltd's actual financial data, as well as interest rates from external information sources. In the case of Rawlplug Singapore Pte. Ltd, goodwill was estimated assuming sales growth for the budget period and conservative growth in 2024-2037. To determine the residual value, which means the selling price of the asset at the end of its useful life, concerning cash flows beyond 15 years, the perpetual annuity formula was adopted.

The above calculations do not create grounds for recognising impairment losses. The company is not subject to consolidation.

#### Rawlplug Vietnam Company Limited

The calculation for the impairment test of the goodwill item for Rawlplug Vietnam Company Limited was made using the discounted cash flow method. The calculations were 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 Vietnam Company Limited's actual financial data, as well as interest rates from external information sources. In the case of Rawlplug Vietnam Company Limited, the estimation of the company's value was made assuming growth in sales for the budgeted period resulting from the expansion of the company's production portfolio (increasing production capacity and product range) and further product development between 2024 and 2027. 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. The company is not subject to consolidation.

#### **Rawlplug Manufacturing (Thailand) Limited**

The calculation for the impairment test of the goodwill item for Rawlplug Manufacturing (Thailand) Limited was made using the discounted cash flow method. The calculations were based on a 2023 budget prepared by the company's management and estimated data prepared by the Group's management for 2024-2037. The discount rate applied was calculated using

Rawlplug Manufacturing (Thailand) Limited's actual financial data, as well as interest rates from external information sources. To determine the residual value, which represents the sale price of the asset at the end of its useful life, concerning cash flows beyond 15 years, the perpetual annuity formula was adopted.

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

#### **Rawlplug Shanghai Trading Ltd**

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

The company is not subject to consolidation.

## **NOTE NO. 35** **Statement on non-financial data**

The statement on non-financial data of RAWLPLUG S.A. 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. 36 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
Fee for audit of separate financial statements	62	52
Fee for review of separate financial statements	26	21



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

These separate 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.

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### MAREK MOKOT

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

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### PIOTR KOPYDŁOWSKI

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

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and the person responsible for book-keeping:

### MAŁGORZATA GŁĄBICKA

Director for Accounting and Financial Reporting

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Wrocław, 23 March 2023



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